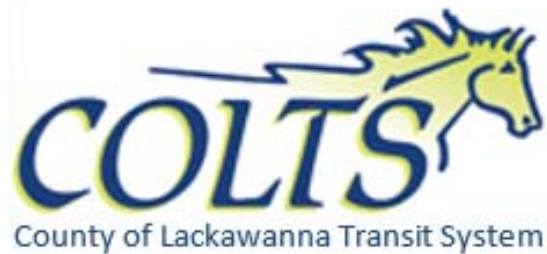


**County of Lackawanna
Transit System Authority
A Component Unit of Lackawanna County**



**Financial Statements and
Supplementary Information
June 30, 2017 and 2016**

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Table of Contents
June 30, 2017 and 2016

	Page
INDEPENDENT AUDITOR'S REPORT	1 to 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 to 10
FINANCIAL STATEMENTS	
Statement of Net Position	11 and 12
Statement of Revenues, Expenses, and Changes in Net Position	13 and 14
Statement of Cash Flows	15
Notes to Financial Statements	16 to 36
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Net Pension Liability and Related Ratios	37
Schedule of Pension Contributions	38
SUPPLEMENTARY INFORMATION	
Schedule of LEG - Fixed Route Urban Expenses - FY 16-17	39
Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 16-17	40
Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 16-17	41
Schedule of LEG - Non-Public Expenses - Other Transportation - FY 16-17	42
Reconciliation of Operating Expenses to Financial Statements Prepared under Accounting Principles Generally Accepted in the United States of America	43
Schedule of LEG - Fixed Route Revenues - FY 16-17	44
Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 16-17	45
Schedule of LEG - Non-Public Revenues - Other Transportation - FY 16-17	46
Reconciliation of Operating Revenues to Financial Statements Prepared under Accounting Principles Generally Accepted in the United States of America	47
Schedule of LEG - Fixed Route Subsidies - FY 16-17	48
Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 16-17	49

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Table of Contents (continued)
June 30, 2017 and 2016

	Page
SUPPLEMENTARY INFORMATION (continued)	
Reconciliation of Reported Subsidy to Financial Statements Prepared under Accounting Principles Generally Accepted in the United States of America	50
Schedule of LEG - Budget Summary - FY 16-17	51
Schedule S1 - Local Match Provided - FY 16-17	52 and 53
Schedule S2 - Local Match Carrover - FY 16-17	54
Schedule S3 - Urban PTAF/BSG/ASG Carryover - FY 16-17	55
Schedule S5 - Urban Section 1513 Program Carryover - FY 16-17	56
Shared Ride Retained Earnings	57
Capital Report #1 - Fiscal Year and Inception-to-Date Capital Project Spending	58



Independent Auditor's Report

To the Board of Directors
County of Lackawanna Transit System Authority
Scranton, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Lackawanna Transit System Authority (the Authority), a component unit of Lackawanna County, Pennsylvania, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Lackawanna Transit System Authority as of June 30, 2017 and 2016 and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 10 and required supplementary information on pages 37 and 38 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 basic financial statements as a whole.

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 March 19, 2018, 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.

RKL LLP

March 19, 2018
Lancaster, Pennsylvania

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Management's Discussion and Analysis
June 30, 2017 and 2016

The following management's discussion and analysis of the County of Lackawanna Transit System's (the Authority or COLTS) activities and financial performance provides an introduction and overview to the Authority's basic financial statements for the years ended June 30, 2017 and 2016 with comparative financial information for the year ended June 30, 2015. Please read it in conjunction with the Authority's financial statements.

Financial Highlights

Operating Revenues

COLTS's operating revenue has decreased 14% or \$641,512 for the year ended June 30, 2017, compared to an increase of 22% or \$850,278 for the year ended June 30, 2016. Passenger fare revenue is down 9%, State Shared Ride Program revenue is down 10%, and reimbursements under the State Medical Assistance Program are down 12% for the year ended June 30, 2017. COLTS did not increase fares for fixed route service for the year ended June 30, 2017.

Operating Expenses

COLTS's operating expenses increased 4% or \$536,649 for the year ended June 30, 2017, compared to a decrease of 1% or \$7,966 for the year ended June 30, 2016. Expenses for employee benefits increase 7% or \$252,899 and fuel and lubricant expenses decreased 21% or \$148,732.

Fixed-Route Service Highlights

In fiscal years 2017 and 2016, COLTS provided 1,009,088 and 1,093,532 rides, respectively. Ridership has decreased by 84,444 and 35,564 for the years ended June 30, 2017 and 2016, respectively. Senior ridership, which continues to be provided for free, remained steady. COLTS's Director of Communications conducted several outreach sessions at area senior centers and Travel Training Days to teach seniors how to ride the buses and navigate the route maps. COLTS is continuing its relationship with local universities to offer service to college students.

Nonoperating Revenues

For the year ended June 30, 2017 and 2016, the Authority utilized \$6,180,990 and \$6,063,654 of Act 44 funds to offset operating expenses. For the year ended June 30, 2017, the Authority had operating expenses of \$851,983 in excess of available Act 44 funds.

Overview of the Financial Statements

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

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Management's Discussion and Analysis
June 30, 2017 and 2016

Overview of the Financial Statements (continued)

COLTS'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 COLTS. It presents information on COLTS's assets, deferred outflow of resources, liabilities, and deferred inflow and deferred outflows of resources, if applicable. COLTS' net position is presented as the difference between COLTS's assets and liabilities on this report. Increases or decreases in net position may serve as a useful indicator of whether the financial position of COLTS 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 COLTS'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 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 effects changes in assets and liabilities have on cash during the course of the fiscal year.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in COLTS's financial statements.

Other Information. In addition to the basic financial statements, this report also presents certain required supplementary information, including management's discussion and analyses and concerning COLTS's progress in funding its obligation to provide pension benefits to its employees, and other supplementary information.

Financial Analysis

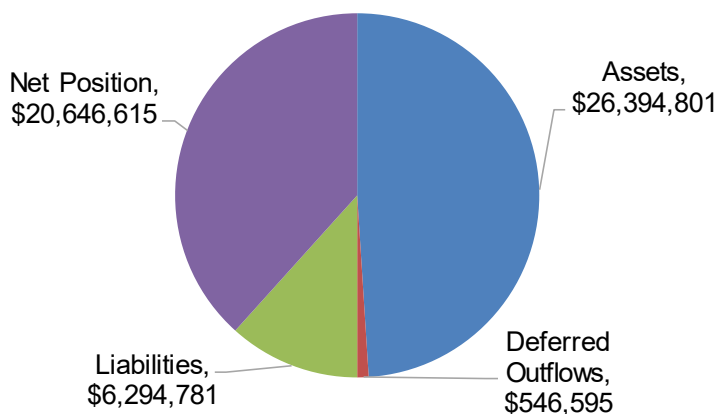
Net Position. Net position, when viewed over time, may serve as a useful indicator of an entity's financial position. In the case of COLTS, assets and deferred outflows of resources exceed liabilities and deferred inflows, if applicable, by \$20,646,615 and \$22,013,420 as of June 30, 2017 and 2016, respectively.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Management's Discussion and Analysis
 June 30, 2017 and 2016

Financial Analysis (continued)

The following chart shows the major categories of net position for the year ended June 30, 2017:



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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assets			
Current assets	\$ 4,968,224	\$ 6,409,252	\$ 8,366,777
Noncurrent assets			
Capital assets, net	<u>21,426,577</u>	<u>22,342,810</u>	<u>17,726,877</u>
Total Assets	<u>26,394,801</u>	<u>28,752,062</u>	<u>26,093,654</u>
Deferred Outflow of Resources	<u>546,595</u>	<u>589,034</u>	<u>232,257</u>
Liabilities			
Current liabilities	<u>3,641,530</u>	4,806,312	7,281,541
Long-term liability	<u>2,653,251</u>	<u>2,521,364</u>	<u>2,012,588</u>
Total Liabilities	<u>6,294,781</u>	<u>7,327,676</u>	<u>9,294,129</u>
Net Position			
Invested in capital assets	<u>21,426,577</u>	22,342,810	17,726,877
Unrestricted (deficit)	<u>(779,962)</u>	<u>(329,390)</u>	<u>(695,095)</u>
Total Net Position	<u>\$ 20,646,615</u>	<u>\$ 22,013,420</u>	<u>\$ 17,031,782</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

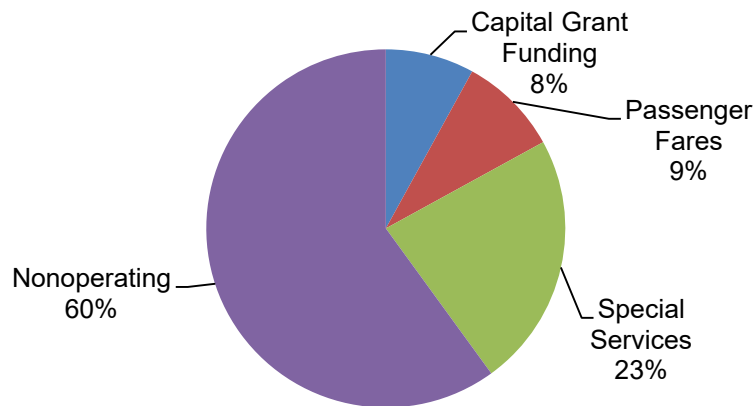
Management's Discussion and Analysis
June 30, 2017 and 2016

Financial Analysis (continued)

Net capital assets consisting of land, buildings, buses and support vehicles, and other equipment comprise 104% of COLTS's net position as of June 30, 2017. Current liabilities include unearned revenue of \$19,080 of Act 26 funds; \$1,509,332 of Act 3 funds; \$-0- of Act 44 funds, and \$507,684 of Lackawanna County funds. These funds are matching funds to federal grants for current and future capital projects. With budget constraints at the federal and state levels, COLTS prioritizes the allocation of capital funds to future bus procurement projects first, then to other capital projects. All capital grant funding assets are restricted funds to purchase capital assets to be used exclusively to provide transportation services to citizens in Lackawanna County. Due to the restrictions placed on their use and disposal, these capital assets are not available for future spending.

Changes in Net Position

The following chart shows the major sources and the percentage of revenues for the year ended June 30, 2017:



COLTS is primarily dependent upon federal, state, and local government grants to fund its operations. These grant funds are included in the nonoperating revenues shown in the chart above for the year ended June 30, 2017.

COLTS's major expenses are salaries and wages and benefits, which combine to equal 63% of the annual expenses. Purchased transportation for special services was equal to 7% of the annual expenses. Depreciation equals 14%.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Management's Discussion and Analysis
 June 30, 2017 and 2016

Financial Analysis (continued)

Changes in Net Position (continued)

A summary of COLTS's statement of revenues, expenses, and changes in nets assets is presented below for the years ended June 30:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating Revenues			
Passenger fares	\$ 1,158,680	\$ 1,272,193	\$ 1,187,283
Route guarantees	-	-	58,500
State Medical Assistance Transportation Program	861,644	975,667	724,780
State Shared Ride Program	1,737,879	1,921,053	1,399,065
State Persons with Disabilities Program	37,061	45,029	34,129
Area Agency on Aging	227,274	231,204	186,694
Other contract revenue	-	193,000	210,598
Advertising income	38,052	30,774	46,366
Miscellaneous income	8,425	41,607	12,834
Total Operating Revenues	4,069,015	4,710,527	3,860,249
Operating Expenses	13,976,311	13,439,662	13,447,628
Loss from Operations	(9,907,296)	(8,729,135)	(9,587,379)
Nonoperating Revenues			
Operating grants			
Federal government	508,813	569,415	490,898
Commonwealth of Pennsylvania	110,000	72,887	36,212
Lackawanna County - Act 44 funds	655,721	624,496	594,758
Lackawanna County - other funds	17,382	19,797	15,985
Commonwealth of Pennsylvania - Act 44 Technical Assistance funds	-	-	35,347
Commonwealth of Pennsylvania - Act 44 funds	6,180,990	6,063,654	6,400,472
Total Operating Grants	7,472,906	7,350,249	7,573,672
Investment income	7,014	9,805	5,043
Miscellaneous income	770	8,986	519,759
Total Nonoperating Revenues	7,480,690	7,369,040	8,098,474
Loss Before Capital Grant Funding	(2,426,606)	(1,360,095)	(1,488,905)

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Management's Discussion and Analysis
 June 30, 2017 and 2016

Financial Analysis (continued)

Changes in Net Position (continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Capital Grant Funding			
Federal Government	755,872	4,740,123	4,383,017
Commonwealth of Pennsylvania	101,169	1,345,755	751,036
Lackawanna County	31,929	121,852	144,118
Commonwealth of Pennsylvania - Act 44 funds	-	-	21,384
Commonwealth of Pennsylvania - Act 3 funds	86,769	45,986	88,409
Commonwealth of Pennsylvania - Act 26 funds	84,062	-	143,109
Commonwealth of Pennsylvania - Act 27 funds	-	88,017	-
Total Capital Grant Funding	<u>1,059,801</u>	<u>6,341,733</u>	<u>5,531,073</u>
Increase (Decrease) in Net Position	<u>\$ (1,366,805)</u>	<u>\$ 4,981,638</u>	<u>\$ 4,042,168</u>

Capital Assets

COLTS's investment in capital assets as of June 30, 2017 and 2016 (net of accumulated depreciation) amounted to \$21,426,577 and \$22,342,810, respectively. Capital assets are recorded at cost and include land, buildings, buses and support vehicles, and other equipment.

Capital assets, net of accumulated depreciation, are as follows at June 30:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land	\$ 33,486	\$ 33,486	\$ 33,486
Construction in progress	-	-	7,093,134
Buildings	14,633,275	14,431,994	2,624,796
Buses and support vehicles	5,711,581	6,840,278	6,839,805
Other equipment	1,048,235	1,037,052	1,135,656
	<u>\$ 21,426,577</u>	<u>\$ 22,342,810</u>	<u>\$ 17,726,877</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Management's Discussion and Analysis
June 30, 2017 and 2016

Economic Factors

Lackawanna County, located in Northeast Pennsylvania, has a landmass of 465 square miles, and a population of roughly 211,000 as of the 2010 census. This is a slight decrease from the roughly 215,000 total population per the 2000 census. To expand its ridership, COLTS continues to partner with local universities to provide services to students and continues to upgrade its fleet of buses, with three new buses rolling out in 2017.

Contacting the Authority's Financial Management

This financial report is designed to provide our customers, the public, and funding agencies with a general overview of COLTS's finances and to show accountability for the money it receives. If there are any questions about this report, please contact Douglas A. Hein, Director of Grants and Finance at COLTS's offices, 800 North South Road, Scranton, Pennsylvania 18504.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Statement of Net Position

	June 30,	
	<u>2017</u>	<u>2016</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,322,573	\$ 462,200
Cash and cash equivalents - restricted	2,036,096	3,479,211
Investments	71,383	123,448
Accounts receivable	112,876	638,309
Inventories	95,684	138,848
Prepaid expenses	29,349	138,668
Operating grants receivable	463,023	46,094
Capital grants receivable	837,240	1,382,474
	<u>4,968,224</u>	<u>6,409,252</u>
Total Current Assets		
Capital Assets		
Capital assets not being depreciated	33,486	33,486
Capital assets being depreciated	43,076,862	43,426,430
	43,110,348	43,459,916
Accumulated depreciation	<u>(21,683,771)</u>	<u>(21,117,106)</u>
	<u>21,426,577</u>	<u>22,342,810</u>
Capital Assets, Net		
Deferred Outflow of Resources - Pension	<u>546,595</u>	<u>589,034</u>
	<u>26,941,396</u>	<u>29,341,096</u>
Total Assets and Deferred Outflow of Resources		

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Statement of Net Position (continued)

	June 30,	
	2017	2016
Liabilities		
Current Liabilities		
Accounts payable	698,277	414,610
Accrued expenses		
Payroll and payroll taxes	283,072	234,637
Vacation	177,500	173,337
Workers' compensation claims	246,136	244,874
Unearned MATP funds	200,449	259,643
Unearned Lackawanna County funds	507,684	530,717
Unearned JARC funds	-	1,963
Unearned Commonwealth of Pennsylvania - Act 26 funds	19,080	110,416
Unearned Commonwealth of Pennsylvania - Act 3 funds	1,509,332	1,937,217
Unearned Commonwealth of Pennsylvania - Act 44 funds	-	898,898
Total Current Liabilities	3,641,530	4,806,312
Long-Term Liabilities		
Accrued compensated absences	565,233	549,742
Net pension liability	2,088,018	1,971,622
Total Long-Term Liabilities	2,653,251	2,521,364
Total Liabilities	6,294,781	7,327,676
Net Position		
Net Position		
Investment in capital assets	21,426,577	22,342,810
Unrestricted deficit	(779,962)	(329,390)
Total Net Position	\$ 20,646,615	\$ 22,013,420

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Statement of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	2017	2016
Operating Revenues		
Passenger fares	\$ 1,165,862	\$ 1,272,193
State Medical Assistance Transportation Program	861,644	975,667
State Shared Ride Program	1,737,879	1,921,053
State Persons with Disabilities Program	29,879	45,029
Area Agency on Aging	227,274	231,204
Other contract revenue	-	193,000
Advertising income	38,052	30,774
Miscellaneous income	8,425	41,607
	4,069,015	4,710,527
Operating Expenses		
Salaries and wages	4,960,508	4,783,763
Fringe benefits	3,855,970	3,603,071
Services	406,145	367,829
Fuel and lubricants	564,128	712,860
Tires and tubes	113,324	93,589
Other materials and supplies	552,538	396,128
Utilities	98,035	111,017
Casualty and liability	282,214	328,887
Purchased transportation	979,081	1,020,833
Miscellaneous expense	271,163	295,884
Depreciation	1,893,205	1,725,801
	13,976,311	13,439,662
	(9,907,296)	(8,729,135)
Nonoperating Revenues		
Operating grants		
Federal government	508,813	569,415
Commonwealth of Pennsylvania	110,000	72,887
Lackawanna County - Act 44 funds	655,721	624,496
Lackawanna County - other funds	17,382	19,797
Commonwealth of Pennsylvania - Act 44 funds	6,180,990	6,063,654
	7,472,906	7,350,249
Investment income	7,014	9,805
Miscellaneous income	770	8,986
	7,480,690	7,369,040
	(2,426,606)	(1,360,095)

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

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

	Years Ended June 30,	
	2017	2016
Capital Grant Funding		
Federal Government	755,872	4,740,123
Commonwealth of Pennsylvania	101,169	1,345,755
Lackawanna County	31,929	121,852
Commonwealth of Pennsylvania - Act 3 funds	86,769	45,986
Commonwealth of Pennsylvania - Act 26 funds	84,062	-
Commonwealth of Pennsylvania - Act 27 funds	-	88,017
Total Capital Grant Funding	1,059,801	6,341,733
Increase (Decrease) in Net Position	(1,366,805)	4,981,638
Net Position, Beginning of Year	22,013,420	17,031,782
Net Position, End of Year	\$ 20,646,615	\$ 22,013,420

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Statement of Cash Flows

	Years Ended June 30,	
	2017	2016
Cash Flows from Operating Activities		
Cash received from customers	\$ 4,594,448	\$ 4,579,162
Cash payments to suppliers for goods and services	(6,526,351)	(7,686,858)
Cash payments to employees for services	(4,892,419)	(4,684,190)
Net Cash Used in Operating Activities	(6,824,322)	(7,791,886)
Cash Flows Provided by Noncapital Financing Activities		
Receipts from operating and planning grants	5,637,267	5,990,730
Cash Flows from Capital and Related Financing Activities		
Receipts from capital grants	1,605,035	6,638,643
Purchase of capital assets	(1,059,801)	(6,341,733)
Net Cash Provided by Capital and Related Financing Activities	545,234	296,910
Cash Flows from Investing Activities		
Income received on investments	7,014	9,805
Sale (purchase) of investments	52,065	(1,687)
Net Cash Provided by Investing Activities	59,079	8,118
Net Decrease in Cash and Cash Equivalents	(582,742)	(1,496,128)
Cash and Cash Equivalents at Beginning of Year	3,941,411	5,437,539
Cash and Cash Equivalents at End of Year	\$ 3,358,669	\$ 3,941,411
Cash is Comprised of the Following on the Statement of Net Position		
Cash and cash equivalents	\$ 1,322,573	\$ 462,200
Cash and cash equivalents - restricted	2,036,096	3,479,211
	\$ 3,358,669	\$ 3,941,411
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities		
Loss from operations	\$ (9,907,296)	\$ (8,729,135)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	1,893,205	1,725,801
(Increase) decrease in assets		
Accounts and other receivables	525,433	(131,365)
Inventories	43,164	(9,535)
Prepaid expenses	109,319	89,946
Deferred outflow of resources - pension	42,439	(356,777)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	353,018	(818,220)
Net pension liability	116,396	437,399
Net Cash Used in Operating Activities	\$ (6,824,322)	\$ (7,791,886)

See accompanying notes.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 1 - Nature of Activity

The Lackawanna County Transit System Authority (the Authority) was organized November 1, 1972 by Lackawanna County, Pennsylvania, under the laws of the Commonwealth of Pennsylvania in compliance with the Pennsylvania Municipality Authorities Act, for the purpose of providing public transportation within Lackawanna County.

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

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

Note 2 - Summary of Significant Accounting Policies

The accompanying financial statements are in accordance with 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.

The Authority is a component unit of Lackawanna County.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

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, planning, and capital grants from the federal, state, and local governments, interest income, and miscellaneous income.

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities, Net Position, Revenues, and Expenses

Cash and Cash Equivalents

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

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

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

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

Investments (continued)

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.

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 as of June 30, 2017 and 2016 was \$-0-.

Inventories and Prepaid Expenses

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

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

Capital Assets

Capital assets are those assets with a cost in excess of \$5,000 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:

Building	10 to 40 years
Buses and support vehicles	5 to 12 years
Other equipment	5 to 10 years

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.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

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

Capital Assets (continued)

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, 2017 and 2016.

Compensated Absences

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

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.

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 (deficit) is amounts that do not meet the definitions of "invested in capital assets" or "restricted" and is available for Authority operations.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (continued)

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

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 two defined contribution and one defined benefit pension plan 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.

Recent Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This statement amends and financial accounting and reporting requirements for sponsors (employers) of OPEB plans. GASB Statement No. 75 is effective for periods beginning after June 15, 2017.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB Statement No. 87 is effective for periods beginning after December 15, 2019.

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

Note 3 - Budget Matters

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

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 4 - Stewardship, Compliance, and Accountability

Compliance with Finance-Related Legal and Contractual Provisions

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

Note 5 - Cash and Cash Equivalents and Investments

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

At June 30, 2017 and 2016, the carrying amounts of the Authority's bank deposits were \$3,358,669 and \$3,941,411, respectively, and the corresponding bank balances were \$3,527,781 and \$4,198,139, respectively, of which \$3,027,781 and \$3,698,139, respectively, were exposed to custodial risk because they were uninsured, but are collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.

The Authority has the following investments as of June 30:

	<u>2017</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds		
Government bond funds	<u>\$ 75,000</u>	<u>\$ 71,383</u>
	<u>2016</u>	
Mutual Funds		
Fixed income	\$ 100,000	\$ 97,889
Diversified debt securities	<u>25,000</u>	<u>25,559</u>
	<u>\$ 125,000</u>	<u>\$ 123,448</u>

Credit Risk

The Authority limits the type of investments permitted as defined in the Pennsylvania Municipal Authorities Act. Permitted investments are defined in Note 2. When making investments, the Authority 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 in the purchase of a single investment. The Authority's investment policy is consistent with these limitations.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

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

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The average maturity of the related debt securities held by the various mutual funds is between five and ten years.

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, 2017 and 2016, \$71,383 and \$123,448 is held by the investment's counterparties, although owned by the Authority.

Note 6 - Cash and Cash Equivalents - Restricted

Cash and cash equivalents, 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>2017</u>	<u>2016</u>
Lackawanna County funds	\$ 507,684	\$ 530,717
JARC funds	-	1,963
Commonwealth of Pennsylvania - Act 26 funds	19,080	110,416
Commonwealth of Pennsylvania - Act 3 funds	1,509,332	1,937,217
Commonwealth of Pennsylvania - Act 44 funds	-	898,898
	<u>\$ 2,036,096</u>	<u>\$ 3,479,211</u>

Note 7 - Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB No. 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 7 - Fair Value Measurements (continued)

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2017 and 2016.

Mutual funds are valued at the net asset value (NAV) of shares held by the Authority at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Authority's assets at fair value:

Fair Value Measurements at June 30, 2017			
Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds	\$ -	\$ 71,383	\$ -
	\$ 71,383	\$ -	\$ 71,383

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 7 - Fair Value Measurements (continued)

	Fair Value Measurements at June 30, 2016			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual Funds	\$ -	\$ 123,448	\$ -	\$ 123,448

Note 8 - Inventories

The classification of inventories is as follows at June 30:

	2017	2016
Parts and supplies	\$ 77,480	\$ 121,076
Fuel and lubricants	18,204	17,772
	<u>\$ 95,684</u>	<u>\$ 138,848</u>

Note 9 - Operating Grants Receivable

Operating grants receivable balances are as follows at June 30:

	2017	2016
Federal government	\$ 45,382	\$ -
Commonwealth of Pennsylvania	354,840	-
Operating assistance - JARC	20,558	-
County of Lackawanna - local share	26,413	26,413
Planning grants	15,830	19,681
	<u>\$ 463,023</u>	<u>\$ 46,094</u>

Note 10 - Capital Grants Receivable

Capital grants receivable balances are as follows at June 30:

	2017	2016
Federal government	\$ 403,549	\$ 391,887
Commonwealth of Pennsylvania	407,546	952,647
County of Lackawanna - local share	26,145	37,940
	<u>\$ 837,240</u>	<u>\$ 1,382,474</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 11 - Capital Assets

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

	<u>Balance July 1, 2016</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance June 30, 2017</u>
Capital Assets Not Being Depreciated				
Land	\$ 33,486	\$ -	\$ -	\$ 33,486
Total Capital Assets Not Being Depreciated	<u>33,486</u>	<u>-</u>	<u>-</u>	<u>33,486</u>
Capital Assets Being Depreciated				
Buildings	18,194,391	645,293	-	18,839,684
Buses and support vehicles	22,522,318	148,216	(1,326,540)	21,343,994
Other equipment	2,709,721	183,463	-	2,893,184
Total Capital Assets Being Depreciated	<u>43,426,430</u>	<u>976,972</u>	<u>(1,326,540)</u>	<u>43,076,862</u>
Accumulated Depreciation				
Buildings	3,762,397	444,012	-	4,206,409
Buses and support vehicles	15,682,040	1,276,913	(1,326,540)	15,632,413
Other equipment	1,672,669	172,280	-	1,844,949
Accumulated Depreciation	<u>21,117,106</u>	<u>1,893,205</u>	<u>(1,326,540)</u>	<u>21,683,771</u>
Capital Assets Being Depreciated, Net	<u>22,309,324</u>	<u>(916,233)</u>	<u>-</u>	<u>21,393,091</u>
Capital Assets, Net	<u>\$ 22,342,810</u>	<u>\$ (916,233)</u>	<u>\$ -</u>	<u>\$ 21,426,577</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 11 - Capital Assets (continued)

	<u>Balance July 1, 2015 (as restated)</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance June 30, 2016</u>
Capital Assets Not Being Depreciated				
Land	\$ 33,486	\$ -	\$ -	\$ 33,486
Construction in progress	7,093,134	4,996,201	(12,089,335)	-
Total Capital Assets Not Being Depreciated	<u>7,126,620</u>	<u>4,996,201</u>	<u>(12,089,335)</u>	<u>33,486</u>
Capital Assets Being Depreciated				
Buildings	6,105,056	12,089,335	-	18,194,391
Buses and support vehicles	21,442,851	1,279,372	(199,905)	22,522,318
Other equipment	2,643,521	66,200	-	2,709,721
Total Capital Assets Being Depreciated	<u>30,191,428</u>	<u>13,434,907</u>	<u>(199,905)</u>	<u>43,426,430</u>
Accumulated Depreciation				
Buildings	3,480,260	282,137	-	3,762,397
Buses and support vehicles	14,603,046	1,278,859	(199,865)	15,682,040
Other equipment	1,507,865	164,804	-	1,672,669
Accumulated Depreciation	<u>19,591,171</u>	<u>1,725,800</u>	<u>(199,865)</u>	<u>21,117,106</u>
Capital Assets Being Depreciated, Net	<u>10,600,257</u>	<u>11,709,107</u>	<u>(40)</u>	<u>22,309,324</u>
Capital Assets, Net	<u>\$ 17,726,877</u>	<u>\$ 16,705,308</u>	<u>\$ (12,089,375)</u>	<u>\$ 22,342,810</u>

Note 12 - Unearned MATP Funds

As of June 30, 2017 and 2016, the Authority has a liability of \$200,449 and \$259,643, respectively, for transportation services under the State Medical Assistance Transportation Program (MATP).

Note 13 - Unearned Lackawanna County Funds

Local grant funds from Lackawanna County, in the amount of \$507,684 and \$530,717 at June 30, 2017 and 2016, respectively, is the local share for operating assistance and capital projects received in advance.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 14 - Unearned Commonwealth of Pennsylvania - Act 26 Funds

In August 1991, the Pennsylvania legislature passed a dedicated source of funding for public transportation. This legislation, known as Act 26, provided for additional sales taxes to be collected by the Department of Revenue and passed through the Department of Transportation (DOT) to transit authorities for both capital and capital asset maintenance costs. Under regulations promulgated by the DOT, up to 50% or an amount approved by the DOT of the Act 26 funds estimated to be received in each given year, may be used for capital asset maintenance and the balance may be used to fund DOT preapproved capital projects. Any funds not used in any given year must be carried over and used for capital projects.

The following transactions occurred relative to the Act 26 Dedicated Tax account for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 110,416	\$ 109,613
Interest income	<u>630</u>	<u>803</u>
Total Available	111,046	110,416
Funds expended	(84,062)	-
Reclassification ⁽¹⁾	<u>(7,904)</u>	<u>-</u>
Ending Balance	<u>\$ 19,080</u>	<u>\$ 110,416</u>

⁽¹⁾ In fiscal year 2017, \$7,904 of capital assistance previously recognized for certain projects was reclassified as Act 26 funding.

Note 15 - 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, provided for the transfer of sales taxes to be collected by the Department of Revenue and passed through the DOT to transit authorities for both capital and capital asset maintenance costs. Under regulations promulgated by the DOT, 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 as of July 1 2007, may be carried over and used for preapproved capital projects.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 15 - Unearned Commonwealth of Pennsylvania - Act 3 Base Supplemental Grant Funds
(continued)

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

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 1,937,217	\$ 1,980,574
Interest income	<u>261</u>	<u>2,629</u>
Total Available	1,937,478	1,983,203
Funds expended	(86,769)	(45,986)
Reclassification ⁽¹⁾	<u>(341,377)</u>	<u>-</u>
Ending Balance	<u>\$ 1,509,332</u>	<u>\$ 1,937,217</u>

⁽¹⁾ In fiscal year 2017, \$341,377 of capital assistance previously recognized for certain projects was reclassified as Act 3 funding.

Note 16 - 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 the Act 44 account for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 898,898	\$ 2,600,885
Funds received	5,280,683	4,360,598
Interest income	<u>1,409</u>	<u>1,069</u>
Total Available	6,180,990	6,962,552
Funds expended	<u>6,180,990</u>	<u>6,063,654</u>
Ending Balance	<u>\$ -</u>	<u>\$ 898,898</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 17 - 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 & 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 & Liability Pool for its property, general liability, automobile liability, automobile physical damage and crime, boiler and machinery, and public officials' errors and omissions insurance coverage. The agreement for formation of the SAFTI Property & Liability Pool provides that the SAFTI Property & Liability Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain amounts specified for each type of coverage. In the event annual premiums are not sufficient to fund operations or obligations of the SAFTI Property & Liability Pool, additional supplementary premiums may be assessed to members on a pro-rata basis. Premiums paid to the SAFTI Property & Liability Pool and charged to operations during the years ended June 30, 2017 and 2016 amounted to \$262,214 and \$203,226, respectively.

The Authority has joined together with other transit organizations in the Commonwealth of Pennsylvania to form the 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, 2017 and 2016 amounted to \$382,129 and \$434,101, respectively.

The Authority was self-insured for workers' compensation for claims through June 30, 2011. All claims handling procedures are performed by an independent claims administrator. The Authority is responsible for the first \$400,000 due to any one claimant, depending on job classification. The Authority has insurance coverage for claims in excess of the retention amount.

The following are changes in the workers' compensation liability for the year ended June 30:

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 244,874	\$ 258,751
Claims recovered and changes in reserves	<u>1,262</u>	<u>(13,877)</u>
Ending Balance	<u>\$ 246,136</u>	<u>\$ 244,874</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 17 - Risk Management (continued)

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

For the years ended June 30, 2017 and 2016, there has been no significant reduction in insurance coverage from coverage in the prior years. Settled claims did not exceed the insurance coverage purchased for the years ended June 30, 2017, 2016, and 2015.

Note 18 - Defined Contribution Pension Plan and Related Expenses

The Authority provides pension benefits for its nonunion employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees who have 12 months of entry service are eligible to participate. The Authority contributes an amount equal to 9% of each covered employee's annual eligible compensation. The Authority's contribution of \$83,430 and \$36,460 was charged to operations for the years ended June 30, 2017 and 2016, respectively.

The Authority provides pension benefits for its employees represented by Service Employees International Union, AFL-CIO, Local 668 through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who have 12 months of entry service are eligible to participate. The Authority contributes an amount equal to 3% of each covered employee's annual eligible compensation. Participating employees may contribute, on an after-tax basis, a nondeductible amount not to exceed 85% of his/her compensation. The Authority's contribution of \$26,406 and \$22,768 was charged to operations for the years ended June 30, 2017 and 2016.

Note 19 - County of Lackawanna Transit System Authority and Local 168, Scranton, PA, Amalgamated Transit Union Pension Plan for Bargaining Employees Local 168, Scranton, PA, Amalgamated Transit Union, and Non-Bargaining Employees Plan

Plan Description

The Authority administers and contributes to a single-employer defined benefit pension plan covering all full-time employees who have completed 90 days of service.

Benefits Provided

The pension plan provides pension benefits for normal retirement at the age of 65, with an option for early retirement benefits at age 55 with ten years of vesting service. Benefits are calculated based on the years of benefit service.

Contributions

Members contribute \$76 per pay 26 times per year and are credited with 5.5% annual interest. The Authority is required to contribute amounts necessary to fund the Plan using the actuarial basis specific by statute.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 19 - County of Lackawanna Transit System Authority and Local 168, Scranton, PA, Amalgamated Transit Union Pension Plan for Bargaining Employees Local 168, Scranton, PA, Amalgamated Transit Union, and Non-Bargaining Employees Plan (continued)

Employees Covered by Benefit Terms

At January 1, 2017 the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactivate employees currently receiving benefits	59
Inactive employees entitled to, but not yet receiving benefits	6
Active employees	<u>75</u>
	<u><u>140</u></u>

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

At June 30, 2017 and 2016, the Authority reported a liability of \$2,088,018 and \$1,971,622, respectively, for its net pension liability. The net pension liability was measured as of December 31, 2016 and 2015, respectively, and the total pension liability for each measurement period was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2015.

For the years ended June 30, 2017, and 2016 the Authority recognized pension expense of \$320,301 and \$265,329, respectively. The Authority reported deferred outflows of resources related to the County of Lackawanna Transit System Authority Pension Plan from the following sources at June 30:

	<u>2017</u>	<u>2016</u>
Deferred Outflows of Resources		
Net differences between projected and actual earnings on pension plan investments	\$ 466,995	\$ 497,986
Authority contributions subsequent to the measurement date	<u>79,600</u>	<u>91,048</u>
	<u><u>\$ 546,595</u></u>	<u><u>\$ 589,034</u></u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 19 - County of Lackawanna Transit System Authority and Local 168, Scranton, PA, Amalgamated Transit Union Pension Plan for Bargaining Employees Local 168, Scranton, PA, Amalgamated Transit Union, and Non-Bargaining Employees Plan (continued)

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

An amount of \$79,600 and \$91,048 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2017 and 2016, respectively. Other 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 five years ended June 30:

2018	\$	146,818
2019		146,818
2020		108,214
2021		44,156
2022		20,989

Actuarial Assumptions

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 %
Salary increases	5.00
Investment rate of return	8.00

Mortality rates were based on the RP2000 Table for males and females.

The actuarial assumptions used in the 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	60.00 %	5.50-7.50 %
Fixed income	35.00	1.00-3.00
Cash	5.00	0.00-1.00

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 19 - County of Lackawanna Transit System Authority and Local 168, Scranton, PA, Amalgamated Transit Union Pension Plan for Bargaining Employees Local 168, Scranton, PA, Amalgamated Transit Union, and Non-Bargaining Employees Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that municipal contributions to the plan will be made at actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Changes in Net Position Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2015	\$ 4,336,211	\$ 2,801,988	\$ 1,534,223
Service cost	138,113	-	138,113
Interest cost	353,832	-	353,832
Changes for experience	146,935	-	146,935
Contributions - employer	-	171,499	(171,499)
Contributions - member	-	145,920	(145,920)
Net investment loss	-	(99,963)	99,963
Benefit payments, including refunds of member contributions	(396,712)	(396,712)	-
Administrative expense	-	(15,975)	15,975
Net Changes	242,168	(195,231)	437,399
Balance at December 31, 2016	4,578,379	2,606,757	1,971,622
Service cost	145,019	-	145,019
Interest cost	363,441	-	363,441
Contributions - employer	-	172,914	(172,914)
Contributions - member	-	146,148	(146,148)
Net investment gain	-	90,352	(90,352)
Benefit payments, including refunds of member contributions	(360,764)	(360,764)	-
Administrative expense	-	(17,350)	17,350
Net Changes	147,696	31,300	116,396
Balance at December 31, 2017	\$ 4,726,075	\$ 2,638,057	\$ 2,088,018

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
 June 30, 2017 and 2016

Note 19 - County of Lackawanna Transit System Authority and Local 168, Scranton, PA, Amalgamated Transit Union Pension Plan for Bargaining Employees Local 168, Scranton, PA, Amalgamated Transit Union, and Non-Bargaining Employees Plan (continued)

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 as of December 31, 2016. 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 one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Net Pension Liability	<u>\$ 2,482,632</u>	<u>\$ 2,088,018</u>	<u>\$ 1,744,515</u>

Note 20 - Advertising Costs

Advertising costs included in the statement of revenues, expenses, and changes in net position for the years ended June 30, 2017 and 2016 was \$24,547 and \$24,676, respectively.

Note 21 - Commitments and Contingencies

Commitments

Lease

The Authority leases bus tires under the terms of an operating lease that calls for monthly payments based on actual mileage. Mileage rates are based on the billing rate per tire mile in effect during the preceding month based on calculations included in the lease agreement. The lease runs through June 30, 2020.

Vehicle Purchase

The Authority has entered into purchase commitments as of June 30, 2017 of approximately \$3,683,000 for the procurement of six compressed natural gas (CNG) buses and four CNG vans which are expected to be received in fiscal year ending June 30, 2018. The expenditures will be funded through federal, state, and local capital grants.

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.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 21 - Commitments and Contingencies (Continued)

Contingencies (continued)

Capital Assets

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

Audit

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

Litigation

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

Concentration of Labor

The Authority entered into a collective bargaining agreement with certain employees represented by the Amalgamated Transit Union, Division No. 168 through June 30, 2019. Of the Authority's total workforce, approximately 55% are covered by the agreement as of June 30, 2017 and 2016.

The Authority entered into a collective bargaining agreement with certain employees represented by the Service Employees International Union (SEIU), AFL-CIO, Local 668 through June 30, 2017. Of the Authority's total workforce, approximately 30% are covered by the agreement as of June 30, 2017 and 2016. The Authority is currently in negotiations with the SEIU to renew the collective bargaining agreement.

Note 22 - Ridership Investigation

The Authority has been subjected to an examination of the senior ridership reporting covering periods from July 1, 2005 to June 30, 2013, which stemmed from the Pennsylvania Department of Transportation analyzing senior ridership trends. As a result of the examination, senior ridership totals previously reported have been reduced by more than 30% in some years and the operating subsidy has been recalculated based on these reductions. The Pennsylvania Department of Transportation has ordered the Authority to repay approximately \$5,700,000 in operating subsidies through reduction of subsidies for the fiscal years ended June 30, 2015-2017 and to forfeit an additional \$771,000 in future capital improvement funds. The annual reduction of the Section 1513 payments in the amount of approximately \$1,900,000 began during the year ended June 30, 2015 and continued through year ended June 30, 2017.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Notes to Financial Statements
June 30, 2017 and 2016

Note 23 - Subsequent Events

The Authority has evaluated subsequent events through March 19, 2018. This date is the date the financial statements were available to be issued. No material events subsequent to June 30, 2017 were noted.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of Changes in the Net Pension Liability and Related Ratios

June 30, 2017

Last Ten Fiscal Years*

	Years Ended June 30,	
	2017	2016
Total Pension Liability		
Service cost	\$ 145,019	\$ 138,113
Interest	363,441	353,832
Changes for experience	-	146,935
Benefit payments, including refunds of member contributions	(360,764)	(396,712)
Net Change in Total Pension Liability	147,696	242,168
Total Pension Liability, Beginning	4,578,379	4,336,211
Total Pension Liability, Ending	\$ 4,726,075	\$ 4,578,379
Plan Fiduciary Net Position		
Contributions - employer	\$ 172,914	\$ 171,499
Contributions - member	146,148	145,920
Net investment income	90,352	(99,963)
Benefit payments, including refunds of member contributions	(360,764)	(396,712)
Administrative expense	(17,350)	(15,975)
Net Change in Plan Fiduciary Net Position	31,300	(195,231)
Plan Net Position, Beginning	2,606,757	2,801,988
Plan Net Position, Ending	\$ 2,638,057	\$ 2,606,757
Authority's Net Pension Liability	\$ 2,088,018	\$ 1,971,622
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.8%	56.9%
Covered Employee Payroll	\$ 4,381,898	\$ 4,022,519
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	47.7%	49.0%

* 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.

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of Pension Contributions
 Last Ten Fiscal Years

Year	Actuarially Determined Contribution	Contributions from Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
2007	\$ 105,794	\$ 136,400	\$ (30,606)	\$ -	- %
2008	116,392	133,440	(17,048)	-	-
2009	115,237	148,080	(32,843)	-	-
2010	104,313	139,920	(35,607)	-	-
2011	100,817	130,082	(29,265)	-	-
2012	110,686	146,960	(36,274)	-	-
2013	137,385	164,600	(27,215)	-	-
2014	132,386	163,840	(31,454)	3,940,559	4.16
2015	171,499	171,499	-	4,022,519	4.26
2016	172,914	172,914	-	4,381,898	3.95

Actuarial Methods and Assumptions

Valuation Date: Actuarially determined contribution rates are calculated biennially as of January 1 with the most recent valuation completed as of January 1, 2015.

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	The actuarial value of assets from the prior valuation report (reduced for benefits paid and increased for contributions) is projected forward at an artificial investment return of 7.00% (interest rate assumption minus 1%) with a corridor of 80% to 120% of market value.
Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	8.00%
Retirement Age	Normal Retirement Age
Mortality	RP2000 Table

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Fixed Route Urban Expenses - FY 16-17
Year Ended June 30, 2017

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 2,604,710	\$ -	\$ -	\$ 2,604,710
2. Other Salaries & Wages	-	490,221	549,893	1,040,114
3. Fringe Benefits	1,926,709	409,128	526,932	2,862,769
4. Services	22,442	9,618	288,859	320,919
5. Fuel & Lubricants	344,713	25,305	-	370,018
6. Tires & Tubes	67,614	7,472	-	75,086
7. Other Materials & Supplies	390,858	83,853	8,397	483,108
8. Utilities	5,421	2,323	69,704	77,448
9. Casualty & Liability Costs	-	178,447	44,502	222,949
10. Taxes	-	-	-	-
11. Purchased Transportation	564,963	-	-	564,963
12. Miscellaneous Expenses	14,996	6,427	192,796	214,219
13. Total System Expenses	\$ 5,942,426	\$ 1,212,794	\$ 1,681,083	8,836,303
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: Miscellaneous				-
21. Total Applied Reconciling Items				-
22. Total Operating Expenses				8,836,303
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				1,589,187
24. Other Post Employment Benefits (OPEB)				-
25. Other Reconciling Items				-
Identify: Miscellaneous and Pension				158,835
26. Total Non-Applied Reconciling Items				1,748,022
27. Total Operating Expenses per Audit				\$ 10,584,325

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 16-17
Year Ended June 30, 2017

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ 92,226	\$ -	\$ -	\$ 92,226
2. Other Salaries & Wages	-	12,325	13,853	26,178
3. Fringe Benefits	18,144	2,459	57,424	78,027
4. Services	1,786	893	5,438	8,117
5. Fuel & Lubricants	19,457	-	-	19,457
6. Tires & Tubes	3,833	-	-	3,833
7. Other Materials & Supplies	-	6,959	-	6,959
8. Utilities	-	-	1,961	1,961
9. Casualty & Liability Costs	-	5,644	-	5,644
10. Taxes	-	-	-	-
11. Purchased Transportation	20,655	-	-	20,655
12. Miscellaneous Expenses	-	-	5,423	5,423
13. Total System Expenses	\$ 156,101	\$ 28,280	\$ 84,099	268,480
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				268,480
Non-Applied Reconciling Items				
23. Depreciation (publicly funded assets only)				304,018
24. Other Post Employment Benefits (OPEB)				-
25. Other Reconciling Items Identify				-
26. Total Non-Applied Reconciling Items				304,018
27. Total Operating Expenses per Audit				\$ 572,498

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 16-17
Year Ended June 30, 2017

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 649,618	\$ -	\$ -	\$ 649,618
2. Other Salaries & Wages	-	110,924	102,408	213,332
3. Fringe Benefits	128,629	22,129	476,232	626,990
4. Services	16,071	8,036	48,944	73,051
5. Fuel & Lubricants	137,934	-	-	137,934
6. Tires & Tubes	27,172	-	-	27,172
7. Other Materials & Supplies	-	49,337	-	49,337
8. Utilities	-	-	17,646	17,646
9. Casualty & Liability Costs	-	50,799	-	50,799
10. Taxes	-	-	-	-
11. Purchased Transportation	-	-	-	-
12. Miscellaneous Expenses	-	-	48,809	48,809
13. Total System Expenses	<u>\$ 959,424</u>	<u>\$ 241,225</u>	<u>\$ 694,039</u>	<u>1,894,688</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>1,894,688</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>\$ 1,894,688</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Non-Public Expenses - Other Transportation - FY 16-17
Year Ended June 30, 2017

Operating Expenses	Non-Shared Ride Paratransit	MATP - Non-Shared Ride Paratransit	MATP - Mileage Reimbursement	Totals
1. Operators' Salaries & Wages	\$ -	\$ 174,057	\$ -	\$ 174,057
2. Other Salaries & Wages	-	160,273	-	160,273
3. Fringe Benefits	-	129,349	-	129,349
4. Services	-	4,058	-	4,058
5. Fuel & Lubricants	-	36,719	-	36,719
6. Tires & Tubes	-	7,233	-	7,233
7. Other Materials & Supplies	-	13,134	-	13,134
8. Utilities	-	980	-	980
9. Casualty & Liability Costs	-	2,822	-	2,822
10. Taxes	-	-	-	-
11. Purchased Transportation	-	-	-	-
12. Miscellaneous Expenses	-	2,712	-	2,712
13. Mileage Reimbursement	-	-	393,463	393,463
14. MATP - Non-Public Service Admin Expense	-	-	-	-
15. Total System Expenses	\$ -	\$ 531,337	\$ 393,463	924,800
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				924,800
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				\$ 924,800

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Reconciliation of Operating Expenses to Financial Statements Prepared under Accounting
Principles Generally Accepted in the United States of America
Year Ended June 30, 2017

Operating expenses reported on Schedule of LEG - Fixed Route Urban Expenses	\$ 10,584,325
Operating expenses reported on Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban	572,498
Operating expenses reported on Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard	1,894,688
Operating expenses reported on Schedule of LEG - Non-Public Expenses - Other Transportation	924,800
	<hr/>
Operating Expenses Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 13,976,311</u></u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Fixed Route Revenues - FY 16-17
Year Ended June 30, 2017

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Transportation Revenues			
1. Passenger Fares	\$ 1,061,356	\$ -	\$ 1,061,356
2. Advertising	38,052	-	38,052
3. Charter	-	-	-
4. Route Guarantees	38,162	-	38,162
Other (Revenue)			
5. Identify: Bookmobile fuel reimbursement	-	-	-
6. Identify: Interest	-	-	-
7. Identify: Miscellaneous	7,777	-	7,777
8. Total Revenue	<u>1,145,347</u>	<u>-</u>	<u>1,145,347</u>
Non-Applied Reconciling Items			
9. Interest/Investment Income	7,014	-	7,014
10. Identify	770	-	770
11. Total Non-Applied Reconciling Items	<u>7,784</u>	<u>-</u>	<u>7,784</u>
12. Total Revenue per Audit	<u>\$ 1,153,131</u>	<u>\$ -</u>	<u>\$ 1,153,131</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 16-17
 Year Ended June 30, 2017

	ADA	Shared Ride 65+		Shared Ride Under 65		Public	Total
	Paratransit	Urban	Rural	Urban	Rural	Vanpool	
		Standard	DAS*	Standard	DAS		
Transportation Revenues							
1. Passenger Fares	\$ 51,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,980
2. Advertising	-	-	-	-	-	-	-
3. Shared-Ride Lottery Trip Reimbursement	-	1,737,879	-	-	-	-	1,737,879
4. PwD Trip Reimbursement	-	-	-	37,061	-	-	37,061
5. PwD Trip Passenger Fares	-	-	-	7,182	-	-	7,182
6. AAA	-	227,274	-	-	-	-	227,274
7. MH/MR - Shared Ride Fare Structure	-	-	-	-	-	-	-
8. W2W - Shared Ride Fare Structure	-	-	-	-	-	-	-
9. MATP - Shared Ride Fare Structure	-	12,428	-	338,850	-	-	351,278
Other Agencies/Third Party Sponsors							
10. Identify	-	-	-	-	-	-	-
11. Identify: Miscellaneous	-	257	-	-	-	-	257
Other Revenue							
MATP							
12. Admin Reimbursement for MATP Shared Ride Fare Structure	-	-	-	-	-	-	-
Other (i.e. Block Grant)							
13. Identify	-	-	-	-	-	-	-
14. Identify: Miscellaneous	-	3,390	-	-	-	-	3,390
15. Identify	-	-	-	-	-	-	-
16. Interest/Investment Income	-	-	-	-	-	-	-
17. Total Revenue	51,980	1,981,228	-	383,093	-	-	2,416,301
Non-Applied Reconciling Items							
18. Identify	-	-	-	-	-	-	-
19. Identify	-	-	-	-	-	-	-
20. Total Non-Applied Reconciling Items	-	-	-	-	-	-	-
21. Total Revenue per Audit	\$ 51,980	\$ 1,981,228	\$ -	\$ 383,093	\$ -	\$ -	\$ 2,416,301

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

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Non-Public Revenues - Other Transportation - FY 16-17
Year Ended June 30, 2017

Transportation Revenue

1. MATP - Contract Rate Paratransit Revenue	\$ 354,731
2. W2W - Contract Rate Paratransit Revenue	-
3. Identify	-
4. Identify	-
5. Identify	-

Other Revenue

6. MATP - Mileage Reimbursement	38,732
7. W2W - Other (i.e. vehicle purchase/repair, fixed route fares)	-
8. Identify: Misc MATP Reimbursements	113,904

Admin Reimbursement

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

13. Total Revenue 507,367

Non-Applied Reconciling Items

14. Identify	-
15. Identify	-

16. Total Non-Applied Reconciling Items -

17. Total Revenue per Audit \$ 507,367

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Reconciliation of Operating Revenues to Financial Statements Prepared under Accounting
Principles Generally Accepted in the United States of America
Year Ended June 30, 2017

Operating revenues reported on Schedule of LEG - Fixed Route Revenues	\$ 1,153,131
Operating revenues reported on Schedule of LEG - Non-Fixed Route Revenues - Urban	2,416,301
Operating revenues reported on Schedule of LEG - Non-Public Revenues - Other Transportation	<u>507,367</u>
Total Operating Revenues per Schedules	<u>\$ 4,076,799</u>
Operating revenues	\$ 4,069,015
Investment income	7,014
Other income	<u>770</u>
Total Operating Revenues per Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 4,076,799</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Fixed Route Subsidies - FY 16-17
Year Ended June 30, 2017

Subsidy	Urban	Rural	Total
1. Federal Operating Grant	\$ -	\$ -	\$ -
2. Federal Capital Grant to Fund Preventive Maintenance Costs	479,214	-	479,214
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: Planning & JARC	29,599	-	29,599
6. Subtotal Federal Subsidy	508,813	-	508,813
7. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	898,898	-	898,898
8. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	5,065,592	-	5,065,592
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: JARC	110,000	-	110,000
12. Subtotal State Subsidy	6,074,490	-	6,074,490
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	673,103	-	673,103
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	673,103	-	673,103
21. Grand Total Subsidy	7,256,406	-	7,256,406
Non-Applied Reconciling Items			
22. Identify Federal	-	-	-
23. Identify State	-	-	-
24. Identify Local	-	-	-
25. Total Non-Applied Reconciling Items	-	-	-
26. Total Revenue per Audit	\$ 7,256,406	\$ -	\$ 7,256,406

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 16-17
Year Ended June 30, 2017

Subsidy	ADA	Shared Ride		Public	Total
	Paratransit	Standard	DAS	Vanpool	
1. Federal Operating Grant	\$ -	\$ -	\$ -	\$ -	\$ -
2. Federal Capital Grant to Fund Preventive Maintenance Costs	-	-	-	-	-
3. Federal Capital Grant to Fund Capital Costs of Contracting	-	-	-	-	-
4. Federal Capital Grant to Fund Associated Capital Maintenance Costs	-	-	-	-	-
5. Other Federal Grants for Operating Costs Identify	-	-	-	-	-
6. Federal Shared-Ride Subsidy Identify	-	-	-	-	-
7. Subtotal Federal Subsidy	-	-	-	-	-
8. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	-	-	-	-	-
9. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	216,500	-	-	-	216,500
10. Act 3 ASG Grant Amount Charged - State Share	-	-	-	-	-
11. Act 3 BSG Grant Amount Charged - State Share	-	-	-	-	-
12. Special Operating Grants - State Share Identify	-	-	-	-	-
13. State Shared Ride Subsidy Identify	-	-	-	-	-
14. Subtotal State Subsidy	216,500	-	-	-	216,500
15. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source	-	-	-	-	-
16. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source	-	-	-	-	-
17. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Advertising Source	-	-	-	-	-
18. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Private Source	-	-	-	-	-
19. Act 3 ASG Grant Amount Charged - Local Share	-	-	-	-	-
20. Act 3 BSG Grant Amount Charged - Local Share	-	-	-	-	-
21. Special Operating Grants - Local Share Identify	-	-	-	-	-
22. Local Shared Ride Subsidy Identify	-	-	-	-	-
23. Subtotal Local Subsidy	-	-	-	-	-
24. Grand Total Subsidy	216,500	-	-	-	216,500
Non-Applied Reconciling Items					
25. Identify Federal: Carlisle Circulator	-	-	-	-	-
26. Identify State: Carlisle Circulator	-	-	-	-	-
27. Identify Local: Carlisle Circulator	-	-	-	-	-
28. Total Non-Applied Reconciling Items	-	-	-	-	-
29. Grand Total Subsidies per Audit	\$ 216,500	\$ -	\$ -	\$ -	\$ 216,500

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Reconciliation of Reported Subsidy to Financial Statements Prepared under Accounting Principles
Generally Accepted in the United States of America
Year Ended June 30, 2017

Subsidies Reported on the Schedule of LEG - Fixed Route Subsidies	\$ 7,256,406
Subsidies Reported on the Schedule of LEG - Non-Fixed Route Subsidies - Urban	<u>216,500</u>
Subsidies Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 7,472,906</u>
Per Financial Statement	<u>\$ 7,472,906</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule of LEG - Budget Summary - FY 16-17
 Year Ended June 30, 2017

	Fixed Route		Non-Fixed Route								Non-Public Transportation - Other	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	\$ 8,836,303	\$ -	\$ 268,480	\$ -	\$ 1,894,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 924,800	\$ 11,924,271
2. Total Revenue	1,145,347	-	51,980	-	2,364,321	-	-	-	-	-	-	507,367	4,069,015
3. Operating Deficit	(7,690,956)	-	(216,500)	-	469,633	-	-	-	-	-	-	(417,433)	(7,855,256)
4. Grand Total Subsidy	7,256,406	-	216,500	-	-	-	-	-	-	-	-	-	7,472,906
5. Applied Operating Result	(434,550)	-	-	-	469,633	-	-	-	-	-	-	(417,433)	(382,350)
Non-Applied Reconciling Items													
6. Total Non-Applied Reconciling Expense Items	1,748,022	-	304,018	-	-	-	-	-	-	-	-	-	2,052,040
7. Total Non-Applied Reconciling Revenue Items	7,784	-	-	-	-	-	-	-	-	-	-	-	7,784
8. Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Operating Result per Audit	<u>\$ (2,174,788)</u>	<u>\$ -</u>	<u>\$ (304,018)</u>	<u>\$ -</u>	<u>\$ 469,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (417,433)</u>	<u>\$ (2,426,606)</u>

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

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule S1 - Local Match Provided - FY 16-17
 Year Ended June 30, 2017

Act 44 Section 1513 Local Match for Operating Funds Received

Contributor Name	Date of Final Payment	Total Amount Provided
Lackawanna County	3/15/2017	\$ 655,721
		-
		-
		-
Subtotal		655,721

Act 44 Section 1514 Local Match for Discretionary Capital Funds Received

Non Federal Projects
 Federal Projects
 Total Section 1514 Local Match Funds Received

Contributor Name	Date of Final Payment	Total Amount Provided
Lackawanna County	6/8/2017	\$ 495
		-
		-
		-
Subtotal		495

Act 44 Section 1514 Local Match for Capital Bond Funds Received

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

Act 44 Section 1515 Local Match for New Initiatives

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

County of Lackawanna Transit System Authority

Schedule S1 - Local Match Provided - FY 16-17 (continued)

Year Ended June 30, 2017

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	\$ 656,216
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County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule S2 - Local Match Carryover - FY 16-17
Year Ended June 30, 2017

A.	Local match available as of June 30, 2016	\$	530,717
B.	Local match funds provided during year ended June 30, 2017		681,866
C.	Local match operating expenditures for year ended June 30, 2017:		
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	673,103	
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)	-	
j.	Other operating expenditures (if any)	-	

D.	Total local match operating expenditures for year ended June 30, 2017 (Sum C.a - C.i)		673,103
E.	Local match capital expenditures for year ended June 30, 2017:		
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: Lackawanna County	31,929	
j.	Other	-	
k.	Other	-	

F.	Total local match capital expenditures for year ended June 30, 2017 (Sum E.a - E.k)		31,929
G.	Interest earned on local funds for year ended June 30, 2017		133

H.	Local match funds available as of June 30, 2017 (A + B - D - F + G)	\$	<u>507,684</u>

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule S3 - Urban PTAF/BSG/ASG Carryover - FY 16-17
 Year Ended June 30, 2017

	ACT 26			ACT 3					
	PTAF	PTAF Required Local Match	PTAF Total Balance	BSG	BSG Required Local Match	BSG Total Balance	ASG	ASG Required Local Match	ASG Total Balance
Urban PTAF/BSG/ASG Grant Utilization for									
Fiscal Year Ended June 30, 2016									
1. Funds available as of June 30, 2016 (Line 3-6)	\$ 110,416	\$ 3,808	\$ 114,224	\$ 1,937,217	\$ 66,802	\$ 2,004,019	\$ -	\$ -	\$ -
2. Interest income earned in FY 2016-17	630	-	630	261	-	261	-	-	-
3. Total Funds Available in FY 2016-17 (Line 1+2)	111,046	3,808	114,854	1,937,478	66,802	2,004,280	-	-	-
4. Funds used for operating in FY 2017	-	-	-	-	-	-	-	-	-
5. Funds used for capital in FY 2017	91,966	3,150	95,116	428,146	14,755	442,901	-	-	-
6. Total Funds Used in FY 2016-17 (Line 4+5)	91,966	3,150	95,116	428,146	14,755	442,901	-	-	-
7. Funds Available as of June 30, 2017 (Line 3-6)	\$ 19,080	\$ 658	\$ 19,738	\$ 1,509,332	\$ 52,047	\$ 1,561,379	\$ -	\$ -	\$ -

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Schedule S5 - Urban Section 1513 Program Carryover - FY 16-17

	State Grant	Local Match	Total
A. FY 2016-17 Section 1513 URBAN Grant Agreement	\$ 6,781,013	\$ 655,721	\$ 7,436,734
Urban Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2017			
1. Section 1513 fund balance as of June 30, 2016	\$ 898,898	\$ -	\$ 898,898
2. Section 1513 funds received for FY 2016-17	5,280,683	655,721	5,936,404
3. PTAF Section 1513 funds received for FY 2016-17 (applicable to SEPTA and PAAC)	-	-	-
4. Total Section 1513 funds received for FY 2016-17 (Line 2+3, must agree with A above)	5,280,683	655,721	5,936,404
5. Interest income earned on Section 1513 funds in FY 2016	1,409	-	1,409
6. Total Section 1513 funds available in FY 2016-17 (Line 1+4+5)	6,180,990	655,721	6,836,711
7. Section 1513 funds used for Urban fixed route operating expenses in FY 2016-17	5,964,490	655,721	6,620,211
8. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2016-17	216,500	-	216,500
9. Section 1513 funds used for Rural fixed route operating expenses in FY 2016-17	-	-	-
10. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2016-17	-	-	-
11. Section 1513 funds used for Urban capital costs in FY 2016-17 (waiver required)	-	-	-
12. Section 1513 funds used for Rural capital costs in FY 2016-17 (waiver required)	-	-	-
13. Total Section 513 used in FY 2016-17 (Line 7+8+9+10+11+12)	6,180,990	655,721	6,836,711
14. Section 1513 Fund Balance as of June 30, 2017 (Line 6-13)	\$ -	\$ -	\$ -
B. FY 2016-17 Section 1513 RURAL Grant Agreement	\$ -	\$ -	\$ -
Rural Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2017			
15. Section 1513 fund balance as of June 30, 2016	\$ -	\$ -	\$ -
16. Section 1513 funds received for FY 2016-17 (must agree with B above)	-	-	-
17. Interest income earned on Section 1513 funds in FY 2016-17	-	-	-
18. Total Section 1513 funds available in FY 2016-17 (Line 15+16+17)	-	-	-
19. Section 1513 funds used for Rural fixed route operating expenses in FY 2016-17	-	-	-
20. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2016-17	-	-	-
21. Section 1513 funds used for Urban fixed route operating expenses in FY 2016-17	-	-	-
22. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2016-17	-	-	-
23. Section 1513 funds used for Rural capital costs in FY 2016-17 (waiver required)	-	-	-
24. Section 1513 funds used for Urban capital costs in FY 2016-17 (waiver required)	-	-	-
25. Total Section 513 used in FY 2016-17 (Line 19+20+21+22+23+24)	-	-	-
26. Section 1513 Fund Balance as of June 30, 2017 (Line 18-25)	\$ -	\$ -	\$ -
C. Total Agency Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2017			
27. Section 1513 fund balance as of June 30, 2016	\$ 898,898	\$ -	\$ 898,898
28. Section 1513 funds received for FY 2016-17	5,280,683	655,721	5,936,404
29. PTAF Section 1513 funds received for FY 2016-17 (applicable to SEPTA and PAAC)	-	-	-
30. Total Section 1513 funds received for FY 2016-17 (Line 28+29)	5,280,683	655,721	5,936,404
31. Interest income earned on Section 1513 funds in FY 2016-17	1,409	-	1,409
32. Total Section 1513 funds available for FY 2016-17 (Line 27+30+31)	6,180,990	655,721	6,836,711
33. Section 1513 funds used for Urban fixed route operating expenses in FY 2016-17	5,964,490	655,721	6,620,211
34. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2016-17	216,500	-	216,500
35. Section 1513 funds used for Rural fixed route operating expenses in FY 2016-17	-	-	-
36. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2016-17	-	-	-
37. Section 1513 funds used for Urban capital costs in FY 2016-17 (waiver required)	-	-	-
38. Section 1513 funds used for Rural capital costs in FY 2016-17 (waiver required)	-	-	-
39. Total Section 1513 Used in FY 2016-17 (Line 33+34+35+36+37+38)	6,180,990	655,721	6,836,711
40. Section 1513 Fund Balance as of June 30, 2017 (Line 32-39)	\$ -	\$ -	\$ -

County of Lackawanna Transit System Authority
A Component Unit of Lackawanna County

Shared Ride Retained Earnings
Year Ended June 30, 2017

1.	Shared ride retained earnings balance as of June 30, 2016	\$	432,451
2.	Shared ride revenue received for FY 2016-17		2,364,321
3.	Interest income on shared ride revenue earned for FY 2016-17		<u>-</u>
4.	Total shared ride funds available in FY 2016-17		2,796,772
5.	Shared ride revenue used for operating expenses in FY 2016-17		<u>1,894,688</u>
6.	Shared ride retained earnings balance as of June 30, 2017	\$	<u>902,084</u>

County of Lackawanna Transit System Authority

A Component Unit of Lackawanna County

Capital Report #1 - Fiscal Year and Inception-to-Date Capital Project Spending
 Year Ended June 30, 2017

Capital Report #1											
Fiscal Year and Inception-to-Date Capital Project Spending											
		A	B	C	D	E	F	G	H=SUM (A:G)	I	J=H-I
1	Capital Project Title	Intermodal Construction	FR Buses	SR Vans	AVL	Shop Equipment	Ecolane Tablets		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	3,788,371	732,328	126,470	39,997	45,631	7,326	-	4,740,123	4,740,123	-
5	Federal Capital - 5309 - FTA Fixed Guideway	-	-	-	-	-	-	-	-	-	-
6	Federal Capital - 5309 - FTA Bus/Bus Facilities	-	-	-	-	-	-	-	-	-	-
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 (5317)	-	-	-	-	-	-	-	-	-	-
16	State - 1513 - Waiver to Use for Capital	-	-	-	-	-	-	-	-	-	-
17	State Capital - 1514 - PA Bond Program	-	-	-	-	-	-	-	-	-	-
18	State Capital - 1514 - Discretionary	252,020	-	-	-	-	-	-	252,020	252,020	-
19	State Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-	-	-
20	State Capital - 1516 - CTC	-	-	187,456	-	-	-	-	187,456	187,456	-
21	State Capital - 1516 - Other (NF)	-	-	-	-	-	-	-	-	-	-
22	State Capital - 1517 - Capital Improvement Program	734,314	152,598	-	8,334	9,507	1,526	-	906,279	906,279	-
23	State Capital - PTAF	-	-	-	-	-	-	-	-	-	-
24	State Capital - All Sources Used for Debt Service	-	-	-	-	-	-	-	-	-	-
25	State Capital - ASG/BSG	134,003	-	-	-	-	-	-	134,003	134,003	-
26	State Capital - Other	-	-	-	-	-	-	-	-	-	-
27	Local Match - 1513 - Waiver to Use for Capital	-	-	-	-	-	-	-	-	-	-
28	Local Match Capital - 1514 - PA Bond Program	-	-	-	-	-	-	-	-	-	-
29	Local Match Capital - 1514 - Discretionary	-	-	-	-	-	-	-	-	-	-
30	Local Match Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-	-	-
31	Local Match Capital - 1516 - CTC	-	-	-	-	-	-	-	-	-	-
32	Local Match Capital - 1516 - Other	-	-	-	-	-	-	-	-	-	-
33	Local Match Capital - PTAF	-	-	-	-	-	-	-	-	-	-
34	Local Match Capital - All Sources Used for Debt Service	-	-	-	-	-	-	-	-	-	-
35	Local Match Capital - ASG/BSG	-	-	-	-	-	-	-	-	-	-
36	Local Match Other	-	-	-	-	-	-	-	-	-	-
37	Local Contribution	87,493	30,484	-	1,666	1,903	306	-	121,852	121,852	-
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 Fiscal Year	4,996,201	915,410	313,926	49,997	57,041	9,158	-	6,341,733	6,341,733	-
								Grand Total			
47	Total Sources of Funds Spent Inception-to-Date	4,996,201	915,410	313,926	49,997	57,041	9,158	-	6,341,733	-	-
48	Total Granted Sources of Funds Inception to Date	4,996,201	915,410	313,926	49,997	57,041	9,158	-	6,341,733	-	-
49	Granted Sources Less Amount Spent Inception to Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -