



Berks Area Regional Transportation Authority

**Financial Statements and
Supplementary Information**

June 30, 2015 and 2014



REINSEL KUNTZ LESHER
certified public accountants & consultants

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Berks Area Regional Transportation Authority

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June 30, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors
Berks Area Regional Transportation Authority
Reading, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Berks Area Regional Transportation Authority (the Authority) as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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.

Basis for Qualified Opinion

Sufficient information was not provided by the Pennsylvania Municipal Retirement System to allow the Authority to fully adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB No. 27, as of June 30, 2015. The effects on the financial statements of this item is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Berks Area Regional Transportation Authority as of June 30, 2015 and 2014, 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.

Adoption of GASB Statement No. 68 and GASB Statement No. 78

As described in Note 2 to the financial statements, in 2015 the Authority adopted the provisions of GASB Statement No. 78, *Pensions provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and partially adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. See the basis for qualified opinion paragraph.

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis and other required supplementary information on pages 4 to 9 and pages 40 to 42 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.

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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards* and the 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 December 29, 2015, 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.

Reinsel Kintz Lesher LLP

December 29, 2015
Lancaster, Pennsylvania

Berks Area Regional Transportation Authority

Management's Discussion and Analysis

June 30, 2015 and 2014

The following discussion and analysis of the Berks Area Regional Transportation Authority's (BARTA or the Authority) financial performance provides an introduction to the Authority's basic financial statements for the fiscal years ended June 30, 2015 and 2014. Please read it in conjunction with the Authority's financial statements, which begin on page 10.

Authority Activities and Highlights

- The Authority's net position decreased approximately \$1,968,000 for the year ended June 30, 2015, compared to a decrease of approximately \$1,283,000 and a decrease of approximately \$992,000 for the years ended June 30, 2014 and 2013, respectively. These changes were primarily the result of fluctuations in capital grant revenues which are utilized to purchase capital assets (replacement revenue vehicles and building improvements). Capital grant revenues approximated \$2,198,000, \$1,506,000, and \$2,780,000 for the years ended June 30, 2015, 2014, and 2013, respectively.
- The Authority's operating revenues increased approximately \$298,000 or 4.6% for the year ended June 30, 2015. The Authority's operating revenues decreased approximately \$102,000 or 1.5% for the year ended June 30, 2014 and increased by \$1,007,000 or 5.1% for the year ended June 30, 2013. The increase is primarily the result of an increase in passenger fares. For the years ended June 30, 2015, 2014, and 2013, passenger fares approximated \$3,213,000, \$3,151,000, and \$2,985,000, respectively.
- The Authority's operating expenses increased by approximately \$1,796,000 or 9.2% for the year ended June 30 2015, and decreased approximately \$365,000 or 1.8% for the year ended June 30, 2014 and increased \$249,000 for the year ended June 30, 2013. A decrease in purchased transportation was the primary cause for the decrease in operating expenses.
- The Authority provided 3,279,541 passenger trips during fiscal year 2015, compared to 3,445,532 and 3,405,276 in the fiscal years 2014 and 2013. The decrease approximates 4.8% for 2015 compared to a 1.2% decrease in system ridership for 2014. This included a 5.1% decrease in passengers using the Authority's fixed route system. From 2014 to 2015, passenger trips decreased by 165,991 trips and from 2013 to 2014 passenger trips increased by 40,256 trips.
- The Authority's beginning net position has been restated to properly reflect the effect of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. The June 30, 2014 and 2013 financial statements as previously issued were restated for this correction.

Overview of the Financial Statements

The Authority'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 financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

Berks Area Regional Transportation Authority

Management's Discussion and Analysis

June 30, 2015 and 2014

Overview of the Financial Statements (continued)

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.

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

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

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's progress in funding its obligation to provide pension and other post employment benefits to its employees.

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 the Authority, assets exceeded liabilities by approximately \$26,053,000, \$28,021,000, and \$29,304,000 as restated as of June 30, 2015, 2014, and 2013, respectively.

Berks Area Regional Transportation Authority

Management's Discussion and Analysis

June 30, 2015 and 2014

Financial Analysis (continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assets			
Current assets	\$ 6,108,999	\$ 7,859,302	\$ 9,126,089
Capital assets, net	<u>29,321,092</u>	<u>31,014,403</u>	<u>33,132,471</u>
Total Assets	<u>35,430,091</u>	<u>38,873,705</u>	<u>42,258,560</u>
Deferred Outflow of Resources	<u>242,861</u>	<u>303,576</u>	<u>-</u>
Liabilities			
Current and other liabilities	1,029,316	1,039,048	1,036,192
Unearned grant funds	5,079,683	6,820,254	8,023,785
Postemployment benefit liability	1,022,599	968,453	921,330
Net pension liability	<u>2,413,107</u>	<u>2,246,460</u>	<u>2,972,871</u>
Total Liabilities	<u>9,544,705</u>	<u>11,074,215</u>	<u>12,954,178</u>
Deferred Inflow of Resources	<u>74,803</u>	<u>81,603</u>	<u>-</u>
Net Position			
Investment in capital assets	29,321,092	31,014,403	33,132,471
Unrestricted deficit	<u>(3,267,648)</u>	<u>(2,992,940)</u>	<u>(3,828,089)</u>
Total Net Position, As Restated	<u>\$ 26,053,444</u>	<u>\$ 28,021,463</u>	<u>\$ 29,304,382</u>

By far the largest portion of the Authority's net assets 112.5%, 110.7%, and 113.1% as of June 30, 2015, 2014, and 2013, respectively, reflects its investment in capital assets (e.g., land, land improvements, buildings and improvements, vehicles and equipment, and furniture and equipment). The Authority receives capital grant funding from federal, state, and local governments to acquire these capital assets. Therefore, certain restrictions are placed on their disposal. The Authority uses these capital assets to provide services to citizens. For this reason, and due to the restrictions placed on the disposal of these capital assets, these assets are not available for future spending.

The remaining deficit of \$3,267,648, \$2,992,940, and \$3,828,089 at June 30, 2015, 2014, and 2013, respectively, represents cumulative losses as a result of the net pension liability recorded on the statement of net position in response to GASB Statement No. 68.

Berks Area Regional Transportation Authority

Management's Discussion and Analysis

June 30, 2015 and 2014

Financial Analysis (continued)

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>2015</u>	<u>2014</u>	<u>2013</u>
Operating Revenues			
Passenger fares	\$ 3,212,606	\$ 3,150,604	\$ 2,984,661
Government fare programs	3,258,476	2,955,526	2,864,560
Other operating revenues	<u>326,024</u>	<u>393,390</u>	<u>752,043</u>
Total Operating Revenues	<u>6,797,106</u>	<u>6,499,520</u>	<u>6,601,264</u>
Operating Expenses			
Salaries and payroll taxes	5,639,181	6,113,663	5,972,190
Fringe benefits	4,420,995	3,463,353	4,602,578
Fuel, lubricants, and antifreeze	1,830,533	1,749,721	1,664,978
Purchased transportation	1,609,120	1,664,538	1,742,583
Depreciation	3,845,990	3,612,120	3,592,786
Other operating expenses	<u>3,863,979</u>	<u>2,810,785</u>	<u>2,203,954</u>
Total Operating Expenses	<u>21,209,798</u>	<u>19,414,180</u>	<u>19,779,069</u>
Nonoperating Revenues (Expenses)			
Federal government	10,291,994	10,137,689	9,459,594
Interest income	-	-	-
Loss on disposal of equipment	<u>(45,180)</u>	<u>(11,753)</u>	<u>(53,814)</u>
Total Nonoperating Revenues (Expenses)	<u>10,246,814</u>	<u>10,125,936</u>	<u>9,405,780</u>
Capital Grant Funding	<u>2,197,859</u>	<u>1,505,805</u>	<u>2,779,638</u>
Decrease in Net Position	<u>\$ (1,968,019)</u>	<u>\$ (1,282,919)</u>	<u>\$ (992,387)</u>

The Authority's source of funds includes both operating and nonoperating revenues. Operating revenues consist primarily of passenger fares and government fare programs, while nonoperating revenues consist of funding from federal, state, and local governments

Berks Area Regional Transportation Authority

Management's Discussion and Analysis

June 30, 2015 and 2014

Financial Analysis (continued)

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets includes land and land improvements, construction in progress, buildings and improvements, revenue vehicles and equipment, service vehicles and equipment, shop and garage equipment, furniture and office equipment, and miscellaneous revenue equipment. Capital acquisitions are recorded at cost. Acquisitions are funded by federal, state, and local governmental grants.

The Authority's investment in capital assets as of June 30, 2015, 2014, and 2013, net of accumulated depreciation, amounted to \$29,321,092, \$31,014,403, and \$33,132,471, respectively. These amounts represent a net decrease (including additions, deletions, and depreciation) of \$1,693,311, \$2,118,068, and \$866,960 for the years ended June 30, 2015, 2014, and 2013, respectively.

	Capital Assets at June 30 (Net of Accumulated Depreciation)		
	2015	2014	2013
Land and land improvements	\$ 577,296	\$ 577,296	\$ 577,296
Construction in progress	138,611	-	5,573,965
Buildings and improvements	18,901,850	19,911,561	15,641,695
Revenue vehicles and equipment	7,490,466	9,880,383	10,516,650
Service vehicles and equipment	39,346	69,344	70,838
Shop and garage equipment	269,280	276,190	352,093
Furniture and office equipment	119,380	154,684	106,474
Miscellaneous revenue equipment	1,784,863	144,945	293,460
	\$ 29,321,092	\$ 31,014,403	\$ 33,132,471

During the years ended June 30, 2015, 2014, and 2013, the Authority expended \$2,197,859, \$1,505,805, and \$2,779,638, respectively, on capital asset activities.

Additional information related to capital assets can be found in Note 9 to the financial statements.

Debt Administration

The Authority had a \$500,000 line of credit. The line was closed on January 9, 2015.

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

Berks Area Regional Transportation Authority

Management's Discussion and Analysis

June 30, 2015 and 2014

Economic Factors

Long-term development trends have not traditionally favored public transportation. The majority of new residential and industrial construction has occurred in rural locations outside of the Authority's service area. While the demand for service in the urban areas remains high, there have been additional demands for new and changed service in other areas.

In response to this demand and in order to improve the efficiency and effectiveness of the fixed route service, BARTA has both implemented new routes and revised existing routes. BARTA continues its efforts to promote and sustain economic development, relieve congestion, and improve air quality issues. BARTA also continues to implement a marketing and advertising campaign on the convenience and usefulness of using BARTA's public transportation route system.

The Authority's total system revenue recovery ratio (the total amount of operating expenses covered by the total amount of operating revenues) is 45.02%. The total Fixed Route revenue recovery ratio is 40.11% and Special Services total revenue recovery ratio is approximately 55.75%. As a result, the Authority is primarily dependent on the Federal Transit Administration, the Pennsylvania Department of Transportation, and the County of Berks for a significant portion of its funding. Transportation funding continues to be a challenge. The gap between current levels of funding and the needed levels continues to grow exponentially. State and federal funds, along with local matching funds, are absolutely essential to continued public transportation services throughout the County of Berks.

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 regarding this report, or if additional financial information is required, please contact the Authority's Director of Finance at 45 Erick Road, Lancaster, PA 17601.

Berks Area Regional Transportation Authority

Statement of Net Position

	June 30,	
	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,104	\$ 35,413
Cash and cash equivalents - restricted	2,678,987	5,091,923
Investments - restricted	1,958,433	1,730,505
Accounts receivable	91,641	134,722
Inventories	444,456	500,542
Prepaid expenses	204,549	195,966
Capital grants receivable	-	2,580
Due from Commonwealth of Pennsylvania	457,616	139,664
Due from County of Berks	267,213	27,987
Total Current Assets	6,108,999	7,859,302
Capital Assets		
Capital assets not being depreciated	715,907	577,296
Capital assets being depreciated, net	28,605,185	30,437,107
Capital Assets, Net	29,321,092	31,014,403
Total Assets	35,430,091	38,873,705
Deferred Outflow of Resources - Pension	242,861	303,576
Total Assets and Deferred Outflow of Resources	35,672,952	39,177,281

Berks Area Regional Transportation Authority

Statement of Net Position (continued)

	June 30,	
	2015	2014
Liabilities		
Current Liabilities		
Accounts payable	410,910	311,416
Accrued expenses		
Wages	135,561	134,606
Vacation wages	330,695	415,863
Professional fees	10,000	29,500
Other	2,983	8,141
Payroll withholdings	54,399	61,985
Due to Commonwealth of Pennsylvania	14,122	14,122
Due to County of Berks	-	61,241
Proceeds from disposal of capital assets	70,646	2,174
Unearned Commonwealth of Pennsylvania Act 49 funds	186,075	213,858
Unearned Commonwealth of Pennsylvania Act 3 funds	77,703	387,987
Unearned Commonwealth of Pennsylvania Act 44 funds	4,815,905	6,218,409
Total Current Liabilities	6,108,999	7,859,302
Long-Term Liabilities		
Postemployment benefit liability	1,022,599	968,453
Net pension liability	2,413,107	2,246,460
Total Liabilities	9,544,705	11,074,215
Deferred Inflow of Resources - Pension	74,803	81,603
Net Position		
Net Position		
Investment in capital assets	29,321,092	31,014,403
Unrestricted net deficit	(3,267,648)	(2,992,940)
Total Net Position, as Restated	\$ 26,053,444	\$ 28,021,463

Berks Area Regional Transportation Authority

Statement of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	2015	2014
Operating Revenues		
Passenger fares	\$ 3,212,606	\$ 3,150,604
State Medical Assistance Transportation Program	1,902,493	1,844,576
State Shared Ride Program	994,210	777,641
State Welfare to Work Program	16,459	4,715
State Persons with Disabilities Program Grant	38,550	32,106
Area Agency on Aging	68,614	106,655
Mental Health/Intellectual & Developmental Disabilities	238,150	189,833
Other contract revenue	85,472	67,356
Advertising income	82,605	78,068
Other income	157,947	247,966
Total Operating Revenues	6,797,106	6,499,520
Operating Expenses		
Salaries and wages	5,639,181	6,113,663
Fringe benefits	4,420,995	3,463,353
Services	1,888,671	738,310
Fuel and lubricants	1,830,533	1,749,721
Tires and tubes	151,423	113,599
Other material and supplies	901,923	887,492
Utilities	348,226	348,189
Casualty and liability	489,382	502,153
Taxes	2,081	2,431
Purchased transportation	1,609,120	1,664,538
Miscellaneous expense	82,273	218,611
Depreciation	3,845,990	3,612,120
Total Operating Expenses	21,209,798	19,414,180
Loss from Operations	(14,412,692)	(12,914,660)
Nonoperating Revenues (Expenses)		
Operating grants		
Federal government	695,077	1,216,106
Commonwealth of Pennsylvania Act 44 Funds	9,355,133	8,440,930
Commonwealth of Pennsylvania Act 44 Technical Assistance Funds	-	17,924
County of Berks - Act 44 Matching Funds	241,784	460,539
County of Berks - other	-	2,190
Total Government Subsidies for Operations	10,291,994	10,137,689
Loss on disposal of capital assets	(45,180)	(11,753)
Total Nonoperating Revenues (Expenses)	10,246,814	10,125,936
Loss before Capital Grant Funding	(4,165,878)	(2,788,724)

Berks Area Regional Transportation Authority

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

	Years Ended June 30,	
	2015	2014
Capital Grant Funding		
Federal government	1,187,370	1,084,511
State government	1,010,489	371,472
Local governments and other	-	49,822
Total Capital Grant Funding	2,197,859	1,505,805
Decrease in Net Position	(1,968,019)	(1,282,919)
Net Position at Beginning of Year, as Restated	28,021,463	29,304,382
Net Position at End of Year, as Restated	\$ 26,053,444	\$ 28,021,463

Berks Area Regional Transportation Authority

Statement of Cash Flows

	Years Ended June 30,	
	2015	2014
Cash Flows from Operating Activities		
Cash received from customers	\$ 6,278,816	\$ 6,142,143
Cash payments to suppliers for goods and services	(11,396,407)	(10,356,513)
Cash payments to employees for services	(5,723,394)	(6,101,856)
Other operating cash receipts	243,419	315,322
Net Cash Used in Operating Activities	(10,597,566)	(10,000,904)
Cash Flows Provided by Noncapital Financing Activities		
Receipts from operating and planning grants	8,312,197	8,922,939
Cash Flows from Capital and Related Financing Activities		
Receipts from capital grants	2,200,439	1,741,719
Proceeds from sale of capital assets	68,473	633
Purchase of capital assets	(2,197,860)	(1,505,806)
Net Cash Provided by Capital and Related Financing Activities	71,052	236,546
Cash Flows Used in Investing Activities		
Purchase of investments	(227,928)	(493,494)
Net Decrease in Cash and Cash Equivalents	(2,442,245)	(1,334,913)
Cash and Cash Equivalents at Beginning of Year	5,127,336	6,462,249
Cash and Cash Equivalents at End of Year	\$ 2,685,091	\$ 5,127,336
Cash is Comprised of the Following on the Statement of Net Position		
Cash and cash equivalents	\$ 6,104	\$ 35,413
Cash and cash equivalents - restricted	2,678,987	5,091,923
	\$ 2,685,091	\$ 5,127,336

Berks Area Regional Transportation Authority

Statement of Cash Flows (continued)

	Years Ended June 30,	
	2015	2014
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities		
Loss from operations	\$ (14,412,692)	\$ (12,914,660)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	3,845,990	3,612,120
(Increase) decrease in assets		
Accounts receivable and other receivables	(274,871)	(42,055)
Inventories	56,086	211,920
Net pension liability	166,647	(726,411)
Prepaid expenses and deposit	(8,583)	(12,850)
(Increase) decrease in deferred outflow of resources - pension	60,715	(303,576)
Increase (decrease) in liabilities		
Accounts payable and other current liabilities	(78,204)	45,882
Postemployment benefit liability	54,146	47,123
Increase (decrease) in deferred inflow of resources - pension	(6,800)	81,603
Net Cash Used in Operating Activities	\$ (10,597,566)	\$ (10,000,904)

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of Activity

The Berks Area Regional Transportation Authority (the Authority) was organized October 1, 1973, under the laws of the Commonwealth of Pennsylvania in compliance with the Pennsylvania Municipality Authorities Act for the purpose of providing public transportation within the County of Berks. The Authority is governed by a five-member board appointed by the Berks County Board of Commissioners.

The Authority has two operating divisions; the fixed route division, which provides scheduled bus service on fixed routes and the special services division, which provides demand responsive transportation services in specially equipped vehicles to the general public and to qualifying elderly and handicapped persons.

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

Note 2 - Summary of Significant Accounting Policies

The accompanying financial statements conform 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 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 the timing of related cash flows. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

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 principal nonoperating expenses of the Authority are interest expense and gain (loss) on disposal of capital assets.

When restricted and unrestricted resources are available for its 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 and Cash Equivalents

For purposes of reporting cash flows, the Authority considers all cash and cash equivalent accounts, including accounts subjected to withdrawal restrictions, securities purchased under agreements to resell, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash and cash equivalents.

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 at June 30, 2015 and 2014 was \$-0-.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

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

Investments

The Board of Directors is permitted to invest the Authority's funds as defined in the Pennsylvania Municipality Authorities Act. Authorized types of investments include the following:

1. U.S. Treasury bills
2. Short-term obligations of the U.S. Government and Federal agencies
3. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
4. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision
5. Shares of mutual funds whose investments are restricted to the above categories

When making investments, the Board of Directors can combine monies from more than one fund under the Authority's control for the purchase of a single investment and join with other political subdivisions and municipal authorities in the purchase of a single investment.

Investments are stated at fair value.

Inventories and Prepaid Expenses

Inventories are valued at the lower of cost or market on a first-in, first-out basis.

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

Capital Assets

Capital assets are those assets with a cost in excess of \$800 and purchased under capital grant agreements with an estimated useful life greater than one year. Capital assets are recorded at cost and depreciated utilizing the straight-line method over their estimated useful lives as follows:

Buildings	10 to 30 years
Revenue vehicles and equipment	5 to 10 years
Service vehicles and equipment	5 years
Shop and garage equipment	5 to 10 years
Furniture and office equipment	3 to 10 years
Miscellaneous revenue equipment	5 to 10 years

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

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

Capital Assets (continued)

Maintenance and repairs of capital assets are expensed when incurred. Upon retirement, sale, or other 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, 2015 and 2014, respectively.

Compensated Absences

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

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.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period not recognized as an outflow of resources until that future period. A deferred inflow of resources represents an acquisition of net position that applies to a future period not recognized as an inflow of resources until that future period.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

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

Net Position

Net position is classified into three categories as follows:

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 "investment 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.

Employee Benefits

The Authority participates in three pension plans covering substantially all employees. Pension plan expense is determined as specified in each plan. The Authority's policy is to fund all required pension costs.

Postemployment Benefits

The Authority provides for one-half of the health insurance premiums for retired employees for the ages 62 through 64. The Authority funds postemployment benefits as they are incurred.

Recent Accounting Pronouncements

In June 2012, Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. The Authority adopted GASB Statement No. 68 for its 2015 financial statements. The Authority participates in the Pennsylvania Municipal Retirement System Plan (the Plan). The Plan did not provide the Authority with information necessary to adopt GASB 68 related to the Plan. As discussed in Note 19, the Authority did adopt the provisions of GASB 68 for the BARTA Transit Union Retirement and Disability Plan. The adoption of this statement decreased the June 30, 2013 net position by \$4,819,904 and the June 30, 2014 net position by \$3,854,317.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for determining a fair value measurement for financial reporting purposes and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement also provides guidance for applying fair value to certain investments and disclosures related to fair value measurements. This guidance is effective for reporting periods beginning after June 15, 2015. The Authority is current evaluating what effect, if any, the adoption of this guidance will have on the Authority's financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This statement requires governments to report a liability on the face of the financial statements for the net OPEB liability. This guidance also requires governments to present more extensive note disclosures and supplementary information for OPEB plans. Statement No. 75 is effective for periods beginning after June 15, 2017. The Authority is current evaluating what effect, if any, the adoption of this guidance will have on the Authority's financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement established accounting and financial reporting standards for defined benefit pensions provided to the employees of state and local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost sharing plan) that meets the criteria in paragraph 4 of Statement 68 and certain other requirements. This statement is effective for reporting periods beginning after December 15, 2015 with early application permitted. The Authority has adopted the provisions of this statement as of June 30, 2015.

Note 3 - Budget Matters

The Authority adopts an annual budget, however, it is not required by the Pennsylvania Municipality Authorities Act.

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.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 5 - Cash and Cash Equivalents, Deposits, and Investments

The Authority's available cash is invested in demand deposit accounts, money market funds, and obligations of the U.S. Government. The carrying amounts of the cash deposits and investments consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Cash on hand and petty cash	\$ 6,104	\$ 35,413
Cash and cash equivalents - restricted	2,678,987	5,091,923
Investments - restricted	<u>1,958,433</u>	<u>1,730,505</u>
	<u>\$ 4,643,524</u>	<u>\$ 6,857,841</u>

Custodial risk 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.

At June 30, 2015 and 2014, the carrying amounts of the Authority's cash and cash equivalents deposits were \$2,678,987 and \$5,120,647, and the bank balances were \$2,945,028 and \$5,180,482, of which \$2,645,152 and \$4,660,141, respectively, was exposed to custodial risk because it was uninsured, but was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name. At June 30, 2015 and 2014, \$49,876 and \$270,341, respectively, was held by a third party broker and is uninsured and uncollateralized and held in a money market fund which invests in securities of federal, state, and local governments. The Authority has \$6,104 and \$6,689 of cash on hand and petty cash at June 30, 2015 and 2014, respectively.

	<u>Investment Maturities (in Year) as of June 30, 2015</u>			
	<u>Cost</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One through Five Years</u>
U.S. Government obligations	\$ 1,007,641	\$ 1,002,323	\$ 157,715	\$ 844,608
U.S. Government agency obligations	<u>963,518</u>	<u>956,110</u>	<u>290,967</u>	<u>665,143</u>
	<u>\$ 1,971,159</u>	<u>\$ 1,958,433</u>	<u>\$ 448,682</u>	<u>\$ 1,509,751</u>

	<u>Investment Maturities (in Year) as of June 30, 2014</u>			
	<u>Cost</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One through Five Years</u>
U.S. Government obligations	\$ 742,826	\$ 736,913	\$ 160,037	\$ 576,876
U.S. Government agency obligations	901,740	893,592	180,473	713,119
Certificate of deposit	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
	<u>\$ 1,744,566</u>	<u>\$ 1,730,505</u>	<u>\$ 440,510</u>	<u>\$ 1,289,995</u>

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 5 - Cash and Cash Equivalents, Deposits, and Investments (continued)

Interest Rate Risk

As a means of managing its exposure to fair value losses arising from increasing interest rates, the Authority's investment policy limits the value of investments with maturities greater than one year.

Credit Risk

The Pennsylvania Municipality Authorities Act limits investments to U.S. Treasury bills, short-term obligations of the U.S. Government and Federal agencies, insured savings and checking accounts and certificates of deposit in banks, savings and loan associations and credit union, general obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or any Pennsylvania political subdivision, and shares of mutual funds whose investments are restricted to the above categories. The Authority's investment policy is consistent with these limitations.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2015, \$2,008,309 is held by the investment's counterparty, not in the name of the Authority.

Note 6 - Cash and Cash Equivalents and Investments - Restricted

Cash and cash equivalents and investments, whose use is limited to a specific purpose, have been classified as "restricted" in the financial statements. Restricted assets consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Act 3 funds	\$ 77,703	\$ 387,987
Act 44 funds	4,302,996	6,218,409
Act 49 funds	186,075	213,858
Proceeds from disposal of capital assets	70,646	2,174
	<u>\$ 4,637,420</u>	<u>\$ 6,822,428</u>

At June 30, 2015, the Authority had utilized \$512,909 of Act 44 funds on operations and capital projects, which are returned to the restricted account upon receipt of the federal and state share of those projects.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 7 - Inventories

The classification of inventories is as follows at June 30:

	<u>2015</u>	<u>2014</u>
Parts and supplies	\$ 399,043	\$ 448,874
Fuel and lubricants	45,413	51,668
	<u>\$ 444,456</u>	<u>\$ 500,542</u>

Note 8 - Capital Grants Receivable

At June 30, 2015 and 2014, \$-0- and \$2,580, respectively, are due from the Commonwealth of Pennsylvania.

Note 9 - Capital Assets

Capital asset activity was as follows for the years ended June 30, 2015 and 2014:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Capital Assets Not Being Depreciated				
Land	\$ 577,296	\$ -	\$ -	\$ 577,296
Construction in progress	-	138,611	-	138,611
Total Capital Assets Not Being Depreciated	<u>577,296</u>	<u>138,611</u>	<u>-</u>	<u>715,907</u>
Capital Assets Being Depreciated				
Buildings	29,055,867	105,256	4,315	29,156,808
Revenue vehicles and equipment	23,987,472	-	1,170,444	22,817,028
Service vehicles and equipment	290,262	-	22,457	267,805
Shop and garage equipment	1,124,889	97,769	45,776	1,176,882
Furniture and office equipment	537,787	55,206	149,306	443,687
Miscellaneous revenue equipment	1,803,876	1,801,018	1,453,825	2,151,069
Total Capital Assets Being Depreciated	<u>56,800,153</u>	<u>2,059,249</u>	<u>2,846,123</u>	<u>56,013,279</u>

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 9 - Capital Assets (continued)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Less Accumulated Depreciation				
Buildings	9,144,306	1,114,970	4,316	10,254,960
Revenue vehicles and equipment	14,107,089	2,389,916	1,170,443	15,326,562
Service vehicles and equipment	220,918	29,999	22,457	228,460
Shop and garage equipment	848,699	104,676	45,775	907,600
Furniture and office equipment	383,103	81,965	140,764	324,304
Miscellaneous revenue equipment	1,658,931	124,464	1,417,187	366,208
Less Accumulated Depreciation	26,363,046	3,845,990	2,800,942	27,408,094
Total Capital Assets Being Depreciated	30,437,107	(1,786,741)	45,181	28,605,185
Total Capital Assets	\$ 31,014,403	\$ (1,648,130)	\$ 45,181	\$ 29,321,092
	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital Assets Not Being Depreciated				
Land	\$ 577,296	\$ -	\$ -	\$ 577,296
Construction in progress	5,573,966	-	5,573,966	-
Total Capital Assets Not Being Depreciated	6,151,262	-	5,573,966	577,296
Capital Assets Being Depreciated				
Buildings	23,747,034	5,308,833	-	29,055,867
Revenue vehicles and equipment	22,432,433	1,555,039	-	23,987,472
Service vehicles and equipment	266,172	24,090	-	290,262
Shop and garage equipment	1,127,260	18,594	20,965	1,124,889
Furniture and office equipment	577,594	116,785	156,592	537,787
Miscellaneous revenue equipment	1,747,448	56,428	-	1,803,876
Total Capital Assets Being Depreciated	49,897,941	7,079,769	177,557	56,800,153

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 9 - Capital Assets (continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Less Accumulated Depreciation				
Buildings	8,105,339	1,038,967	-	9,144,306
Revenue vehicles and equipment	11,915,784	2,191,305	-	14,107,089
Service vehicles and equipment	195,334	25,584	-	220,918
Shop and garage equipment	775,166	94,152	20,619	848,699
Furniture and office equipment	471,120	57,170	145,187	383,103
Miscellaneous revenue equipment	1,453,989	204,942	-	1,658,931
Less Accumulated Depreciation	22,916,732	3,612,120	165,806	26,363,046
Total Capital Assets Being Depreciated	26,981,209	3,467,649	11,751	30,437,107
Total Capital Assets	\$ 33,132,471	\$ 3,467,649	\$ 5,585,717	\$ 31,014,403

Note 10 - Note Payable

At June 30, 2014, the Authority had a line of credit in the amount of \$500,000 with a bank, including interest at The Wall Street Prime Rate, defined as the "Prime Rate" published in the "Money Rates" section of *The Wall Street Journal*. The line of credit was cancelled by the Authority on January 9, 2015.

The Authority has a Board member who is employed at this bank. The Authority also has depository accounts with this bank.

Note 11 - Due To/From Commonwealth of Pennsylvania

The amounts due to/from the Commonwealth of Pennsylvania are for state-funded programs in which the Authority participates. Amounts due to the state are excess funding allowed to be part of the funding of the respective programs in the subsequent year. The programs are as follows:

	2015	2014
Due from Commonwealth of Pennsylvania		
State Welfare to Work Program	\$ 2,204	\$ 4,370
State Persons with Disabilities Program	6,366	5,672
State Shared Ride Program	164,575	129,622
State Capital Improvement Program	284,471	-
	\$ 457,616	\$ 139,664
Due to Commonwealth of Pennsylvania - Capital Grant	\$ 14,122	\$ 14,122

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 12 - Due To/From County of Berks

At June 30, 2015 and 2014, the amounts due from the County of Berks are \$267,213 and \$27,987, respectively. These amounts are for reimbursement of planning expenses and transportation services under the State Medical Assistance Transportation Program.

At June 30, 2015 and 2014, the amounts due to the County of Berks are \$-0- and \$61,241, respectively. These amounts are for transportation services under the State Medical Assistance Transportation Program.

Note 13 - Unearned Commonwealth of Pennsylvania Act 49 Funds

In May 1984, the Pennsylvania Department of Transportation changed its methodology of determining the amount of operating assistance funding. This legislation, Act 49, allowed for an assumed rate of operating revenue which is retained by the Authority and utilized to offset deficits, ineligible expenditures, local share of capital grants, and other capital expenditures. At June 30, 2015 and 2014, the Authority has accumulated \$186,075 and \$213,858, respectively, to be used as outlined above. Effective July 1, 1987, this legislation was superseded.

Note 14 - Unearned Commonwealth of Pennsylvania Act 3 Base Supplemental Grant Funds

In April 1997, the Pennsylvania legislature passed a dedicated source of funding for public transportation. This legislation, known as Act 3, provides for the transfer of sales taxes to be collected by the Department of Revenue and passed through the Department of Transportation to transit authorities for both capital and capital asset maintenance costs. Under regulations promulgated by the Department of Transportation, Act 3 Base Supplemental Grant funds may be used for operating deficits, capital asset maintenance and preapproved capital projects. This funding was replaced with Commonwealth of Pennsylvania funding under Act 44 on July 1, 2007. Any funds not used in any given year may be carried over and used for the above purposes.

The following transactions occurred relative to the Act 3 Base Supplemental Grant account for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Balance, Beginning of Year	\$ 387,987	\$ 542,423
Interest	<u>726</u>	<u>768</u>
Total Available	388,713	543,191
Funds expended	<u>311,010</u>	<u>155,204</u>
Balance, End of Year	<u>\$ 77,703</u>	<u>\$ 387,987</u>

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 15 - Unearned 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 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>2015</u>	<u>2014</u>
Balance, Beginning of Year	\$ 6,218,409	\$ 7,258,092
Funds received - state	7,931,351	7,368,393
Investment income	21,278	35,044
	14,171,038	14,661,529
Funds expended	(9,355,133)	(8,443,120)
Balance, End of Year	\$ 4,815,905	\$ 6,218,409

Note 16 - 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 (SAFTI) Property and Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program. The Authority pays annual premiums to the SAFTI Property and Liability Pool for its property; general liability; automobile liability; automobile physical damage; crime, boiler, and machinery; and public officials' errors and omissions insurance coverage. The agreement for formation of the SAFTI Property and Liability Pool provides that the SAFTI Property and 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 contributions are not sufficient to fund operations or obligations of the SAFTI Property and Liability Pool, additional supplementary premiums may be assessed to members on a pro-rata basis. Premiums paid to the SAFTI Property and Liability Pool and charged to operations during the years ended June 30, 2015 and 2014 amounted to \$484,209 and \$498,014, respectively.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 16 - Risk Management (continued)

The Authority has joined together with other transit organizations in the Commonwealth of Pennsylvania to form the State Association for Transportation Insurance (SAFTI) 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 SAFTI Workers' Compensation Pool for its workers' compensation insurance coverage. The agreement for formation of the SAFTI Workers' Compensation Pool provides that the SAFTI 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 SAFTI Workers' Compensation Pool, additional supplementary premiums may be assessed to members on a pro-rata basis. Premiums paid to the SAFTI Workers' Compensation Pool and charged to operations during the years ended June 30, 2015 and 2014 amounted to \$69,335 and \$186,625, respectively, which was net of premium refunds in the amounts of \$471,679 and \$406,174, respectively.

The Authority carries commercial insurance for other risks, including employee benefits.

For the years ended June 30, 2015, 2014, and 2013, claims settled were not in excess of insurance coverage. In addition, settled claims have not exceeded the insurance coverage purchased for the years ended June 30, 2015, 2014, and 2013.

Note 17 - Advertising

Advertising costs included in the statement of revenues, expenses, and changes in net position for the years ended June 30, 2015 and 2014 were \$50,828 and \$154,097, respectively.

Note 18 - Pension Plans and Related Expenses

Plan Description

BARTA Transit Union Retirement and Disability Plan is a single-employer defined benefit pension plan administered by the Authority. Bus drivers who are members of the Amalgamated Transit Union Division #1345 are members. The Plan provides for normal and early retirement, disability, vested, and death benefits. Benefits are provided by the plan document. Employees classified as full-time are eligible to participate in the plan after a 120 day probationary period.

Benefits Provided

A member is eligible for normal retirement after attainment of age 65. The normal retirement pension is payable monthly during the member's lifetime, with payments ceasing upon the members death. The amount of monthly pension is equal to \$50.00 per month per year of credited service. For employees who retire after July 1, 2014, the benefit credit is \$52.00 for years of service after July 1, 2014. For employees who retire after July 1, 2015, the benefit credit is \$54.00 for years of service after July 1, 2015. For employees who retire after July 1, 2016, the benefit credit is \$56.00 for years of service after July 1, 2016.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 18 - Pension Plans and Related Expenses (continued)

Employees Covered by Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to, but not yet receiving benefits	11
Active members	<u>105</u>
	<u>176</u>

Contributions

The Authority is required to contribute amounts necessary to fund the plan using the actuarial basis specified by statute. The Authority is obligated to contribute to the plan \$1.62 per hour worked, not including sick pay, and the employees contribute \$.82 per hour worked, not including sick pay.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Authority reported a liability of \$2,413,107 for its net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of July 1, 2013. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

For the year ended June 30, 2015, the Authority recognized pension expense of \$549,841. The Authority reported deferred outflows of resources related to the Disability & Retirement Allowance Plan from the following source at June 30, 2015:

	<u>2015</u>	<u>2014</u>
Deferred Outflows of Resources		
Differences between projected and actual earnings on pension plan investments	\$ 242,861	\$ 303,576
Deferred Inflows of Resources		
Differences between projected and actual earnings in pension plan investments	(74,803)	(81,603)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ended June 30:

2016	\$ 60,715
2017	60,715
2018	60,715
2019	60,715
2020	(6,800)
Thereafter	(68,002)

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 18 - Pension Plans and Related Expenses (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Investment rate of return	8.00%, net of expenses including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for males and females.

The actuarial assumptions used in the July 1, 2013 valuation were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. As of June 30, 2015, the target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	54.00 %	7.00 %
International equity	15.00	6.00
Fixed income	28.00	2.50
Cash	3.00	0.00

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 18 - Pension Plans and Related Expenses (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 9,244,493	\$ 6,998,033	\$ 2,246,460
Service cost	154,218	-	154,218
Interest cost	751,800	-	751,800
Changes for experience	(81,603)	-	(81,603)
Contributions - employer	-	310,871	(310,871)
Contributions - member	-	152,673	(152,673)
Net investment income	-	255,443	(255,443)
Benefit payments, including refunds of member contributions	(422,927)	(422,927)	-
Administrative expense	-	(61,219)	61,219
Net Changes	401,488	234,841	166,647
Balance at June 30, 2015	\$ 9,645,981	\$ 7,232,874	\$ 2,413,107

Sensitivity of the Authority's Net Pension Liability to Changes in the Discount Rate

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 8.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 3,384,441	\$ 2,413,107	\$ 1,593,778

The Authority also administers and contributes to the Pennsylvania Municipal Retirement System and the I.A.M. National Pension Fund. The assets of the plans are invested separately and each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Pennsylvania Municipal Retirement System

The Plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution of 7-21-77 adopted pursuant to Act 15. The Plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. As of the date of this report PMRS has not provided to the Authority the necessary information required to be disclosed under the provision of GASB 68.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 18 - Pension Plans and Related Expenses (continued)

I.A.M. National Pension Fund

The Authority contributes to the I.A.M. National Pension Fund, a cost-sharing multiple employer defined benefit pension plan administered by the International Union, for employees who are members of Local Lodge #724, District 152, International Association of Machinists and Aerospace Workers, A. F. of L. C. I. O (the Union). Employees classified as full-time are eligible to participate in the plan after a 90-day probationary period.

For the years ended June 30, 2015 and 2014, contributions to the plan are made at \$4.25 and \$4.15, respectively, per man-hour worked up to a maximum of \$170 and \$166 per week, per employee, respectively. As of June 30, 2015 and 2014, 19 and 20 of the Authority's employees were covered under the plan. The Authority's contributions to the plan for the years ended June 30, 2015 and 2014 were \$133,837 and \$138,726, respectively, and equal to the required contributions for each year.

The plan does not issue publicly available financial statements. The terms of the plan are determined by a collective bargaining agreement with the Union which expired June 30, 2015.

Note 19 - Postemployment Benefits Other than Pensions

The Authority provides postemployment benefits for bus drivers, administrative employees, and shop employees. The Authority pays 50% of the health insurance premiums only from ages 62 through 64. Spouse coverage is available only if they pay 100% of the cost of coverage. Dependent children can participate only if the retiree pays 100% of the cost of coverage.

Benefit provisions for the bus drivers and the shop employees are established and amended through negotiations between the Authority and the respective union.

Funding Policy and Annual OPEB Cost

The Authority currently funds other postemployment benefit (OPEB) costs as they occur. For the year ended June 30, 2015, the Authority incurred \$18,832 in OPEB costs for current premiums. Plan members receiving benefits contributed \$24,451 or approximately 57% of the total premiums through their required contributions.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 19 - Postemployment Benefits Other than Pensions (continued)

The Authority's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Authority's annual OPEB cost for the current year and the related information is as follows:

Annual required contribution	\$ 112,531
Adjustment to the annual required contribution	(56,562)
Interest on net OPEB obligation	<u>41,460</u>
Annual OPEB cost	97,429
Contributions made	<u>(43,283)</u>
Increase in net OPEB obligation	54,146
Net OPEB obligation at beginning of year	<u>968,453</u>
Net OPEB Obligation at End of Year	<u><u>\$ 1,022,599</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the plan were as follows for the years ended June 30:

<u>Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net Pension Liability</u>
6/30/15	\$ 97,429	44.4%	\$ 996,750
6/30/14	62,277	24.3%	968,453
6/30/13	62,987	18.1%	921,330

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation, was as follows:

Number of participants covered	<u>197</u>
Actuarial present value at attained age (APVAA)	<u>\$ 1,321,910</u>
Actuarial accrued liability (AAL)	\$ 854,183
Actuarial value of assets (AVA)	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 854,183</u></u>

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 19 - Postemployment Benefits Other than Pensions (continued)

Funded Status and Funding Progress (continued)

Funded ratio	<u><u>-%</u></u>
Covered payroll	<u><u>\$ 7,112,082</u></u>
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	<u><u>12.0%</u></u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as supplementary information provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Actuarial Valuation Date	July 1, 2014
Actuarial Cost Method	Entry age normal
Amortization Method	Level annual dollar amount
Remaining Amortization Period	30-year open period
Asset Valuation Method	Market value
Actuarial Assumptions	
Investment rate of return	4.50% per annum
Projected salary increases	4.00% per annum
Healthcare Inflation Rate	Declining scale from 6.5% in 2014, decreasing .5% per year to 5.5% in 2016. Rates gradually decrease to 4.2% in 2089.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 20 - Restatement of 2013 and 2014 Financial Statements

The Authority's beginning net position has been restated to properly reflect the effect of the implementation of GASB Statement No. 68. The June 30, 2014 and 2013 financial statements as previously issued were restated for this correction.

	Statement of Net Position, June 30, 2013		
	As Previously Reported	As Restated	Effect of Changes
Assets			
Net pension benefit asset	\$ 1,847,033	\$ -	\$ (1,847,033)
Liabilities			
Net pension liability	\$ -	\$ (2,972,871)	\$ (2,972,871)
Net Position			
Unrestricted net position (deficit)	\$ 991,815	\$ (3,828,089)	\$ (4,819,904)

	Statement of Net Position, June 30, 2014		
	As Previously Reported	As Restated	Effect of Changes
Assets			
Net pension benefit asset	\$ 1,829,830	\$ -	\$ (1,829,830)
Deferred Outflow of Resources			
Pension	\$ -	\$ 303,576	\$ 303,576
Liabilities			
Net pension liability	\$ -	\$ (2,246,460)	\$ (2,246,460)
Deferred Inflow of Resources			
Pension	\$ -	\$ (81,603)	\$ (81,603)
Net Position			
Unrestricted net position (deficit)	\$ 861,377	\$ (2,992,940)	\$ (3,854,317)

	Statement of Revenues, Expenses, and Changes in Net Position, June 30, 2014		
	As Previously Reported	As Restated	Effect of Changes
Operating Expense			
Fringe benefits	\$ 4,835,114	\$ 3,463,353	\$ (1,371,761)
Increase (Decrease) in Net Position	\$ (2,248,506)	\$ (1,282,919)	\$ 965,587

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 21 - Reclassification of 2014 Financial Statements

Certain other items on the 2014 financial statements have been reclassified to conform to the 2015 financial statement presentation.

Note 22 - Commitment and Contingencies

Commitment

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 determined based on calculations included in the lease agreement.

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 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 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.

Multi-Employer Pension Plans

Governmental regulations impose certain requirements relative to multi-employer pension plans. In the event of plan termination or employer withdrawal, an employer may be liable for a portion of the plan's unfunded vested benefits. The Authority has not received information from the plans' administrators to determine its share of unfunded vested benefits. The Authority does not anticipate withdrawal from the plans, nor is the Authority aware of any expected plan terminations.

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.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 22 - Commitment and Contingencies (continued)

Contingencies (continued)

Concentration of Labor

The Authority entered into a collective bargaining agreement with the maintenance employees through June 30, 2015. The Authority also entered into a collective bargaining agreement with drivers through June 30, 2016 and continuing in place during negotiations. Of the Authority's total workforce, 14% is covered by the agreement with the maintenance employees and 77% is covered by the agreement with the drivers.

Note 23 - Management Agreement

The Authority entered into a management agreement with Red Rose Transit Authority, Lancaster, Pennsylvania, on October 21, 2013. The agreement called for Red Rose Transit Authority to provide executive director services to the Authority. The original term was in effect through April 30, 2014 and called for payments totaling \$60,000 to be made, which was funded through a Technical Assistance Grant applied for by Red Rose Transit Authority. The agreement was extended on May 1, 2014, and again on August 1, 2014, for an additional period ending December 31, 2014 which required monthly payments of \$14,204.

The Authority entered into a Mutual Cooperation Agreement with the South Central Transit Authority which took effect on January 1, 2015. The agreement called for South Central Transit Authority to provide all executive, management, administrative, and support services. The Authority is to make monthly payments of \$175,000 for the services provided. The initial term of the agreement ended June 30, 2015. Management service expense included in the statement of revenues, expenses, and changes in net position for the year ended June 30, 2015 was \$1,135,224.

The Authority entered into a subcontract agreement with the South Central Transit Authority which takes effect on July 1, 2015 and extends through June 30, 2020. The agreement calls for the Authority to provide fixed route transportation services and paratransit services for the County of Berks. Under the agreement, the Authority will continue to utilize its existing vehicles to provide the services. The agreement also calls for the Authority to lease the building at 1700 North Eleventh Street, the BARTA Transportation Center, Franklin Street Park and Ride Garage, and the Franklin Street Station, as well as administrative vehicles to the South Central Transit Authority. The payment of all such maintenance, repairs, operating, and insurance costs by South Central Transit Authority shall be the consideration for the lease of such properties, without the payment of any additional sums and shall be considered the rent for such properties. South Central Transit Authority will be receiving future grants which will fund transportation services in the County of Berks and as a result, South Central Transit Authority may purchase vehicles, supplies, and services needed to provide the contracted transportation services. As a result, the Authority transferred all remaining capital reserves totaling \$256,721 to the South Central Transportation Authority for the future acquisition of assets related to providing transportation services. Any existing leases or contracts shall be assigned to the South Central Transit Authority.

Berks Area Regional Transportation Authority

Notes to Financial Statements

June 30, 2015 and 2014

Note 24 - Subsequent Events

The Authority has evaluated subsequent events through December 29, 2015. This date is the date the financial statements were available to be issued. There were no material events subsequent to June 30, 2015, except as follows.

The Authority entered into a three year collective bargaining agreement with its maintenance employees. The agreement expires June 30, 2018.

Berks Area Regional Transportation Authority

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended June 30, 2015

Last Ten Fiscal Years*

	BARTA Transit Union Retirement and Disability Plan
Total Pension Liability	
Service cost	\$ 154,218
Interest	751,800
Difference between expected and actual experience	(81,603)
Benefit payments, including refunds of member contributions	<u>(422,927)</u>
Net Change in Total Pension Liability	401,488
Total Pension Liability, Beginning	<u>9,244,493</u>
Total Pension Liability, Ending	<u><u>\$ 9,645,981</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 310,871
Contributions - member	152,673
Net investment income	255,443
Benefit payments, including refunds of member contributions	(422,927)
Administrative expense	<u>(61,219)</u>
Net Change in Plan Fiduciary Net Position	234,841
Plan Net Position, Beginning	<u>6,998,033</u>
Plan Net Position, Ending	<u><u>\$ 7,232,874</u></u>
Authority's Net Pension Liability	<u><u>\$ 2,413,107</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u><u>75.0%</u></u>
Covered Employee Payroll	<u><u>\$ 4,699,257</u></u>
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	<u><u>51.4%</u></u>

* This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years which information is available is shown.

Berks Area Regional Transportation Authority

Schedule of Pension Contributions - Transit Union Retirement and Disability Plan Last Ten Fiscal Years*

Years	Actuarially Determined Contribution	Contributions from Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
2011	\$ 291,367	\$ 294,016	\$ (2,649)	\$ -	0.0%
2012	289,710	289,710	-	-	0.0%
2013	330,608	330,608	-	-	0.0%
2014	310,871	310,871	-	4,699,257	6.62%

Actuarial Methods and Assumptions

Valuation Date: Actuarially determined contribution rates are calculated as of July 1, two to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar closed
Remaining Amortization Period	8 years
Asset Valuation Method	Smoothed value with a corridor of 80% to 120% of market value
Inflation	3.00%
Salary Increases	0.00% - non-pay benefit formula
Investment Rate of Return	8.00%
Retirement Age	Earlier of normal retirement age or age 62 with 25 years of vesting service
Mortality	RP2000 Table, post retirement only. This table does not include projected mortality improvements.

There have been no changes in the benefit terms since June 30, 2015.

* Only four years are available.

Berks Area Regional Transportation Authority

Schedule of Funding Progress - Postemployment Benefits Other Than Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2014	\$ -	\$ 854,183	\$ 854,183	- %	\$ 7,112,082	12.0 %
July 1, 2012	-	570,014	570,014	-	6,579,066	8.7
July 1, 2009	-	2,046,864	2,046,864	-	5,904,662	34.7

Berks Area Regional Transportation Authority

Schedule of LEG - Fixed Route Urban Expenses - FY 14-15

Year Ended June 30, 2015

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ 3,012,787	\$ -	\$ -	\$ 3,012,787
2. Other Salaries & Wages	167,079	608,318	146,965	922,362
3. Fringe Benefits	2,260,740	442,445	132,224	2,835,409
4. Services	185,467	325,892	643,205	1,154,564
5. Fuel & Lubricants	1,352,018	5,037	-	1,357,055
6. Tires & Tubes	100,934	27	-	100,961
7. Other Materials & Supplies	12,899	694,084	41,992	748,975
8. Utilities	-	-	275,653	275,653
9. Casualty & Liability Costs	-	288,209	34,719	322,928
10. Taxes	-	-	1,550	1,550
11. Purchased Transportation	-	-	-	-
12. Miscellaneous Expenses	-	-	56,450	56,450
13. Total System Expenses	\$ 7,091,924	\$ 2,364,012	\$ 1,332,758	10,788,694
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				10,788,694
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				3,845,990
24. Other Post Employment Benefits (OPEB)				54,146
25. Other Reconciling Items Identify: Pension				220,562
Identify: Loss on disposal of capital assets				45,180
26. Total Non-Applied Reconciling Items				4,165,878
27. Total Operating Expenses per Audit				\$ 14,954,572

Berks Area Regional Transportation Authority

Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 14-15
 Year Ended June 30, 2015

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ 287,050	\$ -	\$ -	\$ 287,050
2. Other Salaries & Wages	22,063	69,898	12,332	104,293
3. Fringe Benefits	236,344	52,535	12,492	301,371
4. Services	2,021	28,010	92,613	122,644
5. Fuel & Lubricants	112,401	610	-	113,011
6. Tires & Tubes	12,044	-	-	12,044
7. Other Materials & Supplies	17	32,203	3,808	36,028
8. Utilities	748	-	16,323	17,071
9. Casualty & Liability Costs	-	34,626	4,643	39,269
10. Taxes	-	-	127	127
11. Purchased Transportation	-	23,559	173,498	197,057
12. Miscellaneous Expenses	-	-	6,164	6,164
13. Total System Expenses	\$ 672,688	\$ 241,441	\$ 322,000	1,236,129
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				1,236,129
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				\$ 1,236,129

Berks Area Regional Transportation Authority

Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 14-15
 Year Ended June 30, 2015

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ 915,595	\$ -	\$ -	\$ 915,595
2. Other Salaries & Wages	70,373	222,950	39,335	332,658
3. Fringe Benefits	753,867	167,570	39,845	961,282
4. Services	6,448	89,343	295,405	391,196
5. Fuel & Lubricants	358,521	1,946	-	360,467
6. Tires & Tubes	38,418	-	-	38,418
7. Other Materials & Supplies	53	102,718	12,147	114,918
8. Utilities	2,387	-	52,064	54,451
9. Casualty & Liability Costs	-	110,447	14,810	125,257
10. Taxes	-	-	404	404
11. Purchased Transportation	-	75,135	557,973	633,108
12. Miscellaneous Expenses	-	-	19,659	19,659
13. Total System Expenses	<u>\$ 2,145,662</u>	<u>\$ 770,109</u>	<u>\$ 1,031,642</u>	<u>3,947,413</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>3,947,413</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>\$ 3,947,413</u>

Berks Area Regional Transportation Authority

Schedule of LEG - Non-Public Expenses - Other Transportation - FY 14-15
 Year Ended June 30, 2015

Operating Expenses	Non-Shared Ride Paratransit	MATP - Non-Shared Ride Paratransit	MATP - Mileage Reimbursement	Other (Identify Above)	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -
2. Other Salaries & Wages	-	64,436	-	-	64,436
3. Fringe Benefits	-	48,225	-	-	48,225
4. Services	-	220,267	-	-	220,267
5. Fuel & Lubricants	-	-	-	-	-
6. Tires & Tubes	-	-	-	-	-
7. Other Materials & Supplies	-	2,002	-	-	2,002
8. Utilities	-	1,051	-	-	1,051
9. Casualty & Liability Costs	-	1,928	-	-	1,928
10. Taxes	-	-	-	-	-
11. Purchased Transportation	-	745,989	-	-	745,989
12. Miscellaneous Expenses	-	-	-	-	-
13. Mileage Reimbursement	-	-	32,966	-	32,966
14. MATP - Non-Public Service Admin Reimb.	-	-	-	-	-
15. Total System Expenses	\$ -	\$ 1,083,898	\$ 32,966	\$ -	1,116,864
Applied Reconciling Items					
16. Interest Expenses					-
17. Leases & Rentals					-
18. Depreciation (privately funded assets only)					-
19. Amortization of Intangibles					-
20. Purchase Lease Agreement					-
21. Related Parties Lease Agreement					-
22. Other Reconciling Items Identify					-
23. Total Applied Reconciling Items					-
24. Total Operating Expenses					1,116,864
Non-Applied Reconciling Items					
25. Depreciation (publicly funded assets only)					-
26. Other Post Employment Benefits (OPEB)					-
27. Other Reconciling Items Identify					-
28. Total Non-Applied Reconciling Items					-
29. Total Operating Expenses per Audit					\$ 1,116,864

Berks Area Regional 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, 2015

Operating expenses reported on Schedule of LEG - Fixed Route Urban Expenses	\$ 14,954,572
Operating expenses reported on Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban	1,236,129
Operating expenses reported on Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard	3,947,413
Operating expenses reported on Schedule of LEG - Non-Public Expenses - Other Transportation	<u>1,116,864</u>
Total Operating Expenses per Schedules	21,254,978
Non Applied Reconciling Items	
Loss on disposal of capital assets	<u>(45,180)</u>
Operating Expenses Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 21,209,798</u>

Berks Area Regional Transportation Authority

Schedule of LEG - Fixed Route Revenues - FY 14-15

Year Ended June 30, 2015

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Transportation Revenues			
1. Passenger Fares	\$ 2,894,435	\$ -	\$ 2,894,435
2. Advertising	82,605	-	82,605
3. Charter	-	-	-
4. Route Guarantees	-	-	-
Other Revenue			
5. Identify: Rent/Parking/Concessions	157,092	-	157,092
6. Identify: MATP Fares/W2W	91,899	-	91,899
7. Identify: Misc. Income	856	-	856
8. Total Revenue	<u>3,226,887</u>	<u>-</u>	<u>3,226,887</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>\$ 3,226,887</u>	<u>\$ -</u>	<u>\$ 3,226,887</u>

Berks Area Regional Transportation Authority

Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 14-15
 Year Ended June 30, 2015

	ADA	Shared Ride 65+		Shared Ride Under 65		Public	Total
	Paratransit	Standard	DAS*	Standard	DAS*	Vanpool	
Transportation Revenues							
1. Passenger Fares	\$ 97,114	\$ 119,499	\$ -	\$ 87,445	\$ -	\$ -	\$ 304,058
2. Advertising	-	-	-	-	-	-	-
3. Shared-Ride Lottery Trip Reimbursement	-	994,210	-	-	-	-	994,210
4. PwD Trip Reimbursement	-	-	-	38,550	-	-	38,550
5. PwD Passenger Fares	-	-	-	8,935	-	-	8,935
6. AAA	-	44,559	-	24,055	-	-	68,614
7. MH/MR - Shared Ride Fare Structure	-	-	-	238,150	-	-	238,150
8. W2W - Shared Ride Fare Structure	-	-	-	-	-	-	-
9. MATP - Shared Ride Fare Structure	-	-	-	694,406	-	-	694,406
Other Agencies/Third Party Sponsors	-	-	-	-	-	-	-
10. Identify: Escorts	-	-	-	5,178	-	-	5,178
11. Identify:	-	-	-	-	-	-	-
Other Revenue							
MATP							
12. Admin Reimbursement for MATP Shared Ride Fare Structure	-	-	-	-	-	-	-
Other (i.e. Block Grant)							
13. Identify: Abilities in Motion-ADA	101,255	-	-	-	-	-	101,255
14. Identify:	-	-	-	-	-	-	-
15. Identify:	-	-	-	-	-	-	-
16. Interest/Investment Income	-	-	-	-	-	-	-
17. Total Revenue	198,369	1,158,268	-	1,096,719	-	-	2,453,356
Non-Applied Reconciling Items							
18. Identify:	-	-	-	-	-	-	-
19. Identify:	-	-	-	-	-	-	-
20. Total Non-Applied Reconciling Items	-	-	-	-	-	-	-
21. Total Revenue per Audit	\$ 198,369	\$ 1,158,268	\$ -	\$ 1,096,719	\$ -	\$ -	\$ 2,453,356

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

Berks Area Regional Transportation Authority

Schedule of LEG - Non-Public Revenues - Other Transportation - FY 14-15

Year Ended June 30, 2015

Contract Revenue

Agency/Sponsor

1. MATP - Contract Rate Paratransit Revenue	\$	672,018
2. W2W - Contract Rate Paratransit Revenue		-
Other Contract Rate Paratransit Revenue		
3. Identify: Partial Hosp		28,777
4. Identify: Taxi		45,192
5. Identify:		-

Berks Area Regional Transportation Authority

6. MATP - Mileage Reimbursement		32,966
7. W2W - Other (i.e. vehicle purchase/repair, fixed-route fares)		-
8. Identify:		-

Admin Reimbursement

9. MATP - Contract Rate Paratransit Admin		321,015
10. MATP - Mileage Reimbursement Admin		16,896
11. W2W - Admin/Case Management		-
12. Interest/Investment Income		-

13. Total Revenue 1,116,864

Non-Applied Reconciling Items

14. Identify		-
15. Identify		-

16. Total Non-Applied Reconciling Items -

17. Total Revenue per Audit \$ 1,116,864

Berks Area Regional 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, 2015

Operating revenues reported on Schedule of LEG - Fixed Route Revenues	\$ 3,226,887
Operating revenues reported on Schedule of LEG - Non-Fixed Route Revenues - Urban	2,453,356
Operating revenues reported on Schedule of LEG - Non-Public Revenues - Other Transportation	<u>1,116,864</u>
Total Operating Revenues per Schedules	6,797,107
Reconciling Items	
Rounding	<u>(1)</u>
Operating Revenues Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 6,797,106</u>

Berks Area Regional Transportation Authority

Schedule of LEG - Fixed Route Subsidies - FY 14-15

Year Ended June 30, 2015

	Fixed Route Urban	Fixed Route Rural	Total
1. Federal Operating Grant	\$ -	\$ -	\$ -
2. Federal Capital Grant to Fund Preventive Maintenance Costs	-	-	-
3. Federal Capital Grant to Fund Capital Costs of Contracting	81,561	-	81,561
4. Federal Capital Grant to Fund Associated Capital Maintenance Costs	70,467	-	70,467
5. Other Federal Grants for Operating Costs Identify: UPWP \$122,800; Operating \$29,066	151,866	-	151,866
6. Subtotal Federal Subsidy	303,894	-	303,894
7. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	4,974,727	-	4,974,727
8. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	2,083,492	-	2,083,492
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	7,058,219	-	7,058,219
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	199,694	-	199,694
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:	-	-	-
20. Subtotal Local Subsidy	199,694	-	199,694
21. Grand Total Subsidy	7,561,807	-	7,561,807
Non-Applied Reconciling Items			
22. Identify Federal: Rounding	1	-	1
23. Identify State:	-	-	-
24. Identify Local:	-	-	-
25. Total Non-Applied Reconciling Items	1	-	1
26. Grand Total Subsidy per Audit	\$ 7,561,808	\$ -	\$ 7,561,808

* 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.

Berks Area Regional Transportation Authority

Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 14-15
 Year Ended June 30, 2015

	ADA	Shared Ride		Public	Total
	Paratransit	Standard	DAS*	Vanpool	
Subsidy					
1. Federal Operating Grant	\$ -	\$ -	\$ -	\$ -	\$ -
2. Federal Capital Grant to Fund Preventive Maintenance Costs	10,799	23,030	-	-	33,829
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:	357,353	-	-	-	357,353
6. Federal Shared-Ride Subsidy					
Identify:	-	-	-	-	-
7. Subtotal Federal Subsidy	368,152	23,030	-	-	391,182
8. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	396,996	846,686	-	-	1,243,682
9. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	259,177	794,055	-	-	1,053,232
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	656,173	1,640,741	-	-	2,296,914
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	13,435	28,655	-	-	42,090
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	13,435	28,655	-	-	42,090
24. Grand Total Subsidy	1,037,760	1,692,426	-	-	2,730,186
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	\$ 1,037,760	\$ 1,692,426	\$ -	\$ -	\$ 2,730,186

* 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.

Berks Area Regional Transportation Authority

Schedule of LEG - Budget Summary - FY 14-15

Year Ended June 30, 2015

	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	\$ 10,788,694	\$ -	\$ 1,236,129	\$ -	\$ 3,947,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,116,864	\$ 17,089,100
2. Total Revenue	3,226,887	-	198,369	-	2,254,987	-	-	-	-	-	1,116,864	6,797,107
3. Operating Deficit	(7,561,807)	-	(1,037,760)	-	(1,692,426)	-	-	-	-	-	-	(10,291,993)
4. Grand Total Subsidy	7,561,807	-	1,037,760	-	1,692,426	-	-	-	-	-	-	10,291,993
5. Applied Operating Result	-	-	-	-	-	-	-	-	-	-	-	-
Non-Applied Reconciling Items												
6. Total Non-Applied Reconciling Expense Items	4,165,878	-	-	-	-	-	-	-	-	-	-	4,165,878
7. Total Non-Applied Reconciling Revenue Items	-	-	-	-	-	-	-	-	-	-	-	-
8. Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-
9. Operating Result per Audit	\$ (4,165,878)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,165,878)

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

Berks Area Regional Transportation Authority

Schedule S1 - Local Match Provided - FY 14-15

Year Ended June 30, 2015

Act 44 Section 1513 Local Match for Operating Funds Received

<u>Contributor Name</u>	<u>Date of Final Payment*</u>	<u>Total Amount Provided</u>
County of Berks	12/16/2014	\$ 241,784
		-
		-
		-
Subtotal		241,784

Act 44 Section 1514 Local Match for Discretionary Capital Funds Received

Non Federal Projects

Federal Projects

Total Section 1514 Local Match Funds Received

<u>Contributor Name</u>	<u>Date of Final Payment*</u>	<u>Total Amount Provided</u>
		-
		-
Subtotal		-

Act 44 Section 1514 Local Match for Capital Bond Funds Received

<u>Contributor Name</u>	<u>Date of Final Payment*</u>	<u>Total Amount Provided</u>
		-
		-
Subtotal		-

Act 44 Section 1515 Local Match for New Initiatives

<u>Contributor Name</u>	<u>Date of Final Payment*</u>	<u>Total Amount Provided</u>
		-
		-
Subtotal		-

Berks Area Regional Transportation Authority

Schedule S1 - Local Match Provided - FY 14-15 (continued)

Year Ended June 30, 2015

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
		-
		-
Subtotal		-

Grand Total

\$ 241,784

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

Berks Area Regional Transportation Authority

Schedule S2 - Local Match Carryover - FY 14-15

Year Ended June 30, 2015

A. Local match available as of June 30, 2014	<u>\$ -</u>
B. Local match funds provided during year-ended June 30, 2015	<u>241,784</u>
C. Local match operating expenditures for year ended June 30, 2015:	
a. Act 44 Section 1513 Local operating grant charged (prior years) - Municipal Source	-
b. Act 44 Section 1513 Local operating grant charged (current year) - Municipal Source	241,784
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)	-
h. Other operating expenditures (if any)	-
i. Other operating expenditures (if any)	-
	<u>-</u>
D. Total local match operating expenditures for year-ended June 30, 2015 (Sum C.a - C.i)	<u>241,784</u>
E. Local match capital expenditures for year-ended June 30, 2015:	
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)	-
j. Other local match capital expenditures (if any)	-
k. Other local match capital expenditures (if any)	-
	<u>-</u>
F. Total local match capital expenditures for year-ended June 30, 2015 (Sum E.a - E.k)	<u>-</u>
G. Interest earned on local funds for year-ended June 30, 2015	<u>-</u>
H. Local match funds available as of June 30, 2015 (A+B-D-F+G)	<u><u>\$ -</u></u>

Berks Area Regional Transportation Authority

Schedule S3 - Urban PTAF/BSG/ASG Carryover

Year Ended June 30, 2015

	ACT 26			ACT 3					
	PTAF	PTAF Actual Local Match	PTAF Total Balance	BSG	BSG Actual Local Match	BSG Total Balance	ASG	ASG Actual Local Match	ASG Total Balance
1. Funds available as of June 30, 2014 (Line 3-6)	\$ -	\$ -	\$ -	\$ 375,067	\$ 12,920	\$ 387,987	\$ -	\$ -	\$ -
2. Interest income earned in FY 2013-2014	-	-	-	705	24	729	-	-	-
3. Total funds available in FY 2014-2015 (Line 1+2)	-	-	-	375,772	12,944	388,716	-	-	-
4. Funds used for operating in FY 2015	-	-	-	-	-	-	-	-	-
5. Funds used for capital in FY 2015	-	-	-	300,656	10,357	311,013	-	-	-
6. Total funds used in FY (Line 4+5)	-	-	-	300,656	10,357	311,013	-	-	-
7. Funds available as of June 30, 2015 (Line 3-6)	\$ -	\$ -	\$ -	\$ 75,116	\$ 2,587	\$ 77,703	\$ -	\$ -	\$ -

Berks Area Regional Transportation Authority

Schedule S5 - Section 1513 Program Carryover - FY 14-15
Year Ended June 30, 2015

	State Grant	Local Match	Total
A. FY 2014-15 Section 1513 URBAN Grant Agreement	\$ 7,931,351	\$ 241,784	\$ 8,173,135
Urban Section 1513 Grant Utilization For Fiscal Year Ended June 30, 2015			
1. Section 1513 fund balance as of June 30, 2014	\$ 6,218,409	\$ -	\$ 6,218,409
2. Section 1513 funds received for FY 2015	7,931,351	241,784	8,173,135
3. PTAF Section 1513 funds received for FY 2015 (applicable to SEPTA and PAAC)	-	-	-
4. Total Section 1513 funds received for FY 2015 (Line 2+3, must agree with A above)	7,931,351	241,784	8,173,135
5. Interest income earned on Section 1513 funds in FY 2015	21,278	-	21,278
6. Total Section 1513 funds available in FY 2015 (Line 1+4+5)	14,171,038	241,784	14,412,822
7. Section 1513 funds used for Urban fixed route operating expenses in FY 2015	7,058,219	199,694	7,257,913
8. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2015	2,296,914	42,090	2,339,004
9. Section 1513 funds used for Rural fixed route operating expenses in FY 2015	-	-	-
10. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2015	-	-	-
11. Section 1513 funds used for Urban capital costs in FY 2015 (waiver required)	-	-	-
12. Section 1513 funds used for Rural capital costs in FY 2015 (waiver required)	-	-	-
13. Total Section 1513 used in FY 2015 (Line 7+8+9+10+11+12)	9,355,133	241,784	9,596,917
14. Section 1513 fund balance as of June 30, 2015 (Line 6-13)	\$ 4,815,905	\$ -	\$ 4,815,905
B. FY 2014-15 Section 1513 RURAL Grant Agreement	\$ -	\$ -	\$ -
Rural Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2015			
15. Section 1513 fund balance as of June 30, 2014	\$ -	\$ -	\$ -
16. Section 1513 funds received for FY 2015 (must agree with B above)	-	-	-
17. Interest income earned on Section 1513 funds in FY 2015	-	-	-
18. Total Section 1513 funds available in FY 2015 (Line 15+16+17)	-	-	-
19. Section 1513 funds used for Rural fixed route operating expenses in FY 2015	-	-	-
20. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2015	-	-	-
21. Section 1513 funds used for Urban fixed route operating expenses in FY 2015	-	-	-
22. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2015	-	-	-
23. Section 1513 funds used for Rural capital costs in FY 2015 (waiver required)	-	-	-
24. Section 1513 funds used for Urban capital costs in FY 2015 (waiver required)	-	-	-
25. Total Section 1513 used in FY 2015 (Line 19+20+21+22+23+24)	-	-	-
26. Section 1513 fund balance as of June 30, 2015 (Line 18-25)	\$ -	\$ -	\$ -
C. Total Agency Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2015			
27. Section 1513 fund balance as of June 30, 2014	\$ 6,218,409	\$ -	\$ 6,218,409
28. Section 1513 funds received for FY 2015	7,931,351	241,784	8,173,135
29. PTAF Section 1513 funds received for FY 2015 (applicable to SEPTA and PAAC)	-	-	-
30. Total Section 1513 funds received for FY 2015 (Line 28+29)	7,931,351	241,784	8,173,135
31. Interest income earned on Section 1513 funds in FY 2015	21,278	-	21,278
32. Total Section 1513 funds available for FY 2015 (Line 27+30+31)	14,171,038	241,784	14,412,822
33. Section 1513 funds used for Urban fixed route operating expenses in FY 2015	7,058,219	199,694	7,257,913
34. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2015	2,296,914	42,090	2,339,004
35. Section 1513 funds used for Rural fixed route operating expenses in FY 2015	-	-	-
36. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2015	-	-	-
37. Section 1513 funds used for Urban capital costs in FY 2015 (waiver required)	-	-	-
38. Section 1513 funds used for Rural capital costs in FY 2015 (waiver required)	-	-	-
39. Total Section 1513 used in FY 2015 (Line 33+34+35+36+37+38)	9,355,133	241,784	9,596,917
40. Section 1513 fund balance as of June 30, 2015 (Line 32-39)	\$ 4,815,905	\$ -	\$ 4,815,905

Berks Area Regional Transportation Authority

Schedule S6 - Shared Ride Expense Allocation Worksheet

Year Ended June 30, 2015

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	74.47 %	6.81 %	21.72 %	- %	Other
2. Other Salaries & Wages	64.78	7.33	23.36	4.53	Other
3. Fringe Benefits	68.38	7.27	23.18	1.16	Other
4. Services	61.13	6.49	20.71	11.16	Other
5. Fuel & Lubricants	74.13	6.17	19.69	-	Other
6. Tires & Tubes	66.67	7.95	25.37	-	Other
7. Other Materials & Supplies	83.04	3.99	12.74	0.22	Other
8. Utilities	79.16	4.90	15.64	0.30	Other
9. Casualty & Liability Costs	65.19	8.02	25.59	0.39	Other
10. Taxes	74.48	6.10	19.41	-	Other
11. Purchased Transportation	-	12.50	40.17	47.33	Other
12. Miscellaneous Expenses	68.61	7.49	23.89	-	Other

Berks Area Regional Transportation Authority

Year Ended June 30, 2015

CAPITAL REPORT #1														
FISCAL YEAR AND INCEPTION-TO-DATE CAPITAL PROJECT SPENDING														
		Signage	AVL System	Fixed Route Farebox System	Credit Union Renovation	Shop Lifts	Office Equip/IT Improvements	Security Fence Project	H	I	J	K=SUM (A:J)	L	M=L-K
1	Capital Project Title:											Total Spent	Total Granted Funds	Granted Funds Less Amt Spent
2	Expenditures Through the End of the Prior Fiscal Year											\$ -		\$ -
	Sources of Funds for the Current Fiscal Year													
3	Federal Capital - 5303/5304/5305 - FTA Planning													
4	Federal Capital - 5307 - FTA Urban Formula	\$ 3,461	\$ 17,787	\$ 663,130								684,378	684,378	-
5	Federal Capital - 5309 - FTA Fixed Guideway													
6	Federal Capital - 5309 - FTA Bus/Bus Facilities		502,991									502,991	502,991	-
7	Federal Capital - 5309 - FTA New/Small Starts													
8	Federal Capital - 5310 - FTA Senior and PWD													
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													
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		104,811									104,811	104,811	-
18	State Capital - 1514 - Discretionary													
19	State Capital - 1515 - New Initiatives													
20	State Capital - 1516 - CTC													
21	State Capital - 1516 - Other													
22	State Capital - 1517 - Capital Improvement Program		349,250	165,783	51,192							566,225	566,225	-
23	State Capital - PTAF													
24	State Capital - All Sources Used for Debt Service													
25	State Capital - ASG/BSG				65,508	71,773	61,624	101,751				300,656	300,656	-
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	865	22,503		2,257	2,472	7,196	3,505				38,798	38,798	-
37	Local Contribution													
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	\$ 4,326	\$ 997,342	\$ 828,913	\$ 118,957	\$ 74,245	\$ 68,820	\$ 105,256				\$ 2,197,859	\$ 2,197,859	\$ -
												Grand Total		
47	Total Sources of Funds Spent Inception-to-Date	4,326	997,342	828,913	118,957	74,245	68,820	105,256				2,197,859		
48	Total Granted Sources of Funds Inception to Date													
49	Granted Sources Less Amount Spent Inception to Date	\$ (4,326)	\$ (997,342)	\$ (828,913)	\$ (118,957)	\$ (74,245)	\$ (68,820)	\$ (105,256)	\$ -	\$ -	\$ -	\$ (2,197,859)		