

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



**Financial Statements and
Supplementary Information**
June 30, 2020 and 2019

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

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June 30, 2020 and 2019

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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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of the Pennsylvania Department of Transportation. Those standards require that we plan and perform the audits 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, 2020 and 2019 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 10 and required supplementary information on pages 36 and 37 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 December 16, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements of the Pennsylvania Department of Transportation in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "RKL LLP". The letters are stylized and cursive.

December 16, 2020
Lancaster, Pennsylvania

County of Lackawanna Transit System Authority

A Component Unit of Lackawanna County

Management's Discussion and Analysis

June 30, 2020 and 2019

The following management's discussion and analysis of the County of Lackawanna Transit System Authority'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, 2020 and 2019 with comparative financial information for the year ended June 30, 2018. Please read it in conjunction with the Authority's financial statements.

Financial Highlights

Operating Revenues

COLTS's operating revenue has decreased approximately 15% or \$645,939 for the year ended June 30, 2020 compared to an increase of approximately 4% or \$176,910 for the year ended June 30, 2019. Passenger fare revenue is down approximately 22%, State Shared Ride Program revenue is down approximately 21%, and reimbursements under the Medical Assistance Transportation Program are down approximately 1% for the year ended June 30, 2020. COLTS did not increase fares for fixed route service for the year ended June 30, 2020.

Operating Expenses

COLTS's operating expenses increased approximately 1% or \$78,737 for the year ended June 30, 2020 compared to an increase of approximately 12% or \$1,822,025 for the year ended June 30, 2019. For the year ended June 30, 2020, expenses for salaries and wages decreased approximately 8% or \$469,946 and employee benefits expenses decreased approximately 0.1% or \$2,600.

Fixed-Route Service Highlights

In fiscal years 2020 and 2019, COLTS provided 803,914 and 1,013,542 rides, respectively. Ridership has decreased by 209,628 and increased by 16,829 the years ended June 30, 2020 and 2019, respectively. Senior ridership, which continues to be provided for free, decreased slightly. 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 years ended June 30, 2020 and 2019, the Authority utilized \$5,119,540 and \$6,009,834 of Act 44/89 funds to offset operating expenses.

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; statement of cash flows; and notes to 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, 2020 and 2019

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, liabilities, and deferred inflows and deferred outflows of resources, if applicable. COLTS's 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 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 analysis and information concerning COLTS's progress in funding its obligation to provide pension benefits to its employees, and other supplementary information.

Financial Analysis

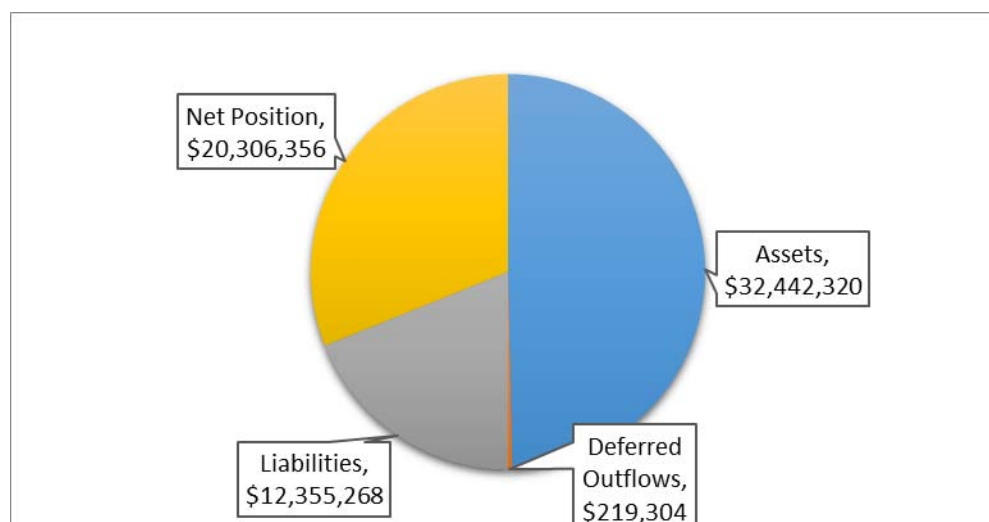
Net Position. Net position, when viewed over time, may serve as a useful indicator of an entity's financial position. In the case of COLTS, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources, if applicable, by \$20,306,356 and \$21,942,084 as of June 30, 2020 and 2019, respectively.

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Management's Discussion and Analysis
June 30, 2020 and 2019

Financial Analysis (continued)

The following chart shows the major categories of net position for the year ended June 30, 2020:



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

	2020	2019	2018
Assets			
Current assets	\$ 7,641,443	\$ 5,814,947	\$ 4,654,253
Noncurrent assets			
Capital assets, net	24,800,877	25,907,330	21,936,933
Total Assets	32,442,320	31,722,277	26,591,186
Deferred Outflows of Resources - Pension	219,304	692,932	539,433
Liabilities			
Current liabilities	9,105,998	6,989,831	4,396,903
Long-term liabilities	3,249,270	3,483,294	2,780,115
Total Liabilities	12,355,268	10,473,125	7,177,018
Net Position			
Invested in capital assets	24,800,877	25,907,330	21,936,933
Unrestricted deficit	(4,494,521)	(3,965,246)	(1,983,332)
Total Net Position	\$ 20,306,356	\$ 21,942,084	\$ 19,953,601

County of Lackawanna Transit System Authority

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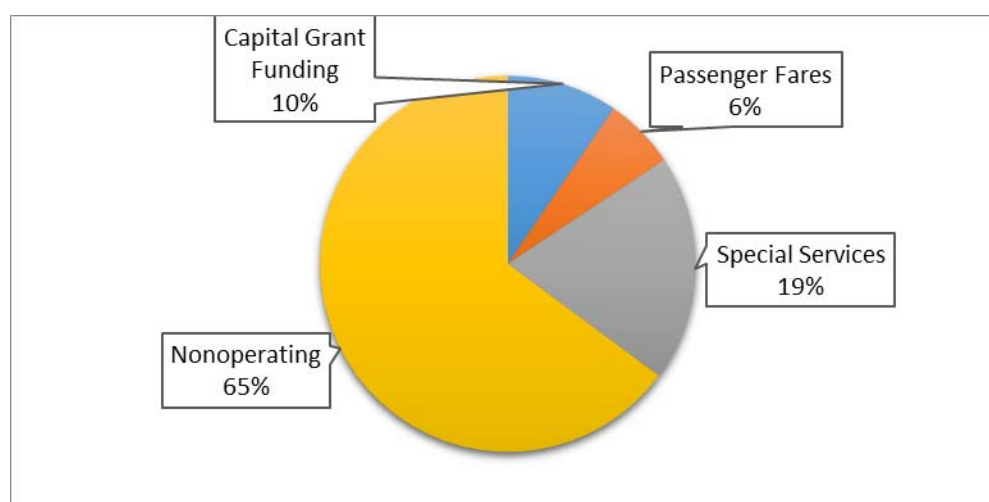
Management's Discussion and Analysis
June 30, 2020 and 2019

Financial Analysis (continued)

Net capital assets consisting of land, buildings, buses and support vehicles, and other equipment comprise approximately 122% of COLTS's net position as of June 30, 2020. Current liabilities include unearned revenue of \$19,221 of Act 26 funds; \$1,409,785 of Act 3 funds; \$5,256,657 of Act 44/89 funds, and \$202,339 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, 2020:



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, 2020.

COLTS's major expenses are salaries and wages and fringe benefits, which combine to equal approximately 61% of the annual expenses, purchased transportation for special services equals 5% of the annual expenses, and depreciation equals 15% of the annual expenses for the year ended June 30, 2020.

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

Management's Discussion and Analysis
June 30, 2020 and 2019

Financial Analysis (continued)

Changes in Net Position (continued)

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

	2020	2019	2018
Operating Revenues			
Passenger fares	\$ 898,227	\$ 1,148,544	\$ 1,139,212
Medical Assistance Transportation Program	1,051,553	1,056,127	927,372
State Shared Ride Program	1,369,414	1,726,095	1,789,959
State Persons with Disabilities Program	36,423	29,346	32,831
Area Agency on Aging	291,522	295,625	224,872
Advertising income	48,597	11,761	60,251
Miscellaneous income	39,250	113,427	29,518
Total Operating Revenues	3,734,986	4,380,925	4,204,015
Operating Expenses	16,500,219	16,421,482	14,599,457
Loss from Operations	(12,765,233)	(12,040,557)	(10,395,442)
Nonoperating Revenues			
Operating grants			
Federal government	3,717,036	1,028,199	792,950
Commonwealth of Pennsylvania	-	97,500	80,000
Lackawanna County - Act 44/89 funds	759,080	722,932	688,507
Lackawanna County - other funds	103,746	10,685	20,658
Commonwealth of Pennsylvania - Act 44/89 funds	5,119,540	6,009,834	5,664,336
Total Operating Grants	9,699,402	7,869,150	7,246,451
Investment income	38,366	23,299	6,097
Miscellaneous income	-	-	2,655
Total Nonoperating Revenues	9,737,768	7,892,449	7,255,203
Loss Before Capital Grant Funding	(3,027,465)	(4,148,108)	(3,140,239)

County of Lackawanna Transit System Authority
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Management's Discussion and Analysis
June 30, 2020 and 2019

Financial Analysis (continued)

Changes in Net Position (continued)

	2020	2019	2018
Capital Grant Funding (Expenditures)			
Federal government	\$ 498,372	\$ 4,539,974	\$ 1,930,460
Commonwealth of Pennsylvania	871,386	1,564,314	335,357
Lackawanna County	21,979	32,303	81,822
Commonwealth of Pennsylvania - Act 3 funds	-	-	99,586
Commonwealth of Pennsylvania - Act 44 pass-through funds	1,464,030	1,177,352	-
Pass-through to Scranton Parking Authority for capital expenditures	(1,464,030)	(1,177,352)	-
Total Capital Grant Funding	1,391,737	6,136,591	2,447,225
Increase (Decrease) in Net Position	\$ (1,635,728)	\$ 1,988,483	\$ (693,014)

Capital Assets and Debt Administration

Capital Assets

COLTS's investment in capital assets as of June 30, 2020 and 2019 (net of accumulated depreciation) amounted to \$24,800,877 and \$25,907,330, 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:

	2020	2019	2018
Land	\$ 111,936	\$ 33,486	\$ 33,486
Construction in progress	637,000	287,250	-
Buildings	13,121,024	13,656,046	14,152,570
Buses and support vehicles	8,689,067	10,296,074	6,784,042
Other equipment	2,241,850	1,634,474	966,835
	\$ 24,800,877	\$ 25,907,330	\$ 21,936,933

Additional information on capital assets can be found in Note 10 of the financial statements.

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

Management's Discussion and Analysis
June 30, 2020 and 2019

Capital Assets and Debt Administration (continued)

Debt Administration

Effective August 9, 2019, the Authority opened a \$1,000,000 line of credit with a bank at 5% or the National Prime Rate, whichever is higher. At June 30, 2020, there was no amount outstanding against the line of credit.

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.

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 Robert Fiume, Executive Director 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,	
	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 469	\$ 312
Cash and cash equivalents - restricted	3,596,423	2,416,412
Investments - restricted	304,748	71,362
Accounts receivable	162,210	120,113
Inventories	299,640	268,015
Prepaid expenses	312,249	282,132
Operating grants receivable	2,031,089	1,164,175
Capital grants receivable	934,615	1,492,426
Total Current Assets	7,641,443	5,814,947
Capital Assets		
Capital assets not being depreciated	748,936	320,736
Capital assets being depreciated	47,269,940	46,986,581
	48,018,876	47,307,317
Accumulated depreciation	(23,217,999)	(21,399,987)
Capital Assets, Net	24,800,877	25,907,330
Deferred Outflow of Resources - Pension	219,304	692,932
Total Assets and Deferred Outflow of Resources	32,661,624	32,415,209

County of Lackawanna Transit System Authority
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Statement of Net Position (continued)

	June 30,	
	2020	2019
Liabilities		
Current Liabilities		
Accounts payable	\$ 238,025	\$ 386,925
Accrued expenses		
Payroll and payroll taxes	353,218	406,063
Vacation	309,409	139,590
Workers' compensation claims	197,095	215,152
Due to Scranton Parking Authority	491,766	824,061
Legal settlement fees	275,000	-
Unearned revenue	1,000	-
Unearned MATP funds	352,483	65,219
Unearned Lackawanna County funds	202,339	495,855
Unearned Commonwealth of Pennsylvania - Act 26 funds	19,221	19,221
Unearned Commonwealth of Pennsylvania - Act 3 funds	1,409,785	1,409,785
Unearned Commonwealth of Pennsylvania - Act 44/89 funds	5,256,657	3,027,960
Total Current Liabilities	9,105,998	6,989,831
Long-Term Liabilities		
Accrued compensated absences	704,989	588,406
Net pension liability	2,544,281	2,894,888
Total Long-Term Liabilities	3,249,270	3,483,294
Total Liabilities	12,355,268	10,473,125
Net Position		
Net Position		
Investment in capital assets	24,800,877	25,907,330
Unrestricted deficit	(4,494,521)	(3,965,246)
Total Net Position	\$ 20,306,356	\$ 21,942,084

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,	
	2020	2019
Operating Revenues		
Passenger fares	\$ 898,227	\$ 1,148,544
Medical Assistance Transportation Program	1,051,553	1,056,127
State Shared Ride Program	1,369,414	1,726,095
State Persons with Disabilities Program	36,423	29,346
Area Agency on Aging	291,522	295,625
Advertising income	48,597	11,761
Miscellaneous income	39,250	113,427
Total Operating Revenues	3,734,986	4,380,925
Operating Expenses		
Salaries and wages	5,190,355	5,660,301
Fringe benefits	4,873,387	4,875,987
Services	994,130	446,802
Fuel and lubricants	668,239	798,185
Tires and tubes	110,545	112,889
Other materials and supplies	405,859	545,327
Utilities	143,481	128,734
Casualty and liability	399,331	340,695
Purchased transportation	815,422	1,088,411
Miscellaneous expense	403,420	257,957
Depreciation	2,496,050	2,166,194
Total Operating Expenses	16,500,219	16,421,482
Loss from Operations	(12,765,233)	(12,040,557)
Nonoperating Revenues		
Operating and planning grants		
Federal government	3,717,036	1,028,199
Commonwealth of Pennsylvania	-	97,500
Lackawanna County - Act 44/89 funds	759,080	722,932
Lackawanna County - other funds	103,746	10,685
Commonwealth of Pennsylvania - Act 44/89 funds	5,119,540	6,009,834
Total Operating and Planning Grants	9,699,402	7,869,150
Investment income	38,366	23,299
Total Nonoperating Revenues	9,737,768	7,892,449
Loss Before Capital Grant Funding	(3,027,465)	(4,148,108)

County of Lackawanna Transit System Authority
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Statement of Revenues, Expenses, and Changes in Net Position (continued)

	Years Ended June 30,	
	2020	2019
Capital Grant Funding (Expenditures)		
Federal government	\$ 498,372	\$ 4,539,974
Commonwealth of Pennsylvania	871,386	1,564,314
Lackawanna County	21,979	32,303
Commonwealth of Pennsylvania - Act 44 pass-through funds	1,464,030	1,177,352
Pass-through to Scranton Parking Authority for capital expenditures	(1,464,030)	(1,177,352)
Total Capital Grant Funding	1,391,737	6,136,591
Increase (Decrease) in Net Position	(1,635,728)	1,988,483
Net Position at Beginning of Year	21,942,084	19,953,601
Net Position at End of Year	\$ 20,306,356	\$ 21,942,084

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

Statement of Cash Flows

	Years Ended June 30, 2020	2019
Cash Flows from Operating Activities		
Cash received from customers	\$ 3,692,889	\$ 4,347,543
Cash payments to suppliers for goods and services	(8,976,787)	(7,581,743)
Cash payments to employees for services	(4,956,798)	(5,576,336)
Net Cash Used in Operating Activities	(10,240,696)	(8,810,536)
Cash Flows from Noncapital Financing Activities		
Receipts from operating and planning grants	11,055,933	9,045,448
Net Cash Provided by Noncapital Financing Activities	11,055,933	9,045,448
Cash Flows from Capital and Related Financing Activities		
Receipts from capital grants	1,949,548	5,568,186
Purchase of capital assets	(1,391,737)	(6,136,591)
Cash proceeds from the disposal of capital assets	2,140	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	559,951	(568,405)
Cash Flows from Investing Activities		
Income received on investments	38,366	23,299
Sale of investments	(233,386)	(1,949)
Net Cash Provided by (Used in) Investing Activities	(195,020)	21,350
Net Increase (Decrease) in Cash and Cash Equivalents	1,180,168	(312,143)
Cash and Cash Equivalents at Beginning of Year	2,416,724	2,728,867
Cash and Cash Equivalents at End of Year	\$ 3,596,892	\$ 2,416,724
Cash and Cash Equivalents is Comprised of the Following on the Statement of Net Position		
Cash and cash equivalents	\$ 469	\$ 312
Cash and cash equivalents - restricted	3,596,423	2,416,412
	\$ 3,596,892	\$ 2,416,724
Reconciliation of Loss from Operations to Net Cash Used in Operating Activities		
Loss from operations	\$ (12,765,233)	\$ (12,040,557)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	2,496,050	2,166,194
(Increase) decrease in assets		
Accounts and other receivables	(42,097)	(33,382)
Inventories	(31,625)	(127,075)
Prepaid expenses	(30,117)	5,260
Deferred outflow of resources - pension	473,628	(153,499)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	9,305	659,258
Net pension liability	(350,607)	713,265
Net Cash Used in Operating Activities	\$ (10,240,696)	\$ (8,810,536)

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

Notes to Financial Statements
June 30, 2020 and 2019

Note 1 - Nature of Activity

The County of Lackawanna 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 persons with disabilities 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 that 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 and utilize the proprietary fund type. 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
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Notes to Financial Statements
June 30, 2020 and 2019

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, investment 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.

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

Investments

The Board of Directors is permitted to invest the Authority's funds in the following types of investments:

1. U.S. Treasury bills
2. Short-term obligations of the U.S. Government and Federal agencies
3. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
4. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision
5. Bills of exchange or time drafts drawn on and accepted by a commercial bank not to exceed 180 days
6. Short-term, unsecured obligations of corporations or other business entities organized in accordance with Federal or State law
7. 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, 2020 and 2019 was \$-0-.

Inventories and Prepaid Expenses

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

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

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

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:

Buildings	10 to 40 years
Buses and support vehicles	4 to 15 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.

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, 2020 and 2019.

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.

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

Notes to Financial Statements
June 30, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

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.

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 January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement amends the financial accounting and reporting requirements for sponsors (employers) of pension and other postemployment benefit (OPEB) plans. GASB Statement No. 84 is effective for periods beginning after December 15, 2019.

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

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 was modified by GASB Statement No. 95 and is now effective for periods beginning after June 15, 2021.

In June 2020, the GASB issued *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* - an Amendment of GASB Statement No. 14 and No. 84 and a Supersession of GASB Statement No. 32. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities and is effective for periods beginning after June 15, 2021.

The Authority is currently evaluating what effect the adoptions 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.

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.

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

Notes to Financial Statements
June 30, 2020 and 2019

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, 2020 and 2019, the carrying amounts of the Authority's bank deposits were \$3,596,423 and \$2,416,412, respectively, and the corresponding bank balances were \$3,991,972 and \$2,750,727, respectively, of which \$3,413,468 and \$2,214,728 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:

	2020	
	Cost	Fair Value
Mutual Funds		
Government bond funds	<u>\$ 290,348</u>	<u>\$ 304,748</u>
	2019	
Mutual Funds		
Government bond funds	<u>\$ 75,000</u>	<u>\$ 71,362</u>

Credit Risk

The Authority limits the type of investments as 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.

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, 2020 and 2019, \$304,748 and \$71,362 is held by the investment's counterparties, although owned by the Authority.

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

Notes to Financial Statements
June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Lackawanna County funds	\$ 202,339	\$ 495,855
Commonwealth of Pennsylvania - Act 26 funds	19,221	19,221
Commonwealth of Pennsylvania - Act 3 funds	1,409,785	1,409,785
Commonwealth of Pennsylvania - Act 44/89 funds	<u>1,965,078</u>	<u>491,551</u>
	<u>\$ 3,596,423</u>	<u>\$ 2,416,412</u>

At June 30, 2020 and 2019, the Authority utilized \$2,784,492 and \$1,920,441, respectively, of Act 26, Act 3, and Act 44/89 funds on operating related expenditures, which will be returned to the restricted account upon payment of the federal and state share of those projects.

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 Statement 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.

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.

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

Note 7 - Fair Value Measurements (continued)

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, 2020 and 2019.

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, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Governmental Mutual Funds	\$ -	\$ 304,748	\$ -	\$ 304,748
Fair Value Measurements at June 30, 2019				
Governmental Mutual Funds	\$ -	\$ 71,362	\$ -	\$ 71,362

Note 8 - Operating Grants Receivable

Operating grants receivable balances are as follows at June 30:

	2020	2019
Federal government	\$ 1,871,053	\$ 469,013
Commonwealth of Pennsylvania	106,845	495,174
Operating assistance - JARC	17,185	163,982
County of Lackawanna - local share	26,413	26,413
Planning grants	9,593	9,593
	\$ 2,031,089	\$ 1,164,175

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

Note 9 - Capital Grants Receivable

Capital grants receivable balances are as follows at June 30:

	2020	2019
Federal government	\$ 175,320	\$ 214,719
Commonwealth of Pennsylvania	747,361	1,254,383
County of Lackawanna - local share	11,934	23,324
	<u>\$ 934,615</u>	<u>\$ 1,492,426</u>

Note 10 - Capital Assets

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

	Balance July 1, 2019	Additions/ Transfers In	Deletions/ Transfers Out	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land	\$ 33,486	\$ 78,450	-	\$ 111,936
Construction in progress	287,250	349,750	-	637,000
Total Capital Assets Not Being Depreciated	<u>320,736</u>	<u>428,200</u>	<u>-</u>	<u>748,936</u>
Capital Assets Being Depreciated				
Buildings	18,928,333	-	-	18,928,333
Buses and support vehicles	24,290,043	171,726	(598,973)	23,862,796
Other equipment	3,768,205	791,811	(81,205)	4,478,811
Total Capital Assets Being Depreciated	<u>46,986,581</u>	<u>963,537</u>	<u>(680,178)</u>	<u>47,269,940</u>
Accumulated Depreciation				
Buildings	5,272,287	535,022	-	5,807,309
Buses and support vehicles	13,993,969	1,781,405	(601,645)	15,173,729
Other equipment	2,133,731	179,623	(76,393)	2,236,961
Accumulated Depreciation	<u>21,399,987</u>	<u>2,496,050</u>	<u>(678,038)</u>	<u>23,217,999</u>
Capital Assets Being Depreciated, Net	<u>25,586,594</u>	<u>(1,532,513)</u>	<u>(2,140)</u>	<u>24,051,941</u>
Capital Assets, Net	<u>\$ 25,907,330</u>	<u>\$ (1,104,313)</u>	<u>(2,140)</u>	<u>\$ 24,800,877</u>

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

Notes to Financial Statements
June 30, 2020 and 2019

Note 10 - Capital Assets (continued)

	<u>Balance July 1, 2018</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance June 30, 2019</u>
Capital Assets Not Being Depreciated				
Land	\$ 33,486	\$ -	\$ -	\$ 33,486
Construction in progress	-	287,250	-	287,250
Total Capital Assets Not Being Depreciated	<u>33,486</u>	<u>287,250</u>	<u>-</u>	<u>320,736</u>
Capital Assets Being Depreciated				
Buildings	18,890,083	38,250	-	18,928,333
Buses and support vehicles	20,389,173	4,977,431	(1,076,561)	24,290,043
Other equipment	<u>2,972,945</u>	<u>833,660</u>	<u>(38,400)</u>	<u>3,768,205</u>
Total Capital Assets Being Depreciated	<u>42,252,201</u>	<u>5,849,341</u>	<u>(1,114,961)</u>	<u>46,986,581</u>
Accumulated Depreciation				
Buildings	4,737,513	534,774	-	5,272,287
Buses and support vehicles	13,605,131	1,465,399	(1,076,561)	13,993,969
Other equipment	<u>2,006,110</u>	<u>166,021</u>	<u>(38,400)</u>	<u>2,133,731</u>
Accumulated Depreciation	<u>20,348,754</u>	<u>2,166,194</u>	<u>(1,114,961)</u>	<u>21,399,987</u>
Capital Assets Being Depreciated, Net	<u>21,903,447</u>	<u>3,683,147</u>	<u>-</u>	<u>25,586,594</u>
Capital Assets, Net	<u>\$ 21,936,933</u>	<u>\$ 3,970,397</u>	<u>-</u>	<u>\$ 25,907,330</u>

Note 11 - Line of Credit

Effective August 9, 2019, the Authority opened a \$1,000,000 line of credit with a bank at 5% or the National Prime Rate, whichever is higher. At June 30, 2020, there was no amount outstanding against the line of credit.

Note 12 - Unearned MATP Funds

As of June 30, 2020 and 2019, the Authority has a liability of \$352,483 and \$65,219, respectively, for transportation services under the Medical Assistance Transportation Program (MATP).

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

Note 13 - Unearned Lackawanna County Funds

Local grant funds from Lackawanna County in the amount of \$202,339 and \$495,855 at June 30, 2020 and 2019, respectively, is the local share for operating assistance and capital projects received in advance.

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 Pennsylvania Department of Revenue and passed through the Pennsylvania Department of Transportation (PennDOT) to transit authorities for both capital and capital asset maintenance costs. Under regulations promulgated by PennDOT, up to 50% or an amount approved by PennDOT 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 PennDOT preapproved capital projects. As of July 1, 2007, any funds not used in any given year must be carried over and used for preapproved capital projects.

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

	<u>2019</u>	<u>2018</u>
Beginning Balance	\$ 19,221	\$ 19,221
Interest income	<u>-</u>	<u>-</u>
Ending Balance	<u>\$ 19,221</u>	<u>\$ 19,221</u>

Note 15 - Unearned Commonwealth of Pennsylvania - Act 3 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 Pennsylvania Department of Revenue and passed through PennDOT to transit authorities for both capital and capital asset maintenance costs. Under regulations promulgated by PennDOT, 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. As of July 1, 2007, any funds not used in any given year must be carried over and used for preapproved capital projects.

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

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

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

	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 1,409,785	\$ 1,409,785
Interest income	<u>-</u>	<u>-</u>
Total Available	1,409,785	1,409,785
Funds expended	<u>-</u>	<u>-</u>
Ending Balance	<u>\$ 1,409,785</u>	<u>\$ 1,409,785</u>

Note 16 - Unearned Commonwealth of Pennsylvania - Act 44/89 Funds

In July 2007, the Pennsylvania legislature enacted Act 44, which provides a dedicated source of funding for public transportation. The funding under Act 44 replaces state operating grants, the State Senior Citizens Program Grant, and dedicated tax revenues under 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. Act 44 was amended by Act 89 of 2013.

The following transactions occurred in relation to the Act 44/89 account for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 3,027,960	\$ 1,308,976
Funds received	<u>7,348,237</u>	<u>7,728,818</u>
Total Available	10,376,197	9,037,794
Funds expended	<u>(5,119,540)</u>	<u>(6,009,834)</u>
Ending Balance	<u>\$ 5,256,657</u>	<u>\$ 3,027,960</u>

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.

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Notes to Financial Statements
June 30, 2020 and 2019

Note 17 - Risk Management (continued)

The Authority has joined together with other transit organizations in the Commonwealth of Pennsylvania to form the State Association for Transportation Insurance (SAFTI) 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, 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, 2020 and 2019 amounted to \$399,331 and \$340,695, 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, 2020 and 2019 amounted to \$295,687 and \$412,477, 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>2020</u>	<u>2019</u>
Beginning Balance	\$ 215,152	\$ 218,076
Claims recovered and changes in reserves	<u>(18,057)</u>	<u>(2,924)</u>
Ending Balance	<u>\$ 197,095</u>	<u>\$ 215,152</u>

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

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Notes to Financial Statements
June 30, 2020 and 2019

Note 17 - Risk Management (continued)

For the years ended June 30, 2020 and 2019, 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, 2020, 2019, and 2018.

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 \$88,003 and \$58,762 was charged to operations for the years ended June 30, 2020 and 2019, 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 \$41,464 and \$75,012 was charged to operations for the years ended June 30, 2020 and 2019, respectively.

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. Separately issued financial statements are not available.

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.

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Notes to Financial Statements
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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, 2019, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	51
Inactive employees entitled to, but not yet receiving benefits	7
Active employees	<u>83</u>
	<u>141</u>

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

At June 30, 2020 and 2019, the Authority reported a liability of \$2,544,281 and \$2,894,888, respectively, for its net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, 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, 2019.

For the years ended June 30, 2020 and 2019, the Authority recognized pension expense of \$408,836 and \$793,505, 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>2020</u>	<u>2019</u>
Deferred Outflows of Resources		
Net differences between projected and actual earnings on pension plan investments	\$ 147,224	\$ 621,572
Authority contributions subsequent to the measurement date	<u>72,080</u>	<u>71,360</u>
	<u>\$ 219,304</u>	<u>\$ 692,932</u>

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

Notes to Financial Statements
June 30, 2020 and 2019

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 \$72,080 and \$71,360 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, 2020 and 2019, 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 following years ending June 30 and thereafter:

2021	\$	85,421
2022		62,255
2023		59,764
2024		(66,164)
2025		2,974
Thereafter		2,974

Actuarial Assumptions

The total pension liability in the January 1, 2019 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

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, 2019:

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
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Notes to Financial Statements
June 30, 2020 and 2019

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 Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2017	\$ 5,179,734	\$ 2,998,111	\$ 2,181,623
Service cost	134,794	-	134,794
Interest cost	408,254	-	408,254
Changes of benefit terms	372,704	-	372,704
Contributions - employer	-	243,660	(243,660)
Contributions - member	-	155,800	(155,800)
Net investment loss	-	(179,448)	179,448
Benefit payments, including refunds of member contributions	(422,704)	(422,704)	-
Administrative expense	-	(17,525)	17,525
Net Changes	493,048	(220,217)	713,265
Balance at December 31, 2018	5,672,782	2,777,894	2,894,888
Service cost	170,150	-	170,150
Interest cost	451,987	-	451,987
Differences between expected and actual experience	20,821	-	20,821
Contributions - employer	-	285,096	(285,096)
Contributions - member	-	158,232	(158,232)
Net investment gain	-	567,837	(567,837)
Benefit payments, including refunds of member contributions	(427,833)	(427,833)	-
Administrative expense	-	(17,600)	17,600
Net Changes	215,125	565,732	(350,607)
Balance at December 31, 2019	\$ 5,887,907	\$ 3,343,626	\$ 2,544,281

County of Lackawanna Transit System Authority
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Notes to Financial Statements
June 30, 2020 and 2019

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, 2019. 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:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 3,068,911	\$ 2,544,281	\$ 2,085,597

Note 20 - Advertising Costs

Advertising costs included in the statement of revenues, expenses, and changes in net position for the years ended June 30, 2020 and 2019 was \$52,688 and \$46,763, 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, 2021.

Contingencies

Grants

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

Capital Assets

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

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

Notes to Financial Statements
June 30, 2020 and 2019

Note 21 - Commitments and Contingencies (continued)

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; however there are no significant matters pending at June 30, 2020.

Concentration of Labor

The Authority entered into a collective bargaining agreement with certain employees represented by the Amalgamated Transit Union, Local 168 through June 30, 2021. Of the Authority's total workforce, approximately 54% are covered by the agreement as of June 30, 2020 and 2019.

The Authority entered into a collective bargaining agreement with certain employees represented by the Service Employees International Union, AFL-CIO, Local 668 through June 30, 2020. Of the Authority's total workforce, approximately 34% and 30% are covered by the agreement as of June 30, 2020 and 2019, respectively.

Note 22 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economy, financial markets, and the geographical area in which the Authority operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Authority.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 23 - Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to the 2020 financial statement presentation. These reclassifications had no effect on the increase (decrease) in net position as previously reported in 2019.

Note 24 - Subsequent Events

The Authority has evaluated subsequent events through December 16, 2020. This date is the date the financial statements were available to be issued. No material events subsequent to June 30, 2020 were noted.

County of Lackawanna Transit System Authority
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Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years*

	Years December 31,			
	2019	2018	2017	2016
Total Pension Liability				
Service cost	\$ 170,150	\$ 134,794	\$ 128,375	\$ 145,019
Interest cost	451,987	408,254	395,714	363,441
Changes of benefit terms	-	372,704	-	-
Differences between expected and actual experience	20,821	-	2,145	-
Changes of assumptions	-	-	252,239	-
Benefit payments, including refunds of member contributions	(427,833)	(422,704)	(324,814)	(360,764)
Net Change in Total Pension Liability	215,125	493,048	453,659	147,696
Total Pension Liability at Beginning of Year	5,672,782	5,179,734	4,726,075	4,578,379
Total Pension Liability at End of Year	<u>\$ 5,887,907</u>	<u>\$ 5,672,782</u>	<u>\$ 5,179,734</u>	<u>\$ 4,726,075</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 285,096	\$ 243,660	\$ 244,477	\$ 172,914
Contributions - member	158,232	155,800	150,860	146,148
Net investment gain (loss)	567,837	(179,448)	305,731	90,352
Benefit payments, including refunds of member contributions	(427,833)	(422,704)	(324,814)	(360,764)
Administrative expense	(17,600)	(17,525)	(16,200)	(17,350)
Net Change in Plan Fiduciary Net Position	565,732	(220,217)	360,054	31,300
Plan Fiduciary Net Position at Beginning of Year	2,777,894	2,998,111	2,638,057	2,606,757
Plan Fiduciary Net Position at End of Year	<u>\$ 3,343,626</u>	<u>\$ 2,777,894</u>	<u>\$ 2,998,111</u>	<u>\$ 2,638,057</u>
Authority's Net Pension Liability	<u>\$ 2,544,281</u>	<u>\$ 2,894,888</u>	<u>\$ 2,181,623</u>	<u>\$ 2,088,018</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>56.8%</u>	<u>49.0%</u>	<u>57.9%</u>	<u>55.8%</u>
Covered Employee Payroll	<u>\$ 4,698,699</u>	<u>\$ 4,469,023</u>	<u>\$ 4,610,560</u>	<u>\$ 4,381,898</u>
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	<u>54.1%</u>	<u>64.8%</u>	<u>47.3%</u>	<u>47.7%</u>

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

This schedule is presented as of the measurement date of the net pension liability, which is December 31 of the year preceding the Authority's financial statement reporting date.

Changes in assumptions are the result of utilizing the IRS Small Plans Combined Static Table effective January 1, 2017. Previously, mortality rates were based on the RP-2000 Mortality Table.

Changes of benefit terms are the result of an increase in the benefit formula.

County of Lackawanna Transit System Authority
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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
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
2017	244,397	244,477	(80)	4,610,560	5.30
2018	243,660	243,660	-	4,469,023	5.45
2019	285,096	285,096	-	4,698,699	6.07

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, 2019.

Changes of Assumptions: Beginning on January 1, 2017, the expectation of retired life mortality was based on IRS Small Plans Combined Static Table rather than on the RP-2000 Mortality Table.

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	Seven 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 1.00%) 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	IRS Small Plans Combined Static Table

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

Schedule of LEG - Fixed Route Urban Expenses - FY 19-20
Year Ended June 30, 2020

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 2,296,160	\$ -	\$ -	\$ 2,296,160
2. Operators' Paid Absences	504,561	-	-	504,561
3. Other Salaries & Wages	-	689,420	329,251	1,018,671
4. Other Paid Absences	2,082	152,904	102,359	257,345
5. Fringe Benefits	1,469,123	40,989	325,749	1,835,861
6. Services	-	-	645,283	645,283
7. Fuel & Lubricants	508,059	-	-	508,059
8. Tires & Tubes	81,097	-	-	81,097
9. Other Materials & Supplies	284,344	30,122	29,549	344,015
10. Utilities	-	-	89,597	89,597
11. Casualty & Liability Costs	-	-	264,212	264,212
12. Taxes	-	-	-	-
13. Purchased Transportation	-	-	513,943	513,943
14. Miscellaneous Expenses	-	-	253,686	253,686
15. Mileage Reimbursement	-	-	-	-
16. Total System Expenses	\$ 5,145,426	\$ 913,435	\$ 2,553,629	8,612,490
Applied Reconciling Items				
17. Interest Expenses				-
18. Leases & Rentals				-
19. Depreciation (privately funded assets only)				-
20. Amortization of Intangibles				-
21. Purchase Lease Agreement				-
22. Related Parties Lease Agreement				-
23. Other Reconciling Items				-
24. Total Applied Reconciling Items				-
25. Total Operating Expenses				8,612,490
Non-Applied Reconciling Items				
26. Depreciation (publicly funded assets only)				2,178,592
27. Other Post Employment Benefits (OPEB)				601,534
28. Other Reconciling Items				-
29. Total Non-Applied Reconciling Items				2,780,126
30. Total Operating Expenses per Audit				\$ 11,392,616

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

Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 19-20
Year Ended June 30, 2020

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 139,348	\$ -	\$ -	\$ 139,348
2. Operators' Paid Absences	28,046	-	-	28,046
3. Other Salaries & Wages	-	15,853	63,036	78,889
4. Other Paid Absences	1,025	3,469	14,433	18,927
5. Fringe Benefits	147,089	883	24,318	172,290
6. Services	-	-	44,202	44,202
7. Fuel & Lubricants	21,657	-	-	21,657
8. Tires & Tubes	3,981	-	-	3,981
9. Other Materials & Supplies	7,113	1,797	1,763	10,673
10. Utilities	-	-	5,345	5,345
11. Casualty & Liability Costs	-	-	15,887	15,887
12. Taxes	-	-	-	-
13. Purchased Transportation	-	-	16,419	16,419
14. Miscellaneous Expenses	-	-	20,207	20,207
15. Mileage Reimbursement	-	-	-	-
16. Total System Expenses	\$ 348,259	\$ 22,002	\$ 205,610	575,871
Applied Reconciling Items				
17. Interest Expenses				-
18. Leases & Rentals				-
19. Depreciation (privately funded assets only)				-
20. Amortization of Intangibles				-
21. Purchase Lease Agreement				-
22. Related Parties Lease Agreement				-
23. Other Reconciling Items				-
24. Total Applied Reconciling Items				-
25. Total Operating Expenses				575,871
Non-Applied Reconciling Items				
26. Depreciation (publicly funded assets only)				38,628
27. Other Post Employment Benefits (OPEB)				-
28. Other Reconciling Items				-
29. Total Non-Applied Reconciling Items				38,628
30. Total Operating Expenses per Audit				\$ 614,499

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

Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 19-20
Year Ended June 30, 2020

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 891,327	\$ -	\$ -	\$ 891,327
2. Operators' Paid Absences	179,395	-	-	179,395
3. Other Salaries & Wages	-	101,402	475,275	576,677
4. Other Paid Absences	6,554	22,188	92,323	121,065
5. Fringe Benefits	940,846	5,648	50,236	996,730
6. Services	-	-	282,735	282,735
7. Fuel & Lubricants	138,524	-	-	138,524
8. Tires & Tubes	25,467	-	-	25,467
9. Other Materials & Supplies	45,496	11,495	11,276	68,267
10. Utilities	-	-	34,191	34,191
11. Casualty & Liability Costs	-	-	101,623	101,623
12. Taxes	-	-	-	-
13. Purchased Transportation	-	-	32,650	32,650
14. Miscellaneous Expenses	-	-	129,246	129,246
15. Mileage Reimbursement	-	-	-	-
16. Total System Expenses	\$ 2,227,609	\$ 140,733	\$ 1,209,555	3,577,897
Applied Reconciling Items				
17. Interest Expenses				-
18. Leases & Rentals				-
19. Depreciation (privately funded assets only)				-
20. Amortization of Intangibles				-
21. Purchase Lease Agreement				-
22. Related Parties Lease Agreement				-
23. Other Reconciling Items				-
24. Total Applied Reconciling Items				-
25. Total Operating Expenses				3,577,897
Non-Applied Reconciling Items				
26. Depreciation (publicly funded assets only)				247,084
27. Other Post Employment Benefits (OPEB)				-
28. Other Reconciling Items				-
29. Total Non-Applied Reconciling Items				247,084
30. Total Operating Expenses per Audit				\$ 3,824,981

County of Lackawanna Transit System Authority
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Schedule of LEG - Non-Public Expenses - Other Transportation - FY 19-20
Year Ended June 30, 2020

Operating Expenses	Non-Shared Ride Paratransit	MATP - Non-Shared Ride Paratransit	MATP - Mileage Reimbursement	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Operators' Paid Absences	-	-	-	-
3. Other Salaries & Wages	-	235,049	-	235,049
4. Other Paid Absences	-	-	-	-
5. Fringe Benefits	-	111,864	-	111,864
6. Services	-	5,105	-	5,105
7. Fuel & Lubricants	-	-	-	-
8. Tires & Tubes	-	-	-	-
9. Other Materials & Supplies	-	-	-	-
10. Utilities	-	14,348	-	14,348
11. Casualty & Liability Costs	-	17,608	-	17,608
12. Taxes	-	-	-	-
13. Purchased Transportation	-	235,470	-	235,470
14. Miscellaneous Expenses	-	-	-	-
15. Mileage Reimbursement	-	-	16,940	16,940
16. Total System Expenses	\$ -	\$ 619,444	\$ 16,940	636,384
Applied Reconciling Items				
17. Interest Expenses				-
18. Leases & Rentals				-
19. Depreciation (privately funded assets only)				-
20. Amortization of Intangibles				-
21. Purchase Lease Agreement				-
22. Related Parties Lease Agreement				-
23. Other Reconciling Items				-
24. Total Applied Reconciling Items				-
25. Total Operating Expenses				636,384
Non-Applied Reconciling Items				
26. Depreciation (publicly funded assets only)				31,746
27. Other Post Employment Benefits (OPEB)				-
28. Other Reconciling Items				-
29. Total Non-Applied Reconciling Items				31,746
30. Total Operating Expenses per Audit				\$ 668,130

County of Lackawanna Transit System Authority
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Reconciliation of Operating Expenses to Financial Statements Prepared under Accounting
Principles Generally Accepted in the United States of America
Year Ended June 30, 2020

Operating expenses reported on Schedule of LEG - Fixed Route Urban Expenses - FY 19-20	\$ 11,392,616
Operating expenses reported on Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 19-20	614,499
Operating expenses reported on Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 19-20	3,824,981
Operating expenses reported on Schedule of LEG - Non-Public Expenses - Other Transportation - FY 19-20	668,130
Rounding	<u>(7)</u>
Operating Expenses Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 16,500,219</u>

County of Lackawanna Transit System Authority
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Schedule of LEG - Fixed Route Revenues - FY 19-20
Year Ended June 30, 2020

	Urban	Rural	Total
Transportation Revenues			
1. Passenger-Paid Fares	\$ 834,126	\$ -	\$ 834,126
2. Organization-Paid Fares	8,465	-	8,465
3. MATP - Shared Ride Fare Structure	12,900	-	12,900
4. Advertising	48,597	-	48,597
5. Subtotal Transportation Revenues	904,088	-	904,088
Other Revenue			
6. Identify: Bookmobile fuel reimbursement	3,972	-	3,972
7. Identify: Interest	-	-	-
8. Identify: Miscellaneous	35,222	-	35,222
9. Subtotal Other Revenue	39,194	-	39,194
10. Total Revenue	943,282	-	943,282
Non-Applied Reconciling Items			
11. Interest/Investment Income	38,366	-	38,366
12. Identify	-	-	-
13. Total Non-Applied Reconciling Items	38,366	-	38,366
14. Total Revenue per Audit	\$ 981,648	\$ -	\$ 981,648

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

Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 19-20
Year Ended June 30, 2020

	ADA Paratransit	Shared Ride 65+		Shared Ride Under 65		Public Vanpool	Total
		Urban Standard	Rural DAS*	Urban Standard	Rural DAS*		
Transportation Revenues							
1. Passenger Fares	\$ 49,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,209
2. Advertising	-	-	-	-	-	-	-
3. Shared-Ride Lottery Trip Reimbursement	-	1,369,414	-	-	-	-	1,369,414
4. PwD Trip Reimbursement	-	-	-	36,423	-	-	36,423
5. PwD Trip Passenger Fares	-	-	-	6,428	-	-	6,428
6. AAA	-	223,159	-	-	-	-	223,159
7. MH/MR - Shared Ride Fare Structure	-	-	-	-	-	-	-
8. W2W - Shared Ride Fare Structure	-	-	-	-	-	-	-
9. MATP - Shared Ride Fare Structure	-	-	-	-	-	-	-
Other Agencies/Third Party Sponsors	-	18,514	-	351,983	-	-	370,497
10. Identify	-	-	-	-	-	-	-
11. Identify	-	-	-	-	-	-	-
Other (Revenue)							
12. Identify	-	-	-	-	-	-	-
13. Identify	-	-	-	-	-	-	-
14. Admin Reimbursement for MATP	-	-	-	81	-	-	81
Shared Ride Fare Structure	-	-	-	68,363	-	-	68,363
15. Miscellaneous	-	-	-	-	-	-	-
16. Total Revenue	49,209	1,611,087	-	463,278	-	-	2,123,574
Non-Applied Reconciling Items							
17. Identify	-	-	-	-	-	-	-
18. Identify	-	-	-	-	-	-	-
19. Total Non-Applied Reconciling	-	-	-	-	-	-	-
20. Total Revenue per Audit	\$ 49,209	\$ 1,611,087	\$ -	\$ 463,278	\$ -	\$ -	\$ 2,123,574

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

County of Lackawanna Transit System Authority
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Schedule of LEG - Non-Public Revenues - Other Transportation - FY 19-20
Year Ended June 30, 2020

Contract Revenues

1. MATP - Contract Rate Paratransit Revenue	\$ 619,444
2. Identify	-
3. Identify	-

MATP Revenue

4. MATP - Fixed Route Bus Pass Revenue	-
5. MATP - Contract Rate Paratransit	-
6. MATP - Mileage Reimbursement	16,940
7. MATP - Admin Reimbursement	-
8. MATP - Offset	-

W2W Revenue

9. W2W - Contract Rate Paratransit	-
10. W2W - Other (i.e. vehicle purchase/repair, fixed-route fares)	-
11. W2W - Admin/Case Management	-

Other Revenue

12. Identify	-
13. Identify	-

14. Total Revenue	636,384
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Non-Applied Reconciling Items

15. Identify	-
16. Identify: Depreciation	31,746

17. Total Non-Applied Reconciling Items	31,746
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18. Total Revenue per Audit	\$ 668,130
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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, 2020

Operating revenues reported on Schedule of LEG - Fixed Route Revenues - FY 19-20	\$ 981,648
Operating revenues reported on Schedule of LEG - Non-Fixed Route Revenues - Urban - FY - 19-20	2,123,574
Operating revenues reported on Schedule of LEG - Non-Public Revenues - Other Transportation - FY 19-20	<u>668,130</u>
Total Operating Revenues per Schedules	<u>\$ 3,773,352</u>
Per Financial Statements	
Operating revenues	\$ 3,734,986
Investment income	<u>38,366</u>
Operating Revenues Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 3,773,352</u>

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

Schedule of LEG - Fixed Route Subsidies - FY 19-20
Year Ended June 30, 2020

Subsidy	Urban	Rural	Total
1. Federal Operating Grant	\$ 2,239,773	\$ -	\$ 2,239,773
2. Federal Capital Grant to Fund Preventive Maintenance Costs	1,038,519	-	1,038,519
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	92,571	-	92,571
6. Subtotal Federal Subsidy	3,370,863	-	3,370,863
7. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	2,473,535	-	2,473,535
8. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	961,984	-	961,984
9. Act 3 ASG Grant Amount Charged - State Share	-	-	-
10. Act 3 BSG Grant Amount Charged - State Share	-	-	-
11. Special Operating Grants - State Share			
Identify	-	-	-
12. Subtotal State Subsidy	3,435,519	-	3,435,519
13. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source	103,746	-	103,746
14. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Municipal Source	759,080	-	759,080
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	862,826	-	862,826
21. Grand Total Subsidy	7,669,208	-	7,669,208
Non-Applied Reconciling Items			
22. Identify Federal	-	-	-
23. Identify State	-	-	-
24. Identify Local	-	-	-
25. Total Non-Applied Reconciling Items	-	-	-
26. Total Revenue per Audit	\$ 7,669,208	\$ -	\$ 7,669,208

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

Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 19-20
Year Ended June 30, 2020

Subsidy	ADA	Shared Ride		Public	Total
	Paratransit	Standard	DAS*	Vanpool	
1. Federal Operating Grant	\$ -	\$ 346,176	\$ -	\$ -	\$ 346,176
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	-	346,176	-	-	346,176
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	526,662	1,157,356	-	-	1,684,018
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	526,662	1,157,356	-	-	1,684,018
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	526,662	1,503,532	-	-	2,030,194
Non-Applied Reconciling Items					
25. Identify Federal	-	-	-	-	-
26. Identify State	-	-	-	-	-
27. Identify Local	-	-	-	-	-
28. Total Non-Applied Reconciling Items	-	-	-	-	-
29. Grand Total Subsidies per Audit	\$ 526,662	\$ 1,503,532	\$ -	\$ -	\$ 2,030,194

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

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

Reconciliation of Reported Subsidies to Financial Statements Prepared under Accounting Principles
Generally Accepted in the United States of America
Year Ended June 30, 2020

Subsidies Reported on Schedule of LEG - Fixed Route Subsidies - FY 19-20	\$ 7,669,208
Subsidies Reported on Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 19-20	<u>2,030,194</u>
Subsidies Reported on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 9,699,402</u>
Per Financial Statement	<u>\$ 9,699,402</u>

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

Schedule of LEG - Budget Summary - FY 19-20
Year Ended June 30, 2020

	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	\$ 8,612,490	\$ -	\$ 575,871	\$ -	\$ 3,577,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 636,384	\$ 13,402,642
2. Total Revenues	943,282	-	49,209	-	2,074,365	-	-	-	-	-	636,384	3,703,240
3. Operating Deficit	(7,669,208)	-	(526,662)	-	(1,503,532)	-	-	-	-	-	-	(9,699,402)
4. Grand Total Subsidy	7,669,208	-	526,662	-	1,503,532	-	-	-	-	-	-	9,699,402
5. Applied Operating Result	-	-	-	-	-	-	-	-	-	-	-	-
Non-Applied Reconciling Items												
6. Total Non-Applied Reconciling Expense Items	2,780,126	-	38,628	-	247,084	-	-	-	-	-	31,746	3,097,584
7. Total Non-Applied Reconciling Revenue Items	38,366	-	-	-	-	-	-	-	-	-	31,746	70,112
8. Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-
9. Operating Result per Audit	\$ (2,741,760)	\$ -	\$ (38,628)	\$ -	\$ (247,084)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - **	\$ (3,027,472)

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

** Rounding adjustment of \$7 to audited financial statements.

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

Schedule S1 - Local Match Provided - FY 19-20
Year Ended June 30, 2020

Act 44 Section 1513 Local Match for Operating Funds Received

Contributor Name	Date of Final Payment	Total Amount Provided
Lackawanna County	4/17/2020	\$ 569,310
		-
		-
		-
Subtotal		569,310

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
		-
		-
		-
		-
Subtotal		-

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
A Component Unit of Lackawanna County

Schedule S1 - Local Match Provided - FY 19-20 (continued)
Year Ended June 30, 2020

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		\$ 569,310

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

Schedule S2 - Local Match Carryover - FY 19-20

Year Ended June 30, 2020

A.	Local match available as of June 30, 2019	\$	495,855
B.	Local match funds provided during year ended June 30, 2020		569,310
C.	Local match operating expenditures for year ended June 30, 2020:		
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	759,080	
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)	-	
D.	Total local match operating expenditures for year ended June 30, 2020 (Sum C.a - C.i)		759,080
E.	Local match capital expenditures for year ended June 30, 2020:		
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	103,746	
j.	Other	-	
k.	Other	-	
F.	Total local match capital expenditures for year ended June 30, 2020 (Sum E.a - E.k)		103,746
G.	Interest earned on local funds for year ended June 30, 2020		-
H.	Local match funds available as of June 30, 2020 (A + B - D - F + G)	\$	<u>202,339</u>

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

Schedule S3 - Urban PTAF/BSG/ASG Carryover - FY 19-20
Year Ended June 30, 2020

	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, 2019									
1. Funds available as of June 30, 2019 (Line 3-6)	\$ 19,221	\$ 658	\$ 19,879	\$ 1,409,785	\$ 20,704	\$ 1,430,489	\$ -	\$ -	\$ -
2. Interest income earned in FY 2019-20	-	-	-	-	-	-	-	-	-
3. Total Funds Available in FY 2019-20 (Line 1+2)	19,221	658	19,879	1,409,785	20,704	1,430,489	-	-	-
4. Funds used for operating in FY 2020	-	-	-	-	-	-	-	-	-
5. Funds used for capital in FY 2020	-	-	-	-	21,979	21,979	-	-	-
6. Total Funds Used in FY 2019-20 (Line 4+5)	-	-	-	-	21,979	21,979	-	-	-
7. Funds Available as of June 30, 2020 (Line 3-6)	\$ 19,221	\$ 658	\$ 19,879	\$ 1,409,785	\$ (1,275)	\$ 1,408,510	\$ -	\$ -	\$ -

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

Schedule S5 - Urban Section 1513 Program Carryover - FY 19-20

	State Grant	Local Match	Total
A. A. FY 2019-20 Section 1513 URBAN Grant Agreement	\$ 7,348,237	\$ 759,080	\$ 8,107,317
Urban Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2020			
1. Section 1513 fund balance as of June 30, 2019	\$ 3,027,957	\$ -	\$ 3,027,957
2. Section 1513 funds received for FY 2019-20	-	-	-
3. PTAF Section 1513 funds received for FY 2019-20 (applicable to SEPTA and PAAC)	7,348,237	759,080	8,107,317
4. Total Section 1513 funds received for FY 2019-20 (Line 2+3, must agree with A above)	7,348,237	759,080	8,107,317
5. Interest income earned on Section 1513 funds in FY 2019-20	-	-	-
6. Total Section 1513 funds available in FY 2019-20 (Line 1+4+5)	10,376,194	759,080	11,135,274
7. Section 1513 funds used for Urban fixed route operating expenses in FY 2019-20	3,435,519	759,080	4,194,599
8. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2019-20	1,684,018	-	1,684,018
9. Section 1513 funds used for Rural fixed route operating expenses in FY 2019-20	-	-	-
10. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2019-20	-	-	-
11. Section 1513 funds used for Urban capital costs in FY 2019-20 (waiver required)	-	-	-
12. Section 1513 funds used for Rural capital costs in FY 2019-20 (waiver required)	-	-	-
13. Total Section 513 used in FY 2019-20 (Line 7+8+9+10+11+12)	5,119,537	759,080	5,878,617
14. Section 1513 Fund Balance as of June 30, 2020 (Line 6-13)	\$ 5,256,657	\$ -	\$ 5,256,657
B. FY 2019-20 Section 1513 RURAL Grant Agreement	\$ -	\$ -	\$ -
Rural Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2020			
15. Section 1513 fund balance as of June 30, 2019	\$ -	\$ -	\$ -
16. Section 1513 funds received for FY 2019-20 (must agree with B above)	-	-	-
17. Interest income earned on Section 1513 funds in FY 2019-20	-	-	-
18. Total Section 1513 funds available in FY 2019-20 (Line 15+16+17)	-	-	-
19. Section 1513 funds used for Rural fixed route operating expenses in FY 2019-20	-	-	-
20. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2019-20	-	-	-
21. Section 1513 funds used for Urban fixed route operating expenses in FY 2019-20	-	-	-
22. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2019-20	-	-	-
23. Section 1513 funds used for Rural capital costs in FY 2019-20 (waiver required)	-	-	-
24. Section 1513 funds used for Urban capital costs in FY 2019-20 (waiver required)	-	-	-
25. Total Section 513 used in FY 2019-20 (Line 19+20+21+22+23+24)	-	-	-
26. Section 1513 Fund Balance as of June 30, 2020 (Line 18-25)	\$ -	\$ -	\$ -
C. Total Agency Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2020			
27. Section 1513 fund balance as of June 30, 2019	\$ 3,027,957	\$ -	\$ 3,027,957
28. Section 1513 funds received for FY 2019-20	-	-	-
29. PTAF Section 1513 funds received for FY 2019-20 (applicable to SEPTA and PAAC)	7,348,237	759,080	8,107,317
30. Total Section 1513 funds received for FY 2019-20 (Line 28+29)	7,348,237	759,080	8,107,317
31. Interest income earned on Section 1513 funds in FY 2019-20	-	-	-
32. Total Section 1513 funds available for FY 2019-20 (Line 27+30+31)	10,376,194	759,080	11,135,274
33. Section 1513 funds used for Urban fixed route operating expenses in FY 2019-20	3,435,519	759,080	4,194,599
34. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2019-20	1,684,018	-	1,684,018
35. Section 1513 funds used for Rural fixed route operating expenses in FY 2019-20	-	-	-
36. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2019-20	-	-	-
37. Section 1513 funds used for Urban capital costs in FY 2019-20 (waiver required)	-	-	-
38. Section 1513 funds used for Rural capital costs in FY 2019-20 (waiver required)	-	-	-
39. Total Section 1513 Used in FY 2019-20 (Line 33+34+35+36+37+38)	5,119,537	759,080	5,878,617
40. Section 1513 Fund Balance as of June 30, 2020 (Line 32-39)	\$ 5,256,657	\$ -	\$ 5,256,657

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

Shared Ride Retained Earnings
Year Ended June 30, 2020

1.	Shared Ride retained earnings balance as of June 30, 2019	\$ (493,729)
2.	Shared Ride revenue received for FY 2019-20	2,074,365
3.	Interest income on Shared Ride revenue earned for FY 2019-20	<u>-</u>
4.	Total Shared Ride funds available in FY 2019-20	1,580,636
5.	Shared Ride revenue used for operating expenses in FY 2019-20	<u>3,824,981</u>
6.	Shared Ride retained earnings balance as of June 30, 2020	<u><u>\$ (2,244,345)</u></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, 2020

		A	B	C	D	E	F=SUM (A:E)	G	H=G-F
1	Capital Project Title	Vehicle & Vehicle Exp	Shop Equip	CNG Land	Vans	Computer Equipment & Software	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	99,336	58,284	-	-	311,800	469,420	469,420	-
5	Federal Capital - 5309 - FTA Fixed Guideway	-	-	-	-	-	-	-	-
6	Federal Capital - 5309 - FTA Bus/Bus Facilities	28,952	-	-	-	-	28,952	28,952	-
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	31,037	14,077	-	62,904	75,437	183,455	183,455	-
19	State Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-
20	State Capital - 1516 - CTC	10,178	-	75,919	321,057	17,823	424,977	424,977	-
21	State Capital - 1516 - Other (NF)	-	-	-	-	-	-	-	-
22	State Capital - 1517 - Capital Improvement Program	-	-	-	262,954	-	262,954	262,954	-
23	State Capital - PTAF	-	-	-	-	-	-	-	-
24	State Capital - All Sources Used for Debt Service	-	-	-	-	-	-	-	-
25	State Capital - ASG/BSG	-	-	-	-	-	-	-	-
26	State Capital - Other	-	-	-	-	-	-	-	-
27	Local Match - 1513 - Waiver to Use for Capital	-	-	-	-	-	-	-	-
28	Local Match Capital - 1514 - PA Bond Program	-	-	-	-	-	-	-	-
29	Local Match Capital - 1514 - Discretionary	-	-	-	-	-	-	-	-
30	Local Match Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-
31	Local Match Capital - 1516 - CTC	-	-	-	-	-	-	-	-
32	Local Match Capital - 1516 - Other	-	-	-	-	-	-	-	-
33	Local Match Capital - PTAF	-	-	-	-	-	-	-	-
34	Local Match Capital - All Sources Used for Debt Service	-	-	-	-	-	-	-	-
35	Local Match Capital - ASG/BSG	-	-	-	-	-	-	-	-
36	Local Match Other	-	-	-	-	-	-	-	-
37	Local Contribution	12,401	494	2,531	3,992	2,561	21,979	21,979	-
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	181,904	72,855	78,450	650,907	407,621	1,391,737	\$ 1,391,737	\$ -
							Grand Total		
47	Total Sources of Funds Spent Inception-to-Date	181,904	72,855	78,450	650,907	407,621	1,391,737		
48	Total Granted Sources of Funds Inception-to-Date	181,904	72,855	78,450	650,907	407,621	1,391,737		
49	Granted Sources Less Amount Spent Inception-to-Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		