

Centre Area Transportation Authority



**Financial Statements and
Supplementary Information**

June 30, 2016 and 2015



REINSEL KUNTZ LESHER
certified public accountants & consultants

FOCUSED. ON YOU.

Centre Area Transportation Authority

Table of Contents

June 30, 2016 and 2015

	Page
INDEPENDENT AUDITOR'S REPORT	1 to 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 to 9
FINANCIAL STATEMENTS	
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Net Position	11 and 12
Statement of Cash Flows	13 and 14
Notes to Financial Statements	15 to 26
SUPPLEMENTARY INFORMATION	
Operating Expenses	27
Changes in Net Position	28
Other Operating Statistics - Unaudited	29
Schedule of LEG - Fixed Route Urban Expenses - FY 15-16	30
Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 15-16	31
Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 15-16	32
Schedule of LEG - Non-Fixed Route Public Vanpool Expenses - Urban - FY 15-16	33
Reconciliation of Operating Expenses to Financial Statements Prepared Under Accounting Principles Generally Accepted in the United States of America	34
Schedule of LEG - Fixed Route Revenues - FY 15-16	35
Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 15-16	36
Reconciliation of Operating Revenues to Financial Statements Prepared Under Accounting Principles Generally Accepted in the United States of America	37
Schedule of LEG - Fixed Route Subsidies - FY 15-16	38
Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 15-16	39
Reconciliation of Reported Subsidies to Financial Statements Prepared Under Accounting Principles Generally Accepted in the United States of America	40

Centre Area Transportation Authority

Table of Contents (continued)

June 30, 2016 and 2015

	Page
SUPPLEMENTARY INFORMATION (continued)	
Schedule of LEG - Budget Summary - FY 15-16	41
Schedule S1 - Local Match Provided - FY 15-16	42 and 43
Schedule S1A - Local Match Provided - FY 15-16	44
Schedule S2 - Local Match Carryover - FY 15-16	45
Schedule S5 - Urban Section 1513 Program Carryover - FY 15-16	46
Schedule S6 - Shared Ride Expense Allocation Worksheet	47
Shared Ride Retained Earnings	48
Capital Report #1 - Fiscal Year and Inception-to-Date Capital Project Spending	49
Capital Report #2 - Use of Working Capital	50
Capital Report #3 - Request to Finance Capital Projects and Financial Data	51



Independent Auditor's Report

To the Board of Directors
Centre Area Transportation Authority
State College, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Centre Area Transportation Authority (the Authority) as of and for the years ended June 30, 2016 and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of the Pennsylvania Department of Transportation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Centre Area Transportation Authority as of June 30, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 9 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 audits 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying other operating statistics listed unaudited as supplementary information on page 29 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards* and Pennsylvania Department of Transportation

In accordance with *Government Auditing Standards* and the audit requirements of the Pennsylvania Department of Transportation, we have also issued our report, dated October 24, 2016, on our consideration of the 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* and the audit requirements of the Pennsylvania Department of Transportation in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Reinsel Kintz Lesher LLP".

October 24, 2016
Lancaster, Pennsylvania

Centre Area Transportation Authority

Management's Discussion and Analysis

June 30, 2016 and 2015

The following discussion and analysis of the Centre Area Transportation Authority's (CATA or the Authority) financial performance provides an introduction to the Authority's basic financial statements for the fiscal years ended June 30, 2016. Please read it in conjunction with the Authority's financial statements.

Authority Activities and Highlights

- The Authority's net position increased by \$11,324,657 or 42.95% for the year ended June 30, 2016, compared to an increase of \$7,456,842 or 39.43% and an increase of \$1,070,493 or 6.00% for the years ended June 30, 2015 and 2014, respectively.
- The Authority is in the process of constructing a new operating facility which represents approximately a \$40,200,000 project. This project is being funded through federal, state, and local grants.
- The Authority's operating revenues increased 2.53%, while expenses, including depreciation, increased by 1.80% for the year ended June 30, 2016. Increased revenues resulted primarily from higher purchase-of-service income from the Authority's apartment pass program and contracted service to The Pennsylvania State University (Penn State), as well as increased sales of Penn State's Ride for \$5. Additionally, revenue was received from CNG Tax Credit. The primary reasons for the increase in operating expenditures include wage increases and higher employee benefit costs. Also notable is the fact that approximately \$900,000 in healthcare refunds were recognized, which served to keep the overall increase in expenses for the year at the noted level. For the years ended June 30, 2015 and 2014, operating revenues increased 9.55% and 5.46%, respectively, while expenses increased 6.09% and 7.35%, respectively.
- The Authority provided approximately 7.0 million trips and recorded almost 1.9 million total revenue miles during the year ended June 30, 2016 in fixed route service. Demand responsive paratransit service accounted for approximately an additional 31,000 trips and 148,000 revenue miles, and commuter services provided approximately 200,000 trips and 1.0 million revenue miles.
- Operational highlights for the year ended June 30, 2016 included acquisition of five vanpool vans and ten service vehicles. Work continued on the Authority's facility expansion project funded by PennDOT and a Federal State of Good Repair grant.

Overview of the Financial Statements

CATA's basic financial statements include a statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; and notes to the financial statements. This report also includes other supplementary information.

The Authority's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

Centre Area Transportation Authority

Management's Discussion and Analysis

June 30, 2016 and 2015

Overview of the Financial Statements (continued)

Statement of Net Position - The statement of net position presents the financial position of the Authority and includes information on CATA's assets and liabilities, with the difference between them 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.

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 Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements are included in this report.

Financial Analysis

Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of CATA, assets exceed liabilities by \$37,694,378, \$26,369,721, and \$18,912,879 at June 30, 2016, 2015, and 2014, respectively.

A condensed summary of the Authority's statement of net position is presented below at June 30:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets			
Current assets	\$ 10,774,887	\$ 8,817,398	\$ 5,380,435
Capital assets, net	<u>37,643,478</u>	<u>26,318,821</u>	<u>18,861,979</u>
Total Assets	<u>48,418,365</u>	<u>35,136,219</u>	<u>24,242,414</u>
Liabilities	<u>10,723,987</u>	<u>8,766,498</u>	<u>5,329,535</u>
Net Position			
Investment in capital assets	37,643,478	26,318,821	18,861,979
Unrestricted	<u>50,900</u>	<u>50,900</u>	<u>50,900</u>
Total Net Position	<u>\$ 37,694,378</u>	<u>\$ 26,369,721</u>	<u>\$ 18,912,879</u>

Centre Area Transportation Authority

Management's Discussion and Analysis

June 30, 2016 and 2015

Financial Analysis (continued)

Net Position (continued)

By far the largest portion of the Authority's net position reflects in its investment in capital assets (e.g., land, construction-in-process, buildings, vehicles, and equipment). CATA receives capital grant funding from the federal, state, and local governments to acquire these capital assets. Therefore, certain restrictions are placed on their disposal. CATA uses these capital assets to support and provide public transportation services. For this reason, and due to the restrictions placed on the disposal of these capital assets, these assets are not available for future spending.

Changes in Revenues and Expenses - A condensed summary of the Authority's statement of revenues, expenses, and changes in net position is presented below for the years ended June 30:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating Revenues			
Passenger fares	\$ 7,647,563	\$ 7,532,922	\$ 6,899,527
Grant subsidized fares	244,579	281,503	321,377
Other operating revenues	620,628	488,563	357,952
Total Operating Revenues	<u>8,512,770</u>	<u>8,302,988</u>	<u>7,578,856</u>
Operating Expenses			
Salaries, wages, and payroll taxes	8,425,028	7,794,003	7,442,908
Fringe benefits	2,665,031	3,111,406	2,910,805
Purchased transportation	507,258	720,343	769,272
Depreciation	2,407,235	2,160,669	1,851,613
Other operating expenses	2,943,383	2,862,533	2,718,177
Total Operating Expenses	<u>16,947,935</u>	<u>16,648,954</u>	<u>15,692,775</u>
Nonoperating Revenues (Expenses)			
Federal government	3,139,837	3,256,078	857,062
Local governments	560,937	574,074	558,041
Commonwealth Act 44 funds	2,334,316	2,400,503	4,917,804
Interest income	160	199	221
Interest expense	(7,320)	(45,557)	(70,822)
Loss on disposal of capital assets	(72)	(21,230)	(1,054)
Total Nonoperating Revenues (Expenses)	<u>6,027,858</u>	<u>6,164,067</u>	<u>6,261,252</u>
Capital Grant Funding	<u>13,731,964</u>	<u>9,638,741</u>	<u>2,923,160</u>
Increase in Net Position	<u>\$ 11,324,657</u>	<u>\$ 7,456,842</u>	<u>\$ 1,070,493</u>

Centre Area Transportation Authority

Management's Discussion and Analysis

June 30, 2016 and 2015

Financial Analysis (continued)

Changes in Revenues and Expenses (continued)

The Authority is dependent on federal, state, and local governments to fund its operations. The funding received from these entities is included in nonoperating revenues.

The Authority's major expenses are salaries, wages, and fringe benefits. Operating revenues consist primarily of passenger fares, over half of which represent income from contracts with apartment complexes and Penn State to purchase free-fare transportation for specified passenger groups or on specific routes.

Capital Assets and Debt Administration

Capital Assets

CATA's investment in capital assets includes land, construction-in-process, buildings, revenue and service vehicles and equipment, shop and garage equipment, furniture and office equipment, and miscellaneous revenue equipment. Capital acquisitions are recorded at cost and are funded by federal, state, and local government grants.

CATA's investment in capital assets as of June 30, 2016, 2015, and 2014, net of accumulated depreciation, amounted to \$37,643,478, \$26,318,821, and \$18,861,979, respectively. These amounts represent a net increase (including additions, deletions, and depreciation) of \$11,324,657 or 43.03% for the year ended June 30, 2016, a net increase of \$7,456,842 or 39.53% and a net increase of \$1,070,493 or 6.02% for the years ended June 30, 2015 and 2014, respectively, from the previous years.

	Capital Assets at June 30,		
	2016	2015	2014
Land	\$ 340,700	\$ 340,700	\$ 340,700
Construction-in-process	19,725,608	6,385,919	2,917,050
Buildings	8,662,307	8,576,448	8,625,706
Revenue vehicles and equipment	21,997,767	17,329,628	16,116,976
Service vehicles and equipment	365,239	260,897	162,278
Shop and garage equipment	357,637	220,958	218,879
Furniture and office equipment	837,302	5,398,904	555,650
Miscellaneous revenue equipment	180,694	223,820	223,820
	<u>\$ 52,467,254</u>	<u>\$ 38,737,274</u>	<u>\$ 29,161,059</u>

During the year ended June 30, 2016, the Authority expended \$13,931,980 on five vanpool vans, ten service vehicles, APTS improvements, upgraded computer equipment, addition of passenger shelters/signs/amenities, a new point of sale system, and the Authority's facility expansion project.

Centre Area Transportation Authority

Management's Discussion and Analysis

June 30, 2016 and 2015

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

During the year ended June 30, 2015, the Authority expended \$9,638,741 on ten 40' buses, five 33' buses, three paratransit vehicles, two vanpool vans, and five service vehicles; a strategic plan update; paratransit software improvements; APTS improvements; upgraded computer equipment; a new phone system; addition of passenger shelters, signs, and other stop amenities; and the Authority's facility expansion project.

During the year ended June 30, 2014, the Authority expended \$2,923,160 on five vanpool vans; two buses; a strategic plan update; sinkhole repair work; completion of A & E work on the Authority's maintenance building upgrade and bus storage expansion project; addition of passenger shelters, signs, and other stop amenities; accounting/human resources software package improvements; APTS improvements; and purchase of various shop and office equipment items.

For the upcoming fiscal year, we anticipate construction work to continue for the Authority's facility expansion project; acquisition of service vehicles and vanpool vans; continued APTS improvements; continued improvements to shelters and other passenger amenities; and upgraded software for time and attendance, as well as for scheduling. These projects will be funded through federal and state grants, along with the required local matching capital funds.

Additional information on the Authority's capital assets can be found in Note 10 to the financial statements.

Debt Administration

The Authority uses the lines of credit noted below for the purchase of capital assets. Additionally, acquisitions are also funded by federal, state, and local governmental grants.

The Authority has a \$1,000,000 line of credit and a \$3,198,780 line of credit. At June 30, 2016, \$-0- was outstanding against the lines of credit.

Additional information on the Authority's debt can be found in Note 11 to the financial statements.

Economic Factors

Although Centre County is predominantly rural, the Authority's service area includes the main campus of Penn State, with over 50,000 students, staff, and faculty, and the surrounding suburban areas. With parking at a premium on campus, very high population densities along student housing corridors, and increasing traffic congestion, CATA provides over seven million rides each year, an extraordinary number for a small transit system. This extremely high ridership remains the key to obtaining additional federal funds through the Small Transit Intensive Cities (STIC) program, which provides CATA with additional federal formula assistance annually, and through the Act 89 allocation formula that provides additional state operating assistance for CATA.

Centre Area Transportation Authority

Management's Discussion and Analysis

June 30, 2016 and 2015

Economic Factors (continued)

Again this year, the number of passengers who pay cash fares (including tokens and unlimited ride passes) increased, as did ridership for passengers using the fixed route system fare-free under contracts with large student-occupied apartment complexes and with Penn State. While the apartment complex contracts provide approximately \$2,000,000 in revenue, the Penn State contract, which now provides approximately \$2,400,000 to the Authority for free transportation on campus routes, has resulted in significant and sometimes difficult expansion throughout the organization. With these contracts, well over half of all passenger fare revenues, and considerably more than half of all passengers, are derived from purchase of service arrangements.

With continued growth in the area, over the past few years CATA has met demands for new or added service to accommodate riders in new residential and commercial developments being built at the outskirts of the urbanized area and beyond.

All categories of fares on CATA's bus, paratransit, and commuter services are regularly evaluated and reassessed appropriately. The Authority is dependent on the Federal Transit Administration, the Pennsylvania Department of Transportation, and local governments to finance the deficit between operating revenues and operating expenses.

Contacting the Authority's Financial Management

This financial report is designed to provide our customers, creditors, and funding agencies with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If there are any questions about this report or if additional financial information is required, please contact the Authority's Director of Finance at CATA, 2081 W. Whitehall Road, State College, Pennsylvania 16801; telephone: 814-238-2282 ext. 5179.

Centre Area Transportation Authority

Statement of Net Position

	June 30,	
	2016	2015
Assets		
Current Assets		
Cash	\$ 300	\$ 200
Cash - restricted	2,540,982	1,854,418
Accounts receivable	231,216	235,807
Inventory - parts	571,635	502,333
Prepaid expenses	371,416	116,374
Due from Commonwealth of Pennsylvania	40,766	43,265
Federal operating assistance receivable	1,441,808	585,057
Capital grants receivable	5,576,764	5,479,944
Total Current Assets	10,774,887	8,817,398
Capital Assets		
Capital assets not being depreciated	20,066,308	6,726,619
Capital assets being depreciated, net	17,577,170	19,592,202
Total Capital Assets	37,643,478	26,318,821
Total Assets	48,418,365	35,136,219
Liabilities		
Current Liabilities		
Notes payable	-	2,778,815
Accounts payable	2,846,931	1,193,778
Accrued expenses		
Wages and related withholdings	353,364	245,741
Vacation wages	446,040	403,542
Payroll taxes	26,239	18,400
Other	21,750	21,750
Unearned revenue - vanpool for capital funds	415,549	243,022
Unearned pass income	10,534	10,382
Unearned revenue	85,857	714,872
Unearned revenue - local government funds	290,232	307,063
Unearned revenue - Commonwealth of Pennsylvania Act 44 funds	6,227,491	2,829,133
Total Liabilities	10,723,987	8,766,498
Net Position		
Net Position		
Investment in capital assets	37,643,478	26,318,821
Unrestricted	50,900	50,900
Total Net Position	\$ 37,694,378	\$ 26,369,721

See accompanying notes.

Centre Area Transportation Authority

Statement of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	2016	2015
Operating Revenues		
Passenger fares	\$ 2,873,630	\$ 2,908,703
Route guarantees	4,394,205	4,207,173
Vanpool fares	379,728	417,046
State Shared Ride Program	244,579	281,503
Other contract revenue	7,605	39,240
Advertising	96,489	78,520
Miscellaneous income	516,534	370,803
Total Operating Revenues	8,512,770	8,302,988
Operating Expenses		
Salaries and wages	8,425,028	7,794,003
Fringe benefits	2,665,031	3,111,406
Services	507,258	491,902
Fuel and lubricants	660,052	801,701
Tires and tubes	81,328	98,159
Other material and supplies	764,567	695,520
Utilities	214,991	221,957
Casualty and liability	348,986	345,166
Purchased transportation	656,920	720,343
Miscellaneous expense	216,539	208,128
Depreciation	2,407,235	2,160,669
Total Operating Expenses	16,947,935	16,648,954
Loss from Operations	(8,435,165)	(8,345,966)
Nonoperating Revenues (Expenses)		
Operating grants		
Federal government	3,139,837	3,256,078
Commonwealth of Pennsylvania Act 44 funds	2,334,316	2,400,503
Local governments Act 44 matching funds	524,264	499,299
Other local operating funds	36,673	74,775
Total Government Subsidies for Operations	6,035,090	6,230,655
Interest income	160	199
Loss on disposal of capital assets	(72)	(21,230)
Interest expense	(7,320)	(45,557)
	(7,232)	(66,588)
Total Nonoperating Revenues (Expenses)	6,027,858	6,164,067
Loss Before Capital Grant Funding	(2,407,307)	(2,181,899)

See accompanying notes.

Centre Area Transportation Authority

Statement of Revenues, Expenses, and Changes in Net Position (continued)

	Years Ended June 30,	
	2016	2015
Capital Grant Funding		
Federal government	10,530,855	2,034,773
State government	3,057,783	7,267,513
Local governments and other	143,326	336,455
Total Capital Grant Funding	13,731,964	9,638,741
Increase in Net Position	11,324,657	7,456,842
Net Position at Beginning of the Year	26,369,721	18,912,879
Net Position at End of the Year	\$ 37,694,378	\$ 26,369,721

Centre Area Transportation Authority

Statement of Cash Flows

	Years Ended June 30,	
	2016	2015
Cash Flows from Operating Activities		
Cash received from customers	\$ 7,277,974	\$ 8,073,028
Cash payments to suppliers for goods and services	(4,786,863)	(5,629,601)
Cash payments to employees for services	(8,267,068)	(7,823,127)
Other operating cash receipts	613,023	449,323
Net Cash Used in Operating Activities	(5,162,934)	(4,930,377)
Cash Flows from Noncapital Financing Activities		
Receipts from operating and planning grants	8,576,697	8,308,807
Payments on notes payable, net	(2,778,815)	(237,846)
Interest paid	(7,320)	(45,557)
Net Cash Provided by Noncapital Financing Activities	5,790,562	8,025,404
Cash Flows from Capital and Related Financing Activities		
Receipts from capital grants	13,790,840	6,848,256
Purchase of capital assets	(13,731,964)	(9,638,741)
Net Cash Provided by (Used in) Capital and Related Financing Activities	58,876	(2,790,485)
Cash Flows Provided by Investing Activities		
Interest income received	160	199
Net Increase in Cash	686,664	304,741
Cash at Beginning of Year	1,854,618	1,549,877
Cash at End of Year	\$ 2,541,282	\$ 1,854,618
Cash is Comprised of the Following on the Statement of Net Position		
Cash	\$ 300	\$ 200
Cash, restricted	2,540,982	1,854,418
	\$ 2,541,282	\$ 1,854,618

Centre Area Transportation Authority

Statement of Cash Flows (continued)

	Years Ended June 30,	
	2016	2015
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Loss from operations	\$ (8,435,165)	\$ (8,345,966)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	2,407,235	2,160,669
(Increase) decrease in assets		
Accounts and other receivables	7,090	(50,352)
Inventory	(69,302)	(16,109)
Prepaid expenses	(255,042)	182,174
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,811,113	869,402
Deferred revenue	(628,863)	269,805
Net Cash Used in Operating Activities	\$ (5,162,934)	\$ (4,930,377)

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 1 - Nature of Activity

The Centre Area Transportation Authority (the Authority) was created May 17, 1974 by the Borough of State College under the laws of the Commonwealth of Pennsylvania, in compliance with the Pennsylvania Municipality Authorities Act, for the purpose of providing public transportation within Centre County. On February 11, 1984, the Authority was reorganized as a joint authority by the Borough of State College and the Townships of College, Ferguson, Harris, and Patton. The Authority is governed by a five-member board, one appointed by each of the sponsoring municipalities.

The Authority provides standard bus service on fixed routes, vanpool services, and door-to-door transportation services to the general public and to qualifying elderly and handicapped persons at special fares.

The Authority is funded by a combination of passenger fares, other operating revenues, and federal, state, and local operating and capital grants.

Note 2 - Summary of Significant Accounting Policies

The accompanying financial statements are in accordance to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies used by the Authority.

The Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statements to be incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. There are no agencies or entities which should be presented with the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Operating revenues and expenses are distinguished from nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for transportation services. Operating expenses include the 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 and capital grants from the federal, state, and local governments and interest income. The principle nonoperating expenses are interest expense and losses on the disposal of capital assets.

When restricted and unrestricted resources are available for use, it is the Authority's policy to use unrestricted resources for current operating purposes first.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

Assets, Liabilities, Net Position, Revenues, and Expenses

Cash

For purposes of reporting cash flows, the Authority considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash.

Restricted Assets

Certain proceeds from the Authority's state and local grants are classified as restricted assets on the statement of net position because their use is limited by the grantor.

Accounts Receivable

All accounts receivable are shown net of an allowance for uncollectibles, as applicable. Accounts receivable in excess of 90 days are evaluated for collectibility and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance was \$-0- at June 30, 2016 and 2015.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Net Position, Revenues, and Expenses (continued)

Inventory and Prepaid Expenses

Inventory is valued at the lower of cost or market on a first-in, first-out basis method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets

Capital assets include property, plant, and equipment with a cost in excess of \$500 and a useful life greater than one year. They are recorded at historical cost and depreciated utilizing the straight-line method over their estimated useful lives as follows:

Buildings	10 to 45 years
Revenue vehicles and equipment	4 to 12 years
Service vehicles and equipment	5 to 10 years
Shop and garage equipment	5 to 10 years
Furniture and office equipment	5 to 10 years
Miscellaneous revenue equipment	5 to 12 years

Maintenance and repairs of capital assets are expensed when incurred. Upon retirement, sale, or disposition of capital assets, the cost and accumulated depreciation are eliminated.

Upon the sale of capital assets, the proceeds, net of disposal costs, may be required to be returned to the various funding sources that initially funded the acquisition of these items.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management has concluded that no impairment adjustments were required during the years ended June 30, 2016 and 2015, respectively.

Compensated Absences

The Authority records its obligation to compensate employees for vacation time as the liability is incurred. The liability has been determined according to personnel policies of the Authority.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Net Position, Revenues, and Expenses (continued)

Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts are measurable, but are not available.

Net Position

Net position is classified into three categories as follows:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation.

Restricted Net Position is amounts that have externally imposed restrictions on how the funds can be spent.

Unrestricted Net Position is amounts that do not meet the definitions of "invested in capital assets" or "restricted" and is available for Authority operations.

Capital Grants

Capital grants are recorded for amounts restricted to capital acquisition. The Authority recognizes capital grants when earned (generally when the related capital expenditure is incurred). Capital grants are reported in the statement of revenues, expenses, and changes in net position after nonoperating revenues.

Advertising Costs

Advertising costs are expensed as incurred.

Recent Accounting Pronouncements

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement amends financial accounting and disclosure requirements for governments receiving resources or beneficial interest in irrevocable split-interest agreements. Statement No. 81 is effective for periods beginning after December 15, 2016.

In March 2016, the GASB issued Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement amends and clarifies certain pension disclosures promulgated by Statements No. 67, 68, and 73. Statement No. 82 is effective for periods beginning after June 15, 2016.

The Authority is currently evaluating what effect the adoption of these GASB statements will have on its financial statements.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 3 - Budget Matters

The Authority adopts an annual budget. However, the Pennsylvania Municipal Authorities Act does not require it.

Note 4 - Stewardship, Compliance, and Accountability

Compliance with Finance-Related Legal and Contractual Provisions

The Authority had no material violations of finance-related legal and contractual provisions.

Note 5 - Cash

The Authority has custodial credit risk on cash deposits. This is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority has a deposit policy for custodial risk that requires depository institutions to pledge securities as collateral for deposits that exceed depository insurance.

As of June 30, 2016 and 2015, the carrying amounts of the Authority's bank deposits were \$2,540,982 and \$1,854,418 and the corresponding bank balances were \$3,761,916 and \$2,123,596 of which \$3,511,916 and \$973,451, respectively, were exposed to custodial risk because they were uninsured, but are collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name. The Authority has petty cash funds of \$300 and \$200 as of June 30, 2016 and 2015, respectively.

Note 6 - Restricted Cash

Cash, whose use is limited to a specific purpose, has been classified as "restricted" in the financial statements. Restricted cash consists of the following at June 30:

	<u>2016</u>	<u>2015</u>
Deferred Vanpool funds for capital	\$ 415,549	\$ 243,022
Unearned local government funds	290,232	307,063
Commonwealth of Pennsylvania Act 44	<u>1,835,201</u>	<u>1,304,333</u>
	<u>\$ 2,540,982</u>	<u>\$ 1,854,418</u>

At June 30, 2016 and 2015, the Authority utilized \$4,392,290 and \$1,524,800 of Act 44 funds on operating and capital projects, which will be returned to the restricted account upon payment of the federal and state share of those projects which are in grants receivable at June 30, 2016.

Note 7 - Due from Commonwealth of Pennsylvania

At June 30, 2016 and 2015, \$40,766 and \$43,265, respectively, was due for the State Shared Ride Program.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 8 - Federal Operating Assistance Receivable

At June 30, 2016 and 2015, \$1,441,808 and \$585,057, respectively, was due from the Federal Transit Administration for operating assistance.

Note 9 - Capital Grants Receivable

The following amounts are due on capital project grants at June 30:

	2016	2015
Federal government	\$ 2,281,093	\$ 787,303
Commonwealth of Pennsylvania	3,295,671	4,692,641
	<u>5,576,764</u>	<u>\$ 5,479,944</u>

Note 10 - Capital Assets

Capital asset activity was as follows for the years ended June 30:

	2016			
	Balance July 1, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
Capital Assets Not Being Depreciated				
Land	\$ 340,700	\$ -	\$ -	\$ 340,700
Construction-in-process	6,385,919	13,339,641	48	19,725,608
Total Capital Assets Not Being Depreciated	<u>6,726,619</u>	<u>13,339,641</u>	<u>48</u>	<u>20,066,308</u>
Capital Assets Being Depreciated				
Buildings	8,576,448	-	85,859	8,662,307
Revenue vehicles and equipment	17,329,628	158,509	4,509,630	21,997,767
Service vehicles and equipment	260,897	173,774	(69,432)	365,239
Shop and garage equipment	220,958	4,655	132,024	357,637
Furniture and office equipment	5,398,904	32,715	(4,594,317)	837,302
Miscellaneous revenue equipment	223,820	22,669	(65,795)	180,694
Total Capital Assets Being Depreciated	<u>32,010,655</u>	<u>392,322</u>	<u>(2,031)</u>	<u>32,400,946</u>
Accumulated Depreciation				
Buildings	5,942,647	306,671	(32,039)	6,217,279
Revenue vehicles and equipment	5,366,305	1,974,634	193,664	7,534,603
Service vehicles and equipment	77,415	35,668	1,291	114,374
Shop and garage equipment	124,433	28,139	51,395	203,967
Furniture and office equipment	718,567	48,456	(97,960)	669,063
Miscellaneous revenue equipment	189,086	13,667	(118,263)	84,490
Accumulated Depreciation	<u>12,418,453</u>	<u>2,407,235</u>	<u>(1,912)</u>	<u>14,823,776</u>

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 10 - Capital Assets (continued)

	2016			Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions/ Transfers	
Capital Assets Being Depreciated, Net	19,592,202	(2,014,913)	(119)	17,577,170
Capital Assets, Net	\$ 26,318,821	\$ 11,324,728	\$ (71)	\$ 37,643,478
	2015			
	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets Not Being Depreciated				
Land	\$ 340,700	\$ -	\$ -	\$ 340,700
Construction-in-process	2,917,050	3,468,869	-	6,385,919
Total Capital Assets Not Being Depreciated	3,257,750	3,468,869	-	6,726,619
Capital Assets Being Depreciated				
Buildings	8,625,706	-	49,258	8,576,448
Revenue vehicles and equipment	16,116,976	1,216,057	3,405	17,329,628
Service vehicles and equipment	162,278	98,619	-	260,897
Shop and garage equipment	218,879	2,079	-	220,958
Furniture and office equipment	555,650	4,853,117	9,863	5,398,904
Miscellaneous revenue equipment	223,820	-	-	223,820
Total Capital Assets Being Depreciated	25,903,309	6,169,872	62,526	32,010,655
Accumulated Depreciation				
Buildings	5,670,461	305,157	32,971	5,942,647
Revenue vehicles and equipment	3,843,381	1,524,020	1,096	5,366,305
Service vehicles and equipment	37,582	39,833	-	77,415
Shop and garage equipment	107,486	16,947	-	124,433
Furniture and office equipment	467,673	258,123	7,229	718,567
Miscellaneous revenue equipment	172,497	16,589	-	189,086
Accumulated Depreciation	10,299,080	2,160,669	41,296	12,418,453
Capital Assets Being Depreciated, Net	15,604,229	4,009,203	21,230	19,592,202
Capital Assets, Net	\$ 18,861,979	\$ 7,478,072	\$ 21,230	\$ 26,318,821

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 11 - Notes Payable

The Authority has a \$1,000,000 secured line of credit with a bank of which \$0- was outstanding at June 30, 2016 and 2015, respectively. Interest is accrued on the outstanding balance at LIBOR plus 3.50% (4.00% and 3.68% at June 30, 2016 and 2015, respectively). The note is secured by future receipts and revenues of the Authority.

The Authority has a \$3,198,780 secured line of credit with a bank of which \$0- and \$2,778,815 was outstanding at June 30, 2016 and 2015, respectively. Interest is accrued on the outstanding principal balance at LIBOR plus 3.50% (4.00% and 3.68% at June 30, 2016 and 2015). The note is secured by future receipts and revenues of the Authority.

The lines of credit outstanding at June 30, 2016 are subject to the terms of the loan agreement which provides, among other things, for restrictions on indebtedness and liens. Also, the Authority is required to maintain a certain level of financial performance in relation to the debt service requirements.

Note 12 - Unearned Revenue - Vanpool Funds for Capital

The Authority charges \$200 a month for depreciation to each pool using a van in its Vanpool Program. These funds are unearned until a capital replacement is made. At June 30, 2016 and 2015, \$415,549 and \$243,022, respectively, of these charges have been deferred.

Note 13 - Unearned Revenue - Local Government Funds

Local grant funds in the amount of \$290,232 and \$307,063 at June 30, 2016 and 2015, respectively, are the local share for operating assistance and capital projects received in advance from local governments.

Note 14 - Unearned Revenue - Commonwealth of Pennsylvania Act 44 Funds

In July 2007, the Pennsylvania legislature enacted Act 44 which provides a dedicated source of funding for public transportation. The funding under this Act replaces state operating grants, the State Senior Citizens Program Grant, and dedicated tax revenues under Act 26 and Act 3. Funding under Act 44, as amended by Act 89, is to be used for operating purposes and requires certain levels of local government support. Funds not expended in the year of receipt can be carried forward for future operating expenses. The following transactions occurred in relation to Act 44 account for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Balance, Beginning of Year	\$ 2,829,133	\$ 165,834
Funds received	<u>5,732,674</u>	<u>5,063,802</u>
Total Available	8,561,807	5,229,636
Funds expended	<u>2,334,316</u>	<u>2,400,503</u>
Balance, End of Year	<u>\$ 6,227,491</u>	<u>\$ 2,829,133</u>

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 15 - 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 has joined together with other transit organizations in the Commonwealth of Pennsylvania to form the State Association for Transportation Insurance Property & Liability 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 Property & Liability Pool for its property; general liability; automobile liability; automobile physical damage; crime and boiler and machinery; and public officials' errors and omissions insurance coverage. The agreement for formation of the State Association for Transportation Insurance Property & Liability Pool provides that the State Association for Transportation Insurance Property & Liability Pool 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 the State Association for Transportation Insurance Property & Liability Pool, additional supplementary premiums may be assessed to members on a pro-rata basis. Premiums paid to the State Association for Transportation Insurance Property & Liability Pool and charged to operations during the years ended June 30, 2016 and 2015 amounted to \$267,228 and \$257,655, respectively.

The Authority has joined together with other transit organizations in the Commonwealth of Pennsylvania to form 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 during the years ended June 30, 2016 and 2015 amounted to \$259,112 and \$176,459, respectively, which was net of premium refunds in the amounts of \$253,542 and \$231,214, respectively.

The Authority carries commercial insurance for other risks of loss, including employee health and accident insurance.

For the years ended June 30, 2016 and 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, 2016, 2015, and 2014.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 16 - Defined Contribution Plan

The Authority provides pension benefits for its employees through a defined contribution money purchase plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who have 12 months of entry service are eligible to participate. The Authority contributes an amount equal to 8% of each covered employee's annual compensation. Employees who are active members are required to make contributions equal to 4% of covered compensation. The Authority's contributions for each employee (and interest allocated to the employee's account) are partially vested between three and six years of service and become fully vested after seven years of service. Authority contributions for and interest forfeited by employees are used to reduce the Authority's current period contribution requirement. The Authority's contribution of \$523,626 and \$474,079 was charged to operations for the years ended June 30, 2016 and 2015, respectively.

Note 17 - Advertising

Advertising costs included in the statement of revenues, expenses, and changes in net position for the years ended June 30, 2016, and 2015 were \$29,590 and \$20,329, respectively.

Note 18 - Commitments and Contingencies

Commitments

Bus Tire Lease

The Authority leases bus tires under the terms of an operating lease that calls for monthly payments based on actual mileage. Mileage rates are based on the billing rate per tire mile in effect during the preceding month based on calculations included in the lease agreement. The lease runs through June 30, 2017.

Office Space Lease

The Authority leases office space located at 3075 Enterprise Drive, State College, Pennsylvania. The lease was renewed through August 31, 2017, with monthly payments of \$3,565. There is an option to renew the lease for 12 additional months at a rate of \$3,565 per month.

The total minimum rental commitment at June 30, 2016 for the aforementioned lease is \$46,205, which is due as follows during the years ending June 30:

2017	\$	42,640
2018		3,565

Fuel

The Authority has entered into an agreement to lock in natural gas prices when future prices are favorable. Any additional natural gas hedged is sold back to the supplier at the current market rate. Any additional natural gas needed is purchased at the market rate. The contract runs through December 31, 2016 and contains options for two additional years.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 18 - Commitments and Contingencies (continued)

Commitments (continued)

Building Construction

The Authority is in the process of constructing a new operating facility, including office space with an estimated cost of approximately \$40,200,000. Total costs incurred on the project at June 30, 2016 are \$19,725,561. The remaining expenditures will be funded through federal, state, and local grants.

Maintenance and Support Contract

The Authority has renewed the maintenance and support contract for a software program at a total cost to the Authority of \$688,498. The remaining commitment on the contract at June 30, 2016 is \$442,080 which is due as follows during the years ending June 30:

2017	\$	130,442
2018		138,956
2019		147,192
2020		144,407

Contingencies

Grants

A significant portion of the Authority's support is received from federal, state, and local governments in the form of operating and capital grant assistance. A significant reduction in the level of this support would have a material effect on the Authority's operations.

Capital Assets

Although title to the capital assets rests with the Authority, upon disposition, the proceeds may need to be returned to the federal, state, and local governments that initially funded their acquisition under the terms of the capital grants.

Audit

The grants received by the Authority are subject to audit by the federal and state governments. As of the date of this report, management is unaware of any material adjustments that will be required as a result of such audits.

Unemployment Compensation

The Authority has elected to fund unemployment compensation insurance with the Commonwealth of Pennsylvania Unemployment Compensation Fund on a reimbursable status, whereby the Authority reimburses the Commonwealth for actual benefits paid to qualified claimants.

Centre Area Transportation Authority

Notes to Financial Statements

June 30, 2016 and 2015

Note 18 - Commitments and Contingencies (continued)

Contingencies (continued)

Litigation

In the normal course of business, the Authority is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

Concentration of Labor

The Authority entered into a collective bargaining agreement with the drivers, custodial, and maintenance employees through March 31, 2018. Of the Authority's total workforce, approximately 82% is covered by the agreement.

Capital Purchases

The Authority has capital commitments of approximately \$725,000. These expenditures will be funded through federal, state, and local capital grants.

Major Customer

The Authority provided route guarantee services, under the terms of a contract expiring June 30, 2016, for the Pennsylvania State University in the amount of \$2,400,782 and \$2,268,434 for the years ended June 30, 2016 and 2015, respectively, which represents 28% and 27%, respectively, of total operating revenues. In addition, the Pennsylvania State University provided \$129,528 and \$125,754 of local government operating grants for the years ended June 30, 2016 and 2015, respectively.

Note 19 - Subsequent Events

The Authority has evaluated subsequent events through October 24, 2016. This date is the date the financial statements were available to be issued. There were no material events subsequent to June 30, 2016, except as follows:

The Authority entered into a contract to purchase gasoline at a fixed mark-up above the local rack rate. The contract runs from August 1, 2016 through July 30, 2017.

Centre Area Transportation Authority

Operating Expenses

	Year Ended June 30, 2016								2015 Total Expenses
	Drivers	Maintenance	Supervisors and Dispatchers	Maintenance Supervisor	Custodians	Administration	Interns	2016 Total Expenses	
Salaries and wages	\$ 5,442,746	\$ 846,122	\$ 652,082	\$ 255,369	\$ 247,919	\$ 972,930	\$ 7,860	\$ 8,425,028	\$ 7,794,003
Fringe benefits	1,795,153	241,930	163,346	134,439	131,090	198,450	623	2,665,031	3,111,406
Total Compensation	7,237,899	1,088,052	815,428	389,808	379,009	1,171,380	8,483	11,090,059	10,905,409
Services	-	-	-	-	-	507,258	-	507,258	491,902
Fuel and lubricants	660,052	-	-	-	-	-	-	660,052	801,701
Tires and tubes	81,328	-	-	-	-	-	-	81,328	98,159
Other material and supplies	167,229	573,130	-	-	-	24,208	-	764,567	695,520
Utilities	-	-	-	-	-	214,991	-	214,991	221,957
Casualty and liability	-	348,986	-	-	-	-	-	348,986	345,166
Purchased transportation	-	-	-	-	-	656,920	-	656,920	720,343
Miscellaneous expense	-	-	-	-	-	216,539	-	216,539	208,128
Depreciation	-	-	-	-	-	2,407,235	-	2,407,235	2,160,669
Total Expenses	\$ 8,146,508	\$ 2,010,168	\$ 815,428	\$ 389,808	\$ 379,009	\$ 5,198,531	\$ 8,483	\$ 16,947,935	\$ 16,648,954

Centre Area Transportation Authority

Changes in Net Position

	Years Ended June 30,			
	2016		2015	
	<u>Investment in Capital Assets</u>	<u>Unrestricted Net Assets</u>	<u>Investment in Capital Assets</u>	<u>Unrestricted Net Assets</u>
Net Position at Beginning of Year	26,318,821	\$ 50,900	\$ 18,861,979	\$ 50,900
Depreciation expense	(2,407,235)	-	(2,160,669)	-
Capital grant funding				
Federal government	10,530,855	-	2,034,773	-
State government	3,057,783	-	7,267,513	-
Local governments and other	143,326	-	336,455	-
Loss on disposal of capital assets	(72)	-	(21,230)	-
Net Position at End of Year	<u>37,643,478</u>	<u>\$ 50,900</u>	<u>\$ 26,318,821</u>	<u>\$ 50,900</u>

Centre Area Transportation Authority

Other Operating Statistics - Unaudited

	Years Ended June 30,				
	2016	2015	2014	2013	2012
Passenger Trips	7,055,328	7,299,840	7,343,135	7,088,317	7,185,362
Passenger Miles	17,638,320	16,498,649	17,599,169	17,039,532	16,770,053
Operating Revenues, Expenses, and Loss from Operations					
Revenues	\$ 8,512,770	\$ 8,302,988	\$ 7,756,853	\$ 7,186,404	\$ 6,431,414
Expenses	16,947,935	16,648,954	15,870,772	15,870,772	14,533,001
Loss from Operations	\$ (8,435,165)	\$ (8,345,966)	\$ (8,113,919)	\$ (8,684,368)	\$ (8,101,587)
Operating Recovery	50.23%	49.87%	48.88%	45.28%	44.25%
Operating Revenues per Passenger Trip	\$ 1.21	\$ 1.14	\$ 1.06	\$ 1.01	\$ 0.90
Operating Expenses per Passenger Trip	\$ 2.40	\$ 2.28	\$ 2.16	\$ 2.24	\$ 2.02
Operating Revenues per Passenger Mile	\$ 0.48	\$ 0.50	\$ 0.44	\$ 0.42	\$ 0.38
Operating Expenses per Passenger Mile	\$ 0.96	\$ 1.01	\$ 0.90	\$ 0.93	\$ 0.87
Base Fare	\$ 1.75	\$ 1.75	\$ 1.50	\$ 1.50	\$ 1.50
Nonoperating Revenues					
Federal grants	\$ 3,139,837	\$ 3,256,078	\$ 857,062	\$ 1,925,771	\$ 1,875,000
Local grants	560,937	574,074	558,041	533,378	462,823
Commonwealth of Pennsylvania Act 44 funds	2,334,316	2,400,503	4,917,804	3,207,108	3,293,435
Interest income	160	199	221	384	991
Total Nonoperating Revenues	\$ 6,035,250	\$ 6,230,854	\$ 6,333,128	\$ 5,666,641	\$ 5,632,249

Note: The data above includes fixed route, paratransit, and vanpool service.

Centre Area Transportation Authority

Schedule of LEG - Fixed Route Urban Expenses - FY 15-16

Year Ended June 30, 2016

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ 5,442,745	\$ -	\$ -	\$ 5,442,745
2. Other Salaries & Wages	545,475	1,313,844	980,790	2,840,109
3. Fringe Benefits	1,953,670	490,325	207,501	2,651,496
4. Services	7,786	62,493	497,971	568,250
5. Fuel & Lubricants	509,536	36,770	-	546,306
6. Tires & Tubes	72,431	1,359	-	73,790
7. Other Materials & Supplies	33,724	552,504	64,309	650,537
8. Utilities	-	-	203,860	203,860
9. Casualty & Liability Costs	-	215,782	44,099	259,881
10. Taxes	-	-	-	-
11. Purchased Transportation	-	-	-	-
12. Miscellaneous Expenses	23,276	8,759	136,634	168,669
13. Total System Expenses	\$ 8,588,643	\$ 2,681,836	\$ 2,135,164	13,405,643
Applied Reconciling Items				
14. Interest Expenses				7,320
15. Leases & Rentals				-
16. Depreciation (privately funded assets only)				-
17. Amortization of Intangibles				-
18. Purchase Lease Agreement				-
19. Related Parties Lease Agreement				-
20. Other Reconciling Items				-
Identify:				-
21. Total Applied Reconciling Items				7,320
22. Total Operating Expenses				13,412,963
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				2,407,235
24. Other Post Employment Benefits (OPEB)				-
25. Other Reconciling Items				71
Identify: Loss on disposal of capital assets				71
Identify:				-
26. Total Non-Applied Reconciling Items				2,407,306
27. Total Operating Expenses per Audit				\$ 15,820,269

Centre Area Transportation Authority

Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 15-16

Year Ended June 30, 2016

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Other Salaries & Wages	24,026	4,004	-	28,030
3. Fringe Benefits	3,925	1,581	-	5,506
4. Services	-	-	210	210
5. Fuel & Lubricants	2,560	-	-	2,560
6. Tires & Tubes	1,233	-	-	1,233
7. Other Materials & Supplies	-	3,077	1,499	4,576
8. Utilities	1,948	-	-	1,948
9. Casualty & Liability Costs	-	-	-	-
10. Taxes	-	-	-	-
11. Purchased Transportation	356,028	-	-	356,028
12. Miscellaneous Expenses	2,266	-	108	2,374
13. Total System Expenses	<u>\$ 391,986</u>	<u>\$ 8,662</u>	<u>\$ 1,817</u>	<u>402,465</u>
Applied Reconciling Items				
14. Interest Expenses				-
15. Leases & Rentals				-
16. Depreciation (privately funded assets only)				-
17. Amortization of Intangibles				-
18. Purchase Lease Agreement				-
19. Related Parties Lease Agreement				-
20. Other Reconciling Items				-
Identify:				-
21. Total Applied Reconciling Items				<u>-</u>
22. Total Operating Expenses				<u>402,465</u>
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				-
24. Other Post Employment Benefits (OPEB)				-
25. Other Reconciling Items				-
Identify:				-
26. Total Non-Applied Reconciling Items				<u>-</u>
27. Total Operating Expenses per Audit				<u>\$ 402,465</u>

Centre Area Transportation Authority

Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 15-16

Year Ended June 30, 2016

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Other Salaries & Wages	22,922	3,819	-	26,741
3. Fringe Benefits	3,745	1,508	-	5,253
4. Services	-	-	200	200
5. Fuel & Lubricants	2,442	-	-	2,442
6. Tires & Tubes	1,177	-	-	1,177
7. Other Materials & Supplies	-	2,936	1,430	4,366
8. Utilities	-	-	-	-
9. Casualty & Liability Costs	-	1,858	-	1,858
10. Taxes	-	-	-	-
11. Purchased Transportation	-	-	-	-
12. Miscellaneous Expenses	300,892	2,161	103	303,156
13. Total System Expenses	\$ 331,178	\$ 12,282	\$ 1,733	345,193
Applied Reconciling Items				
14. Interest Expenses				-
15. Leases & Rentals				-
16. Depreciation (privately funded assets only)				-
17. Amortization of Intangibles				-
18. Purchase Lease Agreement				-
19. Related Parties Lease Agreement				-
20. Other Reconciling Items				-
Identify:				-
21. Total Applied Reconciling Items				-
22. Total Operating Expenses				345,193
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				-
24. Other Post Employment Benefits (OPEB)				-
25. Other Reconciling Items				-
Identify:				-
26. Total Non-Applied Reconciling Items				-
27. Total Operating Expenses per Audit				\$ 345,193

Centre Area Transportation Authority

Schedule of LEG - Non-Fixed Route Public Vanpool Expenses - Urban - FY 15-16

Year Ended June 30, 2016

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Other Salaries & Wages	29,828	27,743	29,830	87,401
3. Fringe Benefits	5,419	10,958	5,419	21,796
4. Services	10,395	-	6,518	16,913
5. Fuel & Lubricants	108,745	-	-	108,745
6. Tires & Tubes	5,128	-	-	5,128
7. Other Materials & Supplies	3,976	44,135	-	48,111
8. Utilities	-	-	-	-
9. Casualty & Liability Costs	-	89,105	-	89,105
10. Taxes	-	-	-	-
11. Purchased Transportation	-	-	-	-
12. Miscellaneous Expenses	-	-	10,202	10,202
13. Total System Expenses	\$ 163,491	\$ 171,941	\$ 51,969	387,401
Applied Reconciling Items				
14. Interest Expenses				-
15. Leases & Rentals				-
16. Depreciation (privately funded assets only)				-
17. Amortization of Intangibles				-
18. Purchase Lease Agreement				-
19. Related Parties Lease Agreement				-
20. Other Reconciling Items				-
Identify:				-
21. Total Applied Reconciling Items				-
22. Total Operating Expenses				387,401
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				-
24. Other Post Employment Benefits (OPEB)				-
25. Other Reconciling Items				-
Identify:				-
26. Total Non-Applied Reconciling Items				-
27. Total Operating Expenses per Audit				\$ 387,401

Centre Area Transportation Authority

Reconciliation of Operating Expenses to Financial Statements Prepared Under Accounting
Principles Generally Accepted in the United States of America
Year Ended June 30, 2016

Operating expenses reported on Schedule of LEG - Fixed Route Urban Expenses - FY 15-16	\$ 15,820,269
Operating expenses reported on Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 15-16	402,465
Operating expenses reported on Schedule LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 15-16	345,193
Operating expenses reported on Schedule of LEG - Non-Fixed Route Public Vanpool Expenses - Urban - FY 15-16	387,401
Reconciling item - rounding	(2)
Total Operating Expenses Per Schedules	<u>\$ 16,955,326</u>
Per Financial Statements	
Total operating expenses	\$ 16,947,935
Interest expense	7,320
Loss of disposal of capital assets	71
Operating Expenses Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 16,955,326</u>

Centre Area Transportation Authority

Schedule of LEG - Fixed Route Revenues - FY 15-16

Year Ended June 30, 2016

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Transportation Revenues			
1. Passenger Fares	\$ 4,773,771	\$ -	\$ 4,773,771
2. Advertising	96,489	-	96,489
3. Charter	-	-	-
4. Route Guarantees	2,399,782	-	2,399,782
Other Revenue			
5. Identify: Interest	160	-	160
6. Identify: CNG Tax Credit	468,690	-	468,690
7. Identify: Misc	47,744	-	47,744
8. Total Revenue	<u>7,786,636</u>	<u>-</u>	<u>7,786,636</u>
Non-Applied Reconciling Items			
9. Interest/investment Income	-	-	-
10. Identify:	-	-	-
11. Identify:	-	-	-
12. Total Non-Applied Reconciling Items	<u>-</u>	<u>-</u>	<u>-</u>
13. Total Revenue per Audit	<u>\$ 7,786,636</u>	<u>\$ -</u>	<u>\$ 7,786,636</u>

Centre Area Transportation Authority

Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 15-16
 Year Ended June 30, 2016

	ADA	Shared Ride 65+		Shared Ride Under 65		Public	Total
	Paratransit	Lottery Sponsored	DAS*	Standard	DAS*	Vanpool	
Transportation Revenues							
1. Passenger Fares	\$ 48,177	\$ 43,161	\$ -	\$ 2,945	\$ -	\$ 379,728	\$ 474,011
2. Advertising	-	-	-	-	-	-	-
3. Shared-Ride Lottery Trip Reimbursement	-	244,579	-	-	-	-	244,579
4. PwD Trip Reimbursement	-	-	-	-	-	-	-
5. PwD Passenger Fares	-	-	-	-	-	-	-
6. AAA	-	-	-	-	-	-	-
7. MH/MR - Shared Ride Fare Structure	-	-	-	-	-	-	-
8. W2W - Shared Ride Fare Structure	-	-	-	-	-	-	-
9. MATP - Shared Ride Fare Structure	-	-	-	-	-	-	-
Other Agencies/Third Party Sponsors							
10. Identify: Escorts	-	-	-	-	-	-	-
11. Identify:	-	-	-	-	-	-	-
Other Revenue							
MATP							
12. Admin Reimbursement for MATP Shared Ride Fare Structure	-	-	-	-	-	-	-
Other (i.e. Block Grant)							
13. Identify: PSU Rideshare	-	-	-	-	-	7,605	7,605
14. Identify: Misc	51	49	-	-	-	-	100
15. Identify:	-	-	-	-	-	-	-
16. Interest/Investment Income	-	-	-	-	-	-	-
17. Total Revenue	48,228	287,789	-	2,945	-	387,333	726,295
Non-Applied Reconciling Items							
18. Identify:	-	-	-	-	-	-	-
19. Identify:	-	-	-	-	-	-	-
20. Total Non-Applied Reconciling Items	-	-	-	-	-	-	-
21. Total Revenue per Audit	\$ 48,228	\$ 287,789	\$ -	\$ 2,945	\$ -	\$ 387,333	\$ 726,295

* Additional Department Approved Service (DAS) is Shared Ride Service provided by selected agencies grandfathered into the Section 1513 allocation formula.

Centre Area Transportation Authority

Reconciliation of Operating Revenues to Financial Statements Prepared Under Accounting

Principles Generally Accepted in the United States of America

Year Ended June 30, 2016

Operating revenues reported on Schedule of LEG - Fixed Route Revenues - FY 15-16	\$ 7,786,636
Operating revenues reported on Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 15-16	726,295
Reconciling item - rounding	<u>(1)</u>
Total Operating Revenues per Schedules	<u><u>\$ 8,512,930</u></u>
Per Financial Statements	
Total operating revenues	\$ 8,512,770
Interest income	<u>160</u>
Operating Revenues Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 8,512,930</u></u>

Centre Area Transportation Authority

Schedule of LEG - Fixed Route Subsidies - FY 15-16

Year Ended June 30, 2016

	Fixed Route Urban	Fixed Route Rural	Total
1. Federal Operating Grant	\$ 2,731,074	\$ -	\$ 2,731,074
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	-	-	-
5. Other Federal Grants for Operating Costs Identify:	-	-	-
6. Subtotal Federal Subsidy	2,731,074	-	2,731,074
7. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	2,334,316	-	2,334,316
8. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	-	-	-
9. Act 3 ASG Grant Amount Charged - State Share	-	-	-
10. Act 3 BSG Grant Amount Charged - State Share	-	-	-
11. Special Operating Grants - State Share Identify:	-	-	-
12. Subtotal State Subsidy	2,334,316	-	2,334,316
13. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source*	-	-	-
14. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Municipal Source	524,264	-	524,264
15. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Advertising Source**	-	-	-
16. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Private Source	-	-	-
17. Act 3 ASG Grant Amount Charged - Local Share	-	-	-
18. Act 3 BSG Grant Amount Charged - Local Share	-	-	-
19. Special Operating Grants - Local Share Identify:	36,673	-	36,673
20. Subtotal Local Subsidy	560,937	-	560,937
21. Grand Total Subsidy	5,626,327	-	5,626,327
Non-Applied Reconciling Items			
22. Identify: Federal	-	-	-
23. Identify: State	-	-	-
24. Identify: Local	-	-	-
25. Total Non-Applied Reconciling Items	-	-	-
26. Grand Total Subsidy per Audit	\$ 5,626,327	\$ -	\$ 5,626,327

* Local match from municipal sources must be expended the year it is received except for transit systems providing 15% match.

** Advertising revenue is only available as a local match if a municipality has agreed by resolution to offset any shortfall in advertising which results in insufficient local match funds. The use of advertising as local match reduces revenue available for operations and may reduce level of service or require fare increases.

Centre Area Transportation Authority

Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 15-16
Year Ended June 30, 2016

	ADA	Shared Ride		Public	Total
	Paratransit	Standard	DAS*	Vanpool	
Subsidy					
1. Federal Operating Grant	\$ 354,237	\$ 54,459	\$ -	\$ 68	\$ 408,764
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	-	-	-	-	-
5. Other Federal Grants for Operating Costs					
Identify:	-	-	-	-	-
6. Federal Shared-Ride Subsidy					
Identify:	-	-	-	-	-
7. Subtotal Federal Subsidy	354,237	54,459	-	68	408,764
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	-	-	-	-	-
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	-	-	-	-	-
13. State Shared Ride Subsidy					
Identify:	-	-	-	-	-
14. Subtotal State Subsidy	-	-	-	-	-
15. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source**	-	-	-	-	-
16. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source	-	-	-	-	-
17. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Advertising Source***	-	-	-	-	-
18. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Private Source	-	-	-	-	-
19. Act 3 ASG Grant Amount Charged - Local Share	-	-	-	-	-
20. Act 3 BSG Grant Amount Charged - Local Share	-	-	-	-	-
21. Special Operating Grants - Local Share					
Identify:	-	-	-	-	-
22. Local Shared Ride Subsidy					
Identify:	-	-	-	-	-
23. Subtotal Local Subsidy	-	-	-	-	-
24. Grand Total Subsidy	354,237	54,459	-	68	408,764
Non-Applied Reconciling Items					
25. Identify: Federal	-	-	-	-	-
26. Identify: State	-	-	-	-	-
27. Identify: Local	-	-	-	-	-
28. Total Non-Applied Reconciling Items	-	-	-	-	-
29. Grand Total Subsidy per Audit	\$ 354,237	\$ 54,459	\$ -	\$ 68	\$ 408,764

* Additional Department Approved Service (DAS) is Shared Ride Service provided by selected agencies grandfathered into the Section 1513 allocation formula.

** Local match from municipal sources must be expanded the year it is received except for transit systems providing 15% match.

*** Advertising revenue is only available as a local match if a municipality has agreed by resolution to offset any shortfall in advertising which results in insufficient local match funds. The use of advertising as local match reduces revenue available for operations and may reduce level of service or require fare increases.

Centre Area Transportation Authority

Reconciliation of Reported Subsidies to Financial Statements Prepared Under Accounting Principles

Generally Accepted in the United States of America

Year Ended June 30, 2016

Subsidies Reported on the Schedule of LEG - Fixed Route Subsidies - FY 15-16	\$ 5,626,327
Subsidies Reported on the Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 15-16	408,764
Reconciling item - rounding	<u>(1)</u>
Total Reported Subsidy per Schedules	<u><u>\$ 6,035,090</u></u>
Per Financial Statements	
Federal government	\$ 3,139,837
Commonwealth of Pennsylvania Act 44 funds	2,334,316
Local governments Act 44 matching funds	524,264
Other local operating funds	<u>36,673</u>
Subsidies Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 6,035,090</u></u>

Centre Area Transportation Authority

Schedule of LEG - Budget Summary - FY - 15-16

Year Ended June 30, 2016

	Fixed Route		Non-Fixed Route								Non-Public Other Transportation	Total	
	Urban	Rural	ADA Paratransit		Shared Ride				Public Vanpool				
			Urban	Rural	Standard Urban	DAS* Urban	Standard Rural	DAS* Rural	Urban	Rural			
1. Total Operating Expenses	\$ 13,412,963	\$ -	\$ 402,465	\$ -	\$ 345,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,160,621
2. Total Revenue	7,786,636	-	48,228	-	290,734	-	-	-	-	-	-	-	8,125,598
3. Operating Deficit	(5,626,327)	-	(354,237)	-	(54,459)	-	-	-	-	-	-	-	(6,035,023)
4. Grand Total Subsidy	5,626,327	-	354,237	-	54,459	-	-	-	-	-	-	-	6,035,023
5. Applied Operating Result	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Applied Reconciling Items													
6. Total Non-Applied Reconciling Expense Items	2,407,306	-	-	-	-	-	-	-	-	-	-	-	2,407,306
7. Total Non-Applied Reconciling Revenue Items	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Operating Result per Audit	\$ (2,407,306)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,407,306)

* Additional Department Approved Service (DAS) is Shared Ride Service provided by selected agencies grandfathered into the Section 1513 allocation formula.

Centre Area Transportation Authority

Schedule S1 - Local Match Provided - FY 15-16

Year Ended June 30, 2016

Act 44 Section 1513 Local Match for Operating Funds Received

Contributor Name	Date of Final Payment*	Total Amount Provided
State College Borough	4/27/2016	\$ 100,137
Ferguson Township	4/27/2016	95,204
Patton Township	4/29/2016	74,158
College Township	4/27/2016	62,732
Harris Township	4/8/2016	21,399
Spring Township	4/8/2016	20,871
Bellefonte Borough	4/18/2016	17,407
Halfmoon Township	4/18/2016	5,336
Benner Township	4/8/2016	4,253
Penn State university	4/19/2016	129,528
Subtotal		531,025

Act 44 Section 1514 Local Match for Discretionary Capital Funds Received

Non Federal Projects	-
Federal Projects	125,000
Total Section 1514 Local Match Funds Received	125,000

Contributor Name	Date of Final Payment*	Total Amount Provided
Penn State University, Member Municipalities, Contracted Municipalities		125,000
		-
Subtotal		125,000

Act 44 Section 1514 Local Match for Capital Bond Funds Received

Contributor Name	Date of Final Payment*	Total Amount Provided
		-
		-
Subtotal		-

Act 44 Section 1515 Local Match for New Initiatives

Contributor Name	Date of Final Payment*	Total Amount Provided
		-
		-
Subtotal		-

Centre Area Transportation Authority

Schedule S1 - Local Match Provided - FY 15-16 (continued)

Year Ended June 30, 2016

Act 44 Section 1516 Local Match for Programs of Statewide Significance

Contributor Name	Date of Final Payment*	Total Amount Provided
		-
		-
Subtotal		-

Local Match for PTAF Funds Received for Debt Service (PAAC and SEPTA only)

Contributor Name	Date of Final Payment*	Total Amount Provided
		-
		-
Subtotal		-

Unassigned Local Match Funding

Contributor Name	Date of Final Payment*	Total Amount Provided
Centre Regional Planning Commission	11/30/2015	29,912
		-
Subtotal		29,912
Grand Total		\$ 810,937

* If local match was paid in installments, only the receipt date of the final payment must be provided.

Centre Area Transportation Authority

Schedule S1A - Local Match Provided - FY 15-16

Year Ended June 30, 2016

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Final Payment</u>
State College Borough	\$ 100,137	\$ 23,572	\$ 123,709	4/27/2016
Ferguson Township	95,204	22,410	117,614	4/27/2016
Patton Township	74,158	17,456	91,614	4/29/2016
College Township	62,732	14,767	77,499	4/27/2016
Harris Township	21,399	5,037	26,436	4/8/2016
Spring Township	20,871	4,913	25,784	4/8/2016
Bellefonte Borough	17,407	4,098	21,505	4/18/2016
Halfmoon Township	5,336	1,256	6,592	4/18/2016
Benner Township	4,253	1,001	5,254	4/8/2016
Penn State university	129,528	30,490	160,018	4/19/2016
Total Operating and Capital	\$ 531,025 *	\$ 125,000	\$ 656,025	

* Total Operating includes Local above match of \$6,761.

Centre Area Transportation Authority

Schedule S2 - Local Match Carryover - FY 15-16

Year Ended June 30, 2016

A. Local match available as of June 30, 2015	<u>\$ 867</u>
B. Local match funds provided during year-ended June 30, 2016	<u>560,937</u>
C. Local match operating expenditures for year ended June 30, 2016:	
a. Act 44 Section 1513 Local operating grant charged (prior years) - Municipal Source	524,264
b. Act 44 Section 1513 Local operating grant charged (current year) - Municipal Source	-
c. Act 44 Section 1513 Local operating grant charged (current year) - Advertising Source	-
d. Act 44 Section 1513 Local operating grant charged (current year) - Private Source	-
e. Act 3 BSG Local operating grant charged (previous years)	-
f. Act 3 ASG Local operating grant charged (previous years - RURAL ONLY)	-
g. Other operating expenditures (if any): Local above required	6,761
h. Other operating expenditures (if any): Planning grants	29,912
i. Other operating expenditures (if any)	-
D. Total local match operating expenditures for year-ended June 30, 2016 (Sum C.a - C.i)	<u>560,937</u>
E. Local match capital expenditures for year-ended June 30, 2016:	
a. Section 1514 - Discretionary local match capital expenditures (if any)	-
b. Section 1514 - Bond local match capital expenditures (if any)	-
c. Section 1515 - New Initiatives capital expenditures (if any)	-
d. Section 1516 - Programs of statewide significance capital expenditures (if any)	-
e. PTAF local match capital expenditures (previous years' funds)	-
f. PTAF local match capital expenditures (current year funds) (Act 44 for PAAC and SEPTA only)	-
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): Local match on non-bond funds	-
j. Other local match capital expenditures (if any)	-
k. Other local match capital expenditures (if any)	-
F. Total local match capital expenditures for year-ended June 30, 2016 (Sum E.a - E.k)	<u>-</u>
G. Interest earned on local funds for year-ended June 30, 2016	<u>-</u>
H. Local match funds available as of June 30, 2016 (A+B-D-F+G)	<u>\$ 867</u>

Centre Area Transportation Authority

Schedule S5 - Section 1513 Program Carryover - FY 15-16
Year Ended June 30, 2016

	<u>State Grant</u>	<u>Local Match</u>	<u>Total</u>
A. FY 2015-16 Section 1513 URBAN Grant Agreement	\$ 5,732,626	\$ 531,025	\$ 6,263,651
Urban Section 1513 Grant Utilization For Fiscal Year Ended June 30, 2016			
1. Section 1513 fund balance as of June 30, 2016	\$ 2,829,133	\$ -	\$ 2,829,133
2. Section 1513 funds received for FY 2016	5,732,626	531,025	6,263,651
3. PTAF Section 1513 funds received for FY 2016 (applicable to SEPTA and PAAC)	-	-	-
4. Total Section 1513 funds received for FY 2016 (Line 2+3, must agree with A above)	5,732,626	531,025	6,263,651
5. Interest income earned on Section 1513 funds in FY 2016	48	-	48
6. Total Section 1513 funds available in FY 2016 (Line 1+4+5)	8,561,807	531,025	9,092,832
7. Section 1513 funds used for Urban fixed route operating expenses in FY 2016	2,334,316	531,025	2,865,341
8. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2016	-	-	-
9. Section 1513 funds used for Rural fixed route operating expenses in FY 2016	-	-	-
10. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2016	-	-	-
11. Section 1513 funds used for Urban capital costs in FY 2016 (waiver required)	-	-	-
12. Section 1513 funds used for Rural capital costs in FY 2016 (waiver required)	-	-	-
13. Total Section 1513 used in FY 2016 (Line 7+8+9+10+11+12)	2,334,316	531,025	2,865,341
14. Section 1513 fund balance as of June 30, 2016 (Line 6-13)	\$ 6,227,491	\$ -	\$ 6,227,491
B. FY 2015-16 Section 1513 RURAL Grant Agreement	\$ -	\$ -	\$ -
Rural Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2016			
15. Section 1513 fund balance as of June 30, 2015	\$ -	\$ -	\$ -
16. Section 1513 funds received for FY 2016 (must agree with B above)	-	-	-
17. Interest income earned on Section 1513 funds in FY 2016	-	-	-
18. Total Section 1513 funds available in FY 2016 (Line 15+16+17)	-	-	-
19. Section 1513 funds used for Rural fixed route operating expenses in FY 2016	-	-	-
20. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2016	-	-	-
21. Section 1513 funds used for Urban fixed route operating expenses in FY 2016	-	-	-
22. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2016	-	-	-
23. Section 1513 funds used for Rural capital costs in FY 2016 (waiver required)	-	-	-
24. Section 1513 funds used for Urban capital costs in FY 2016 (waiver required)	-	-	-
25. Total Section 1513 used in FY 2016 (Line 19+20+21+22+23+24)	-	-	-
26. Section 1513 fund balance as of June 30, 2016 (Line 18-25)	\$ -	\$ -	\$ -
C. Total Agency Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2016			
27. Section 1513 fund balance as of June 30, 2015	\$ 2,829,133	\$ -	\$ 2,829,133
28. Section 1513 funds received for FY 2016	5,732,626	531,025	6,263,651
29. PTAF Section 1513 funds received for FY 2016 (applicable to SEPTA and PAAC)	-	-	-
30. Total Section 1513 funds received for FY 2016 (Line 28+29)	5,732,626	531,025	6,263,651
31. Interest income earned on Section 1513 funds in FY 2016	48	-	48
32. Total Section 1513 funds available for FY 2016 (Line 27+30+31)	8,561,807	531,025	9,092,832
33. Section 1513 funds used for Urban fixed route operating expenses in FY 2016	2,334,316	531,025	2,865,341
34. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2016	-	-	-
35. Section 1513 funds used for Rural fixed route operating expenses in FY 2016	-	-	-
36. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2016	-	-	-
37. Section 1513 funds used for Urban capital costs in FY 2016 (waiver required)	-	-	-
38. Section 1513 funds used for Rural capital costs in FY 2016 (waiver required)	-	-	-
39. Total Section 1513 used in FY 2016 (Line 33+34+35+36+37+38)	2,334,316	531,025	2,865,341
40. Section 1513 fund balance as of June 30, 2016 (Line 32-39)	\$ 6,227,491	\$ -	\$ 6,227,491

Centre Area Transportation Authority

Schedule S6 - Shared Ride Expense Allocation Worksheet

Year Ended June 30, 2016

Please respond to the following questions. Do you use the same administrative staff/facilities and/or vehicles/drivers to:

1. Provide services (i.e. home-delivered meals, etc.) other than passenger transportation? Yes No
2. Provide transportation services other than shared ride (i.e. exclusive ride taxi, fixed-route, charter, etc.)? Yes No
3. Provide transportation services at fares or contract rates which differ from the shared ride fare structure? Yes No

If you answered "yes" to any of the three questions, you must complete the Shared Ride Expense Allocation Worksheet.

Shared Ride Expense Allocation Worksheet

	<u>% Allocated to Fixed Route</u>	<u>% Allocated to Paratransit (ADA)</u>	<u>% Allocated to Shared Ride</u>	<u>% Allocated to Non-Public</u>	<u>Basis for Allocation</u>
1. Operators' Salaries & Wages	- %	- %	- %	- %	Other
2. Other Salaries & Wages	-	51.18	48.82	-	Other
3. Fringe Benefits	-	51.18	48.82	-	Other
4. Services	-	51.18	48.82	-	Other
5. Fuel & Lubricants	-	51.18	48.82	-	Other
6. Tires & Tubes	-	51.18	48.82	-	Other
7. Other Materials & Supplies	-	51.18	48.82	-	Other
8. Utilities	-	51.18	48.82	-	Other
9. Casualty & Liability Costs	-	-	-	-	Other
10. Taxes	-	-	-	-	Other
11. Purchased Transportation	-	-	-	-	Other
12. Miscellaneous Expenses	-	51.18	48.82	-	Other
13. Expense Transfers	-	-	-	-	Other

Centre Area Transportation Authority

Shared Ride Retained Earnings

Year Ended June 30, 2016

1. Shared Ride retained earnings balance as of June 30, 2015	\$ -
2. Shared Ride revenue received for FY 2015-16	46,155
3. Interest income on shared-ride revenue earned for FY 2015-16	<u>-</u>
4. Total shared-ride funds available in FY 2015-16	46,155
5. Shared Ride revenue used for operating expenses in FY 2015-16	<u>46,155</u>
6. Shared Ride retained earnings balance as of June 30, 2016	<u><u>\$ -</u></u>

Centre Area Transportation Authority

Year Ended June 30, 2016

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	Debt Service	Revenue Vehicles	Facilities	Information Technology	Non-Revenue Vehicles	Other Equipment					Total Spent	Total Granted Funds	Granted Funds Less Amt Spent
2	Expenditures Through the End of the Prior Fiscal Year	\$ -	\$ -	\$ 8,175,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,175,077	\$ 8,175,077	\$ -
	Sources of Funds for the Current Fiscal Year													
3	Federal Capital - 5303/5304/5305 - FTA Planning	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Federal Capital - 5307 - FTA Urban Formule	240,641	-	-	-	-	-	-	-	-	-	240,641	240,641	-
5	Federal Capital - 5309 - FTA Fixed Guideway	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Federal Capital - 5309 - FTA Bus/Bus Facilities	9,473,166	-	-	-	-	-	-	-	-	-	9,473,166	9,473,166	-
7	Federal Capital - 5309 - FTA New/Small Starts	-	540,000	-	-	-	-	-	-	-	-	540,000	540,000	-
8	Federal Capital - 5310 - FTA Senior and PWD	-	153,772	-	-	-	-	-	-	-	-	153,772	153,772	-
9	Federal Capital - 5311 - FTA Rural	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Federal Capital - 5311 - FTA Other	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Federal Capital - 5313/5314 - FTA Research & Tech	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Federal Capital - 5316 - FTA JARC	-	123,276	-	-	-	-	-	-	-	-	123,276	123,276	-
13	Federal Capital - FLEX	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Federal Capital FHWA Programs (CMAQ, ITS, STP,...)	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Federal Capital - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
16	State - 1513 - Waiver to Use for Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
17	State Capital - 1514 - PA Bond Program	586,238	317,374	-	-	-	-	-	-	-	-	903,612	903,612	-
18	State Capital - 1514 - Discretionary	1,440,269	233,866	-	50,767	18,529	-	-	-	-	-	1,743,431	1,743,431	-
19	State Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	-
20	State Capital - 1516 - CTC	-	38,443	-	-	-	-	-	-	-	-	38,443	38,443	-
21	State Capital - 1516 - Other	-	30,819	-	-	-	-	-	-	-	-	30,819	30,819	-
22	State Capital - 1517 - Capital Improvement Program	74,859	-	266,619	-	-	-	-	-	-	-	341,478	341,478	-
23	State Capital - PTAF	-	-	-	-	-	-	-	-	-	-	-	-	-
24	State Capital - All Sources Used for Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
25	State Capital - ASG/BSG	-	-	-	-	-	-	-	-	-	-	-	-	-
26	State Capital - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Local Match - 1513 - Waiver to Use for Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local Match Capital - 1514 - PA Bond Program	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Local Match Capital - 1514 - Discretionary	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Local Match Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Local Match Capital - 1516 - CTC	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Local Match Capital - 1516 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Local Match Capital - PTAF	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Local Match Capital - All Sources Used for Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Local Match Capital - ASG/BSG	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Local Match Other	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Local Contribution	121,691	19,326	-	1,692	617	-	-	-	-	-	143,326	143,326	-
38	Proceeds from Agency Issued Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Agency Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Other Financing Transaction Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Internal Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Proceeds from Disposition of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Foundations and Non-Profits	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Private	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Total Sources of Funds Spent in the Current FY	11,936,864	1,456,876	266,619	52,459	19,146	-	-	-	-	-	13,731,964	\$ 13,731,964	\$ -
												Grand Total		
47	Total Sources of Funds Spent Inception-to-Date	11,936,864	1,456,876	8,441,696	52,459	19,146	-	-	-	-	-	21,907,041		
48	Total Granted Sources of Funds Inception to Date	11,936,864	1,456,876	8,441,696	52,459	19,146	-	-	-	-	-	21,907,041		
49	Granted Sources Less Amount Spent Inception to Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

Centre Area Transportation Authority

Year Ended June 30, 2016

Capital Report #2			
Use of Working Capital			
A			
Working Capital Sources			
1	Section 1513 funds		
2			
3			
4			
5			
6			
7			
8			
9			
10			
A			
Project Title		B	C
		Beginning Year Balance	Fiscal Year Use
		D=B+C	
		Ending Year Balance	
11	Facilities	\$ -	\$ 4,392,290
12			\$ 4,392,290
13			-
14			-
15			-
16			-
17			-
18			-
19			-
20			-
21			-
22			-
23			-
24			-
25			-
26			-
27			-
28			-
29			-
30			-
31	Total Working Capital	\$ -	\$ 4,392,290
			\$ 4,392,290

Centre Area Transportation Authority

Year Ended June 30, 2016

Capital Report #3		
Request to Finance Capital Projects and Final Financing Data		
	A	B
		C
		Final Actual Financing
Transaction Summary Data:		
1	Agency Name	Centre Area Transportation Authority (CATA)
2	Financing Title	M&T Bank
3	Amount to be Financed	Existing line of credit with M&T Bank for \$3,198,780 to be used as needed for cash flow on the facility expansion project. Current balance is \$0.
4	Term of Financing	Through project completion.
5	Interest Rate Type	Fixed at 3.25%
6	If Variable Interest Rate: Basis for Variability	
7	Average Annual Interest Rate	
8	Average Annual Debt Service	
9	Cumulative Debt Service	
Amount of Financing Proceeds to be Used for:		
10	Capital Projects	
11	Loan Fees/Cost of Issuance/Insurance	
12	Reserve or Contingency Funds	
13	Capitalized Interest	
14	Defeasance/Refunding/Refinancing	
15	Other Purposes	
16	Total Proceeds	\$ - \$ -
If This Transaction Refinances/Refunds a Prior Transaction:		
17	Amount of Average Annual Debt Service for Prior Transaction	
18	Increase (Decrease) in Average Annual Debt Service	- -
19	Cumulative Debt Service Planned to be Paid for Prior Transaction	
20	Increase (Decrease) in Cumulative Debt Service	- -
21	Amount Financed from Prior Transaction	
22	Increase (Decrease) in Amount Financed	- -
23	Termination Date of Prior Transaction	
24	Termination Date of Current Transaction	
Sources of Payment of Debt Service:		
25		
26		
27		
28		
29		
30		
31	Estimated Annual Amount of Total Sources	- -
Amount of Financing proceeds To be used by Project:		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52	Total Proceeds to be Used for Capital Projects	\$ - \$ -