



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



**Financial Statements and  
Supplementary Information**

June 30, 2022 and 2021



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

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June 30, 2022 and 2021

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## Independent Auditor's Report

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

### Opinions

We have audited the financial statements of County of Lackawanna Transit System Authority (the Authority), as of and for the years ended June 30, 2022 and 2021, of the business-type activities and as of and for the years ended December 31, 2021 and 2020, of the aggregate remaining fund information and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and aggregate remaining fund information of the Authority as of June 30, 2022 and 2021 and December 31, 2021 and 2020, respectively, and the respective changes in net position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States, and the audit requirements of the Pennsylvania Department of Transportation. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, as listed 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards* and the audit requirements of the Pennsylvania Department of Transportation, we have also issued our report, dated December 28, 2022, 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 solely 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 the effectiveness of the Authority's 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.

Handwritten signature in black ink that reads "RKL LLP".

December 28, 2022  
Lancaster, Pennsylvania

# **County of Lackawanna Transit System Authority**

## **A Component Unit of Lackawanna County**

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Management's Discussion and Analysis  
June 30, 2022 and 2021

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, 2022 and 2021 with comparative financial information for the year ended June 30, 2020. Please read it in conjunction with the Authority's financial statements.

### **Financial Highlights**

#### **Operating Revenues**

COLTS's operating revenue has increased approximately 31% or \$857,151 for the year ended June 30, 2022 compared to a decrease of approximately 25% or \$925,981 for the year ended June 30, 2021. Passenger fare revenue increased approximately 16%, State Shared Ride Program revenue increased approximately 48%, and reimbursements under the Medical Assistance Transportation Program increased approximately 4% for the year ended June 30, 2022. COLTS did not increase fares for fixed route service for the year ended June 30, 2022.

#### **Operating Expenses**

COLTS's operating expenses increased approximately 13% or \$2,131,444 for the year ended June 30, 2022 compared to a decrease of approximately 3% or \$572,094 for the year ended June 30, 2021. For the year ended June 30, 2022, expenses for salaries and wages increased approximately 10% or \$536,500, fringe benefits expenses increased approximately 21% or \$1,039,729, and services decreased approximately 19% or \$97,374.

#### **Fixed Route Service Highlights**

In the years ended June 30, 2022 and 2021, COLTS provided 565,376 and 418,574 rides, respectively. Ridership has increased by 146,802 and decreased by 385,340 for the years ended June 30, 2022 and 2021, respectively. Senior ridership, which continues to be provided for free, also increased. 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, 2022 and 2021, the Authority utilized \$8,929,442 and \$4,787,708 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; statement of fiduciary net position - fiduciary funds; statement of changes in fiduciary net position - fiduciary funds; 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**

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Management's Discussion and Analysis  
June 30, 2022 and 2021

**Overview of the Financial Statements (continued)**

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

**Statement of Net Position.** The statement of net position presents the financial position of COLTS. It presents information on COLTS's assets, deferred outflows of resources, liabilities, and deferred inflows 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.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for enterprise funds.

**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 \$17,755,014 and \$19,687,585 as of June 30, 2022 and 2021, respectively.

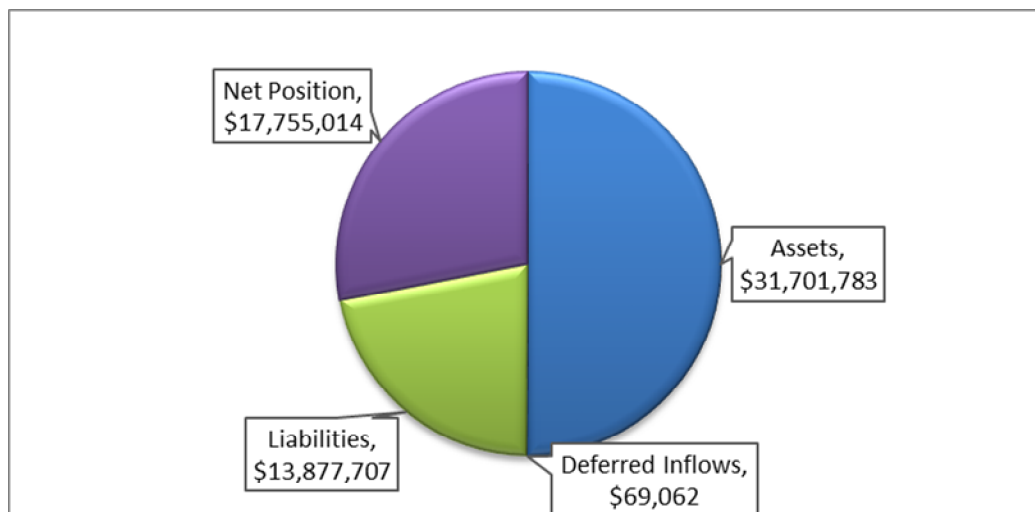


**County of Lackawanna Transit System Authority**  
**A Component Unit of Lackawanna County**

Management's Discussion and Analysis  
 June 30, 2022 and 2021

**Financial Analysis (continued)**

The following chart shows the major categories of net position for the year ended June 30, 2022:



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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
Current assets	\$ 9,290,333	\$ 10,200,996	\$ 7,641,443
Noncurrent assets			
Capital assets, net	<u>22,411,450</u>	<u>23,442,000</u>	<u>24,800,877</u>
<b>Total Assets</b>	<b><u>31,701,783</u></b>	<u>33,642,996</u>	<u>32,442,320</u>
<b>Deferred Outflows of Resources - Pension</b>	<u>-</u>	<u>5,881</u>	<u>219,304</u>
<b>Liabilities</b>			
Current liabilities	<b>10,192,432</b>	11,083,533	8,640,882
Long-term liabilities	<b><u>3,685,275</u></b>	<u>2,877,759</u>	<u>3,249,270</u>
<b>Total Liabilities</b>	<b><u>13,877,707</u></b>	<u>13,961,292</u>	<u>11,890,152</u>
<b>Deferred Inflows of Resources - Pension</b>	<b><u>69,062</u></b>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Investment in capital assets	<b>22,411,450</b>	23,442,000	24,800,877
Unrestricted deficit	<b><u>(4,656,436)</u></b>	<u>(3,754,415)</u>	<u>(4,029,405)</u>
<b>Total Net Position</b>	<b><u>\$ 17,755,014</u></b>	<u>\$ 19,687,585</u>	<u>\$ 20,771,472</u>

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

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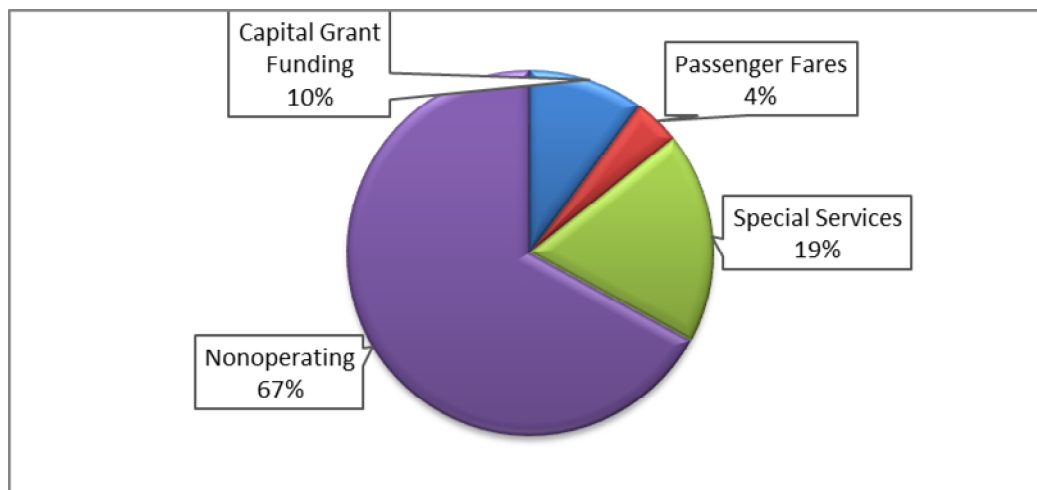
Management's Discussion and Analysis  
June 30, 2022 and 2021

**Financial Analysis (continued)**

Net capital assets consisting of land, buildings, buses and support vehicles, and other equipment comprise approximately 126% of COLTS's net position as of June 30, 2022. Current liabilities include unearned revenue of \$336,730 of Lackawanna County funds, \$19,221 of Act 26 funds, \$1,409,785 of Act 3 funds, and \$6,419,085 of Act 44/89 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, 2022:



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, 2022.

COLTS's major expenses are salaries and wages and fringe benefits, which combine to equal approximately 66% of the annual expenses, purchased transportation equals approximately 5% of the annual expenses, and depreciation equals approximately 15% of the annual expenses for the year ended June 30, 2022.

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

Management's Discussion and Analysis  
 June 30, 2022 and 2021

**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:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>			
Passenger fares	\$ 664,597	\$ 575,217	\$ 898,227
Medical Assistance Transportation Program	802,203	771,393	1,051,553
State Shared Ride Program	1,574,060	1,066,966	1,369,414
State Persons with Disabilities Program	126,414	50,355	36,423
Area Agency on Aging	343,885	207,398	291,522
Advertising income	139,686	126,374	48,597
Miscellaneous income	15,962	11,953	39,901
<b>Total Operating Revenues</b>	<b>3,666,807</b>	<b>2,809,656</b>	<b>3,735,637</b>
<b>Operating Expenses</b>	<b>18,060,220</b>	<b>15,928,776</b>	<b>16,500,870</b>
<b>Loss from Operations</b>	<b>(14,393,413)</b>	<b>(13,119,120)</b>	<b>(12,765,233)</b>
<b>Nonoperating Revenues</b>			
Operating and planning grants			
Federal government	1,078,543	5,222,207	3,717,036
Commonwealth of Pennsylvania - Act 44/89 funds	8,929,442	4,787,708	5,584,656
Lackawanna County - Act 44/89 funds	836,885	797,033	759,080
Lackawanna County - other funds	-	55,379	103,746
<b>Total Operating and Planning Grants</b>	<b>10,844,870</b>	<b>10,862,327</b>	<b>10,164,518</b>
Investment income (loss)	(22,439)	15,991	38,366
<b>Total Nonoperating Revenues</b>	<b>10,822,431</b>	<b>10,878,318</b>	<b>10,202,884</b>
<b>Loss Before Capital Grant Funding</b>	<b>(3,570,982)</b>	<b>(2,240,802)</b>	<b>(2,562,349)</b>

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

Management's Discussion and Analysis  
 June 30, 2022 and 2021

**Financial Analysis (continued)**

**Changes in Net Position (continued)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Capital Grant Funding (Expenditures)</b>			
Federal government	\$ 268,774	\$ 51,766	\$ 498,372
Commonwealth of Pennsylvania	1,294,169	1,054,348	871,386
Lackawanna County	75,468	50,801	21,979
Commonwealth of Pennsylvania - Act 44 pass-through funds	-	866,852	1,464,030
Pass-through to Scranton Parking Authority for capital expenditures	-	(866,852)	(1,464,030)
<b>Total Capital Grant Funding</b>	<u>1,638,411</u>	<u>1,156,915</u>	<u>1,391,737</u>
<b>Decrease in Net Position</b>	<u>\$ (1,932,571)</u>	<u>\$ (1,083,887)</u>	<u>\$ (1,170,612)</u>

**Capital Assets and Debt Administration**

**Capital Assets**

COLTS's investment in capital assets as of June 30, 2022 and 2021 (net of accumulated depreciation) amounted to \$22,411,450 and \$23,442,000, respectively. Capital assets are recorded at cost and include land, construction in progress, buildings, buses and support vehicles, and other equipment.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,843,216	\$ 747,778	\$ 111,936
Construction in progress	89,835	113,359	637,000
Buildings	12,081,523	12,535,645	13,121,024
Buses and support vehicles	8,024,216	9,739,548	8,689,067
Other equipment	372,660	305,670	2,241,850
	<u>\$ 22,411,450</u>	<u>\$ 23,442,000</u>	<u>\$ 24,800,877</u>

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

**Debt Administration**

The Authority has a \$1,000,000 line of credit with a bank with interest at 5% or the National Prime Rate, whichever is higher. At June 30, 2022, there was no amount outstanding against the line of credit. Additional information on the line of credit can be found in Note 11 of the financial statements.

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

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Management's Discussion and Analysis  
June 30, 2022 and 2021

**Economic Factors**

Lackawanna County, located in Northeast Pennsylvania, has a landmass of 465 square miles, and a population of roughly 215,500 as of the 2020 census. This is an increase from the 211,000 total population per the 2010 census. COLTS is looking to expand its ridership by reaching out to local businesses, partnering with local universities, and reaching out to human service organizations to target underserved individuals.

**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 Timothy McGrath, 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,	
	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,050	\$ 950
Cash and cash equivalents - restricted	6,803,778	6,763,846
Investments - restricted	449,980	394,332
Accounts receivable	121,890	141,293
Inventories	478,224	410,167
Prepaid expenses	383,019	444,411
Operating grants receivable	554,881	1,480,358
Capital grants receivable	497,511	565,639
<b>Total Current Assets</b>	<b>9,290,333</b>	10,200,996
<b>Capital Assets</b>		
Capital assets not being depreciated	1,933,051	861,137
Capital assets being depreciated	43,437,770	43,005,739
	45,370,821	43,866,876
Accumulated depreciation	(22,959,371)	(20,424,876)
<b>Capital Assets, Net</b>	<b>22,411,450</b>	23,442,000
<b>Deferred Outflows of Resources - Pension</b>	-	5,881
<b>Total Assets and Deferred Outflows of Resources</b>	<b>31,701,783</b>	33,648,877

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

Statement of Net Position (continued)

	June 30,	
	<u>2022</u>	<u>2021</u>
<b><i>Liabilities</i></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 277,294	\$ 240,021
Accrued expenses		
Payroll and payroll taxes	572,900	691,446
Vacation	310,745	334,131
Workers' compensation claims	194,001	194,001
Legal settlement fees	75,000	175,000
Unearned revenue	175,234	1,400
Unearned Medical Assistance Transportation Program funds	402,437	314,898
Unearned revenue - Lackawanna County funds	336,730	137,471
Unearned revenue - Commonwealth of Pennsylvania - Act 26 funds	19,221	19,221
Unearned revenue - Commonwealth of Pennsylvania - Act 3 funds	1,409,785	1,409,785
Unearned revenue - Commonwealth of Pennsylvania - Act 44/89 funds	6,419,085	7,566,159
	<u>10,192,432</u>	<u>11,083,533</u>
<b>Total Current Liabilities</b>		
<b>Long-Term Liabilities</b>		
Accrued compensated absences	725,570	769,009
Net pension liability	2,959,705	2,108,750
	<u>3,685,275</u>	<u>2,877,759</u>
<b>Total Long-Term Liabilities</b>		
<b>Deferred Inflows of Resources - Pension</b>	<u>69,062</u>	<u>-</u>
	<u>13,946,769</u>	<u>13,961,292</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>		
<b><i>Net Position</i></b>		
<b>Net Position</b>		
Investment in capital assets	22,411,450	23,442,000
Unrestricted deficit	(4,656,436)	(3,754,415)
	<u>\$ 17,755,014</u>	<u>\$ 19,687,585</u>
<b>Total Net Position</b>		

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

Statement of Revenues, Expenses, and Changes in Net Position

	<b>Years Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating Revenues</b>		
Passenger fares	\$ 664,597	\$ 575,217
Medical Assistance Transportation Program	802,203	771,393
State Shared Ride Program	1,574,060	1,066,966
State Persons with Disabilities Program	126,414	50,355
Area Agency on Aging	343,885	207,398
Advertising income	139,686	126,374
Miscellaneous income	15,962	11,953
	<b>3,666,807</b>	<b>2,809,656</b>
<b>Operating Expenses</b>		
Salaries and wages	5,833,430	5,296,930
Fringe benefits	6,051,270	5,011,541
Services	410,231	507,605
Fuel and lubricants	796,713	533,203
Tires and tubes	117,936	86,328
Other materials and supplies	370,557	295,834
Utilities	173,865	161,316
Casualty and liability	392,597	391,836
Purchased transportation	859,693	796,888
Miscellaneous expense	408,491	331,500
Depreciation	2,645,437	2,515,795
	<b>18,060,220</b>	<b>15,928,776</b>
	<b>(14,393,413)</b>	<b>(13,119,120)</b>
<b>Nonoperating Revenues</b>		
Operating and planning grants		
Federal government	1,078,543	5,222,207
Commonwealth of Pennsylvania - Act 44/89 funds	836,885	797,033
Lackawanna County - Act 44/89 funds	8,929,442	4,787,708
Lackawanna County - other funds	-	55,379
	<b>10,844,870</b>	<b>10,862,327</b>
Investment income (loss)	(22,439)	15,991
	<b>10,822,431</b>	<b>10,878,318</b>
	<b>(3,570,982)</b>	<b>(2,240,802)</b>



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

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

	<b>Years Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<u>          </u>	<u>          </u>
<b>Capital Grant Funding (Expenditures)</b>		
Federal government	\$ 268,774	\$ 51,766
Commonwealth of Pennsylvania	1,294,169	1,054,348
Lackawanna County	75,468	50,801
Commonwealth of Pennsylvania - Act 44 pass-through funds	-	866,852
Pass-through to Scranton Parking Authority for capital expenditures	-	(866,852)
	<u>          </u>	<u>          </u>
<b>Total Capital Grant Funding</b>	<b>1,638,411</b>	<b>1,156,915</b>
	<u>          </u>	<u>          </u>
<b>Decrease in Net Position</b>	<b>(1,932,571)</b>	<b>(1,083,887)</b>
	<u>          </u>	<u>          </u>
<b>Net Position at Beginning of Year</b>	<b>19,687,585</b>	<b>20,771,472</b>
	<u>          </u>	<u>          </u>
<b>Net Position at End of Year</b>	<b>\$ 17,755,014</b>	<b>\$ 19,687,585</b>
	<u>          </u>	<u>          </u>

**County of Lackawanna Transit System Authority**  
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Statement of Cash Flows

	Years Ended June 30, 2022	2021
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 3,686,210	\$ 2,830,573
Cash payments to suppliers for goods and services	(8,724,847)	(9,173,712)
Cash payments to employees for services	(6,018,801)	(4,869,960)
<b>Net Cash Used in Operating Activities</b>	<b>(11,057,438)</b>	<b>(11,213,099)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Receipts from operating and planning grants	11,083,905	14,085,623
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>11,083,905</b>	<b>14,085,623</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipts from capital grants	1,706,539	1,525,891
Purchase of capital assets	(1,638,411)	(1,156,918)
Cash proceeds from the disposal of capital assets	23,524	-
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>91,652</b>	<b>368,973</b>
<b>Cash Flows from Investing Activities</b>		
Income received on investments	(22,439)	15,991
Sale of investments	(55,648)	(11,530)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(78,087)</b>	<b>4,461</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>40,032</b>	<b>3,245,958</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>6,764,796</b>	<b>3,518,838</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 6,804,828</b>	<b>\$ 6,764,796</b>
<b>Cash and Cash Equivalents is Comprised of the Following on the Statement of Net Position</b>		
Cash and cash equivalents	\$ 1,050	\$ 950
Cash and cash equivalents - restricted	6,803,778	6,763,846
	<b>\$ 6,804,828</b>	<b>\$ 6,764,796</b>
<b>Reconciliation of Loss from Operations to Net Cash Used in Operating Activities</b>		
Loss from operations	\$ (14,393,413)	\$ (13,119,120)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	2,645,437	2,515,795
(Increase) decrease in assets		
Accounts and other receivables	19,403	20,917
Inventories	(68,057)	(110,527)
Prepaid expenses	61,392	(132,162)
Deferred outflows of resources - pension	5,881	213,423
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(248,098)	(165,894)
Net pension liability	850,955	(435,531)
Deferred inflows of resources - pension	69,062	-
<b>Net Cash Used in Operating Activities</b>	<b>\$ (11,057,438)</b>	<b>\$ (11,213,099)</b>

See accompanying notes.

**County of Lackawanna Transit System Authority**  
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Statement of Fiduciary Net Position - Fiduciary Funds

	December 31,	
	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 72,017	\$ 194,913
Investments	4,330,684	3,798,564
Employee contribution receivable	6,764	8,436
Prepaid expenses	-	17,528
<b>Total Assets</b>	<b>4,409,465</b>	<b>4,019,441</b>
<b>Liabilities</b>		
Benefits payable	31,387	1,700
<b>Total Liabilities</b>	<b>31,387</b>	<b>1,700</b>
<b>Net Position</b>		
Assets held in trust for pension benefits	4,378,078	4,017,741
<b>Total Net Position</b>	<b>\$ 4,378,078</b>	<b>\$ 4,017,741</b>

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

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

	December 31,	
	2021	2020
<b>Additions</b>		
Employer contributions	\$ 310,704	\$ 495,139
Employee contributions	176,928	157,168
Net increase in fair value of investments	382,918	337,081
Interest and dividends	64,379	111,532
Miscellaneous	-	7,733
<b>Total Additions</b>	<b>934,929</b>	<b>1,108,653</b>
<b>Deductions</b>		
Benefit payments	552,817	409,038
Administrative expenses	8,275	8,100
Actuarial fees	13,500	17,400
<b>Total Deductions</b>	<b>574,592</b>	<b>434,538</b>
<b>Change in Net Position</b>	<b>360,337</b>	<b>674,115</b>
<b>Net Position at Beginning of Year</b>	<b>4,017,741</b>	<b>3,343,626</b>
<b>Net Position at End of Year</b>	<b>\$ 4,378,078</b>	<b>\$ 4,017,741</b>

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

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Notes to Financial Statements  
June 30, 2022 and 2021

**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. The Authority has determined the following to be a component unit:

County of Lackawanna Transit System Authority and Local 168, Scranton, PA, Amalgamated Transit Union Pension Plan for Bargaining Employees of Local 168, Scranton, PA, Amalgamated Transit Union, and Non-Bargaining Employees - a single-employer defined benefit plan for full-time employees of the Authority. The pension plan is considered a component unit because the Authority is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan and for which the Authority has administrative involvement with assets of the pension plan.

The Authority is a component unit of Lackawanna County.

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

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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 2 - Summary of Significant Accounting Policies (continued)**

**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.

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. The principal nonoperating revenues of the Authority are operating, planning, and capital grants from the federal, state, and local governments, investment income (loss), 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.

**Fiduciary Fund Types**

The Authority also reports the following fund type:

**Pension Trust Fund** - is used to account for assets held for the Authority's pension plan which is funded by employer and employee contributions. This fund accounts for fiduciary resources legally held in trust for the receipt and distribution of retirement benefits.

**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**  
**A Component Unit of Lackawanna County**

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Notes to Financial Statements  
June 30, 2022 and 2021

**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 of pension trust funds are pursuant to the guidelines established by the plan's pension committee.

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. There was no allowance as of June 30, 2022 and 2021.

**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**  
**A Component Unit of Lackawanna County**

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Notes to Financial Statements  
June 30, 2022 and 2021

**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, 2022 and 2021.

**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**

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Notes to Financial Statements  
June 30, 2022 and 2021

**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 are amounts that do not meet the definitions of "invested in capital assets" or "restricted" and are 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 June 2017, the Governmental Accounting Standards Board (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. The Authority adopted this statement during the year ended June 30, 2022, but it did not have a significant impact on the financial statements.

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

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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements (continued)**

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements 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 other postemployment benefits (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 seven 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 three of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph three 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 No. 84, as amended, should be applied to all arrangements organized under Internal Revenue Code 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 adopted this statement during the year ended June 30, 2022, but it did not have a significant impact on the 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**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 5 - Cash and Cash Equivalents and Investments**

**Business-Type Activities**

The enterprise fund's available cash is invested in demand deposit accounts and mutual funds. The carrying amounts of cash and investments consist of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Cash deposits	\$ 6,803,778	\$ 6,763,846
Investments	449,980	394,332
Petty cash	<u>1,050</u>	<u>950</u>
	<u>\$ 7,254,808</u>	<u>\$ 7,159,128</u>

**Custodial Credit Risk - Deposits**

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, 2022 and 2021, the carrying amounts of the Authority's bank deposits were \$6,803,778 and \$6,763,846, respectively, and the corresponding bank balances were \$6,982,244 and \$7,274,954, respectively, of which \$6,482,244 and \$6,774,954 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.

**Investments**

The Authority's enterprise fund has the following investments in debt securities as of:

	<u>June 30, 2022</u>					
	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			<u>Ratings as of Year End</u>
			<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	
Mutual funds - bonds	\$ 321,621	\$ 289,091	\$ 289,091	\$ -	\$ -	N/A
Pennsylvania Local Government Investment Trust (PLGIT)	<u>160,889</u>	<u>160,889</u>	<u>160,889</u>	<u>-</u>	<u>-</u>	N/A
	<u>\$ 482,510</u>	<u>\$ 449,980</u>	<u>\$ 449,980</u>	<u>\$ -</u>	<u>\$ -</u>	
	<u>June 30, 2021</u>					
Mutual funds - bonds	\$ 292,879	\$ 294,696	\$ 294,696	\$ -	\$ -	N/A
PLGIT	<u>99,636</u>	<u>99,636</u>	<u>99,636</u>	<u>-</u>	<u>-</u>	N/A
	<u>\$ 392,515</u>	<u>\$ 394,332</u>	<u>\$ 394,332</u>	<u>\$ -</u>	<u>\$ -</u>	

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 5 - Cash and Cash Equivalents and Investments (continued)**

**Business-Type Activities (continued)**

**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, 2022 and 2021, \$449,980 and \$394,332 is held by the investment's counterparties, although owned by the Authority.

**Fiduciary Fund**

The Fiduciary Fund invests in various debt and equity securities. The carrying amounts of cash and investments consist of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 72,017	\$ 194,913
Investments	<u>4,330,684</u>	<u>3,798,564</u>
	<u>\$ 4,402,701</u>	<u>\$ 3,993,477</u>

**Custodial Credit Risk - Deposits**

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.

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 5 - Cash and Cash Equivalents and Investments (continued)**

**Fiduciary Fund (continued)**

**Investments**

The Authority's pension fund has the following investments in debt securities as of:

	December 31, 2021							Ratings as of Year End
	Cost	Fair Value	Investment Maturities (in Years)					
			Less Than One Year	One to Five Years	Six to Ten Years	Over Ten Years		
U.S. Government and agency bonds	\$ 202,886	\$ 197,138	\$ -	\$ 91,002	\$ 20,551	\$ 85,585	Aaa	
Corporate bonds	105,152	101,043	-	-	91,880	9,163	N/A	
Mutual funds - bonds	19,857	22,767	22,767	-	-	-	N/A	
	<u>\$ 327,895</u>	<u>\$ 320,948</u>	<u>\$ 22,767</u>	<u>\$ 91,002</u>	<u>\$ 112,431</u>	<u>\$ 94,748</u>		
	December 31, 2020							
U.S. Government and agency bonds	\$ 145,124	\$ 149,344	\$ -	\$ 20,297	\$ 22,774	\$ 106,273	Aaa	
Corporate bonds	87,730	90,775	-	16,299	35,597	38,879	N/A	
Mutual funds - bonds	19,857	22,573	22,573	-	-	-	N/A	
	<u>\$ 252,711</u>	<u>\$ 262,692</u>	<u>\$ 22,573</u>	<u>\$ 36,596</u>	<u>\$ 58,371</u>	<u>\$ 145,152</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 December 31, 2021 and 2020, \$4,402,701 and \$3,993,477 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, 2022 and 2021

**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>2022</u>	<u>2021</u>
Lackawanna County funds	\$ 336,730	\$ 137,471
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>5,038,042</u>	<u>5,197,369</u>
	<u>\$ 6,803,778</u>	<u>\$ 6,763,846</u>

At June 30, 2022 and 2021, the Authority utilized \$1,381,043 and \$1,974,458, 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**

**Business-Type Activities**

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**  
**A Component Unit of Lackawanna County**

Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 7 - Fair Value Measurements (continued)**

**Business-Type Activities (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, 2022 and 2021.

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:

	<b>Fair Value Measurements at June 30, 2022</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Investments measured at fair value - mutual funds - bonds	\$ -	\$ 289,091	\$ -	\$ 289,091
Investments measured at amortized cost - PLGIT <sup>(1)</sup>	<u>160,889</u>	<u>-</u>	<u>-</u>	<u>160,889</u>
	<u>\$ 160,889</u>	<u>\$ 289,091</u>	<u>\$ -</u>	<u>\$ 449,980</u>
	<b>Fair Value Measurements at June 30, 2021</b>			
Investments measured at fair value - mutual funds - bonds	\$ -	\$ 294,696	\$ -	\$ 294,696
Investments measured at amortized cost - PLGIT <sup>(1)</sup>	<u>99,636</u>	<u>-</u>	<u>-</u>	<u>99,636</u>
	<u>\$ 99,636</u>	<u>\$ 294,696</u>	<u>\$ -</u>	<u>\$ 394,332</u>

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 7 - Fair Value Measurements (continued)**

**Business-Type Activities (continued)**

- (1) At June 30, 2022 and 2021, the Authority had \$160,889 and \$99,636, respectively, invested with the PLGIT. While the PLGIT portfolios seek to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in PLGIT. An investment in PLGIT is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Securities held in PLGIT accounts owned by the Authority are stated at fair value, which is determined by using the amortized cost method. PLGIT shares are rated AAAM by Standard & Poor's.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Fiduciary Fund**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value measurements will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.



**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 7 - Fair Value Measurement (continued)**

**Fiduciary Fund (continued)**

The following tables present the balances of fair value measurements on a recurring basis by level within the hierarchy as of:

	<b>Fair Value Measurements at December 31, 2021</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
<b>Fixed Income</b>				
U.S. Government and agency bonds	\$ -	\$ 197,138	\$ -	\$ 197,138
Corporate bonds	-	101,043	-	101,043
<b>Total Fixed Income</b>	<b>-</b>	<b>298,181</b>	<b>-</b>	<b>298,181</b>
<b>Equities</b>				
Consumer discretionary	151,594	-	-	151,594
Consumer staples	86,862	-	-	86,862
Energy	21,132	-	-	21,132
Financial	176,972	-	-	176,972
Health care	187,019	-	-	187,019
Industrials	176,104	-	-	176,104
Information technology	242,420	-	-	242,420
Materials	78,764	-	-	78,764
Telecommunication services	50,772	-	-	50,772
<b>Total Equities</b>	<b>1,171,639</b>	<b>-</b>	<b>-</b>	<b>1,171,639</b>
<b>Exchange Traded Funds</b>				
Equities	1,546,446	-	-	1,546,446
<b>Mutual Funds</b>				
Bonds	-	22,767	-	22,767
Equities	1,291,651	-	-	1,291,651
<b>Total Mutual Funds</b>	<b>1,291,651</b>	<b>22,767</b>	<b>-</b>	<b>1,314,418</b>
	<b>\$ 4,009,736</b>	<b>\$ 320,948</b>	<b>\$ -</b>	<b>\$ 4,330,684</b>

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 7 - Fair Value Measurement (continued)**

**Fiduciary Fund (continued)**

	<b>Fair Value Measurements at December 31, 2020</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
<b>Fixed Income</b>				
U.S. Government and agency bonds	\$ -	\$ 149,344	\$ -	\$ 149,344
Corporate bonds	-	90,775	-	90,775
<b>Total Fixed Income</b>	<b>-</b>	<b>240,119</b>	<b>-</b>	<b>240,119</b>
<b>Equities</b>				
Consumer discretionary	142,108	-	-	142,108
Consumer staples	72,305	-	-	72,305
Energy	8,807	-	-	8,807
Financial	152,175	-	-	152,175
Health care	172,934	-	-	172,934
Industrials	161,252	-	-	161,252
Information technology	224,911	-	-	224,911
Materials	69,562	-	-	69,562
Telecommunication services	27,990	-	-	27,990
<b>Total Equities</b>	<b>1,032,044</b>	<b>-</b>	<b>-</b>	<b>1,032,044</b>
<b>Exchange Traded Funds</b>				
Equities	1,415,991	-	-	1,415,991
<b>Mutual Funds</b>				
Bonds	-	22,573	-	22,573
Equities	1,087,837	-	-	1,087,837
<b>Total Mutual Funds</b>	<b>1,087,837</b>	<b>22,573</b>	<b>-</b>	<b>1,110,410</b>
	<b>\$ 3,535,872</b>	<b>\$ 262,692</b>	<b>\$ -</b>	<b>\$ 3,798,564</b>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 8 - Operating Grants Receivable**

Operating grants receivable balances are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Federal government	\$ -	\$ 923,457
Commonwealth of Pennsylvania	282,571	342,193
Operating assistance - JARC	20,545	20,461
County of Lackawanna - local share	26,414	26,413
Planning grants	17,407	9,593
Medical Assistance Transportation Program income	207,944	158,241
	<u>\$ 554,881</u>	<u>\$ 1,480,358</u>

**Note 9 - Capital Grants Receivable**

Capital grants receivable balances are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Federal government	\$ 143,436	\$ 114,368
Commonwealth of Pennsylvania	280,307	400,470
County of Lackawanna - local share	73,768	50,801
	<u>\$ 497,511</u>	<u>\$ 565,639</u>

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 10 - Capital Assets**

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

	<u>Balance July 1, 2021</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance June 30, 2022</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 747,778	\$ 1,095,438	\$ -	\$ 1,843,216
Construction in progress	<u>113,359</u>	<u>-</u>	<u>(23,524)</u>	<u>89,835</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>861,137</u>	<u>1,095,438</u>	<u>(23,524)</u>	<u>1,933,051</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	18,868,054	-	(9,154)	18,858,900
Buses and support vehicles	21,648,039	178,164	(95,613)	21,730,590
Other equipment	<u>2,489,646</u>	<u>364,809</u>	<u>(6,175)</u>	<u>2,848,280</u>
<b>Total Capital Assets Being Depreciated</b>	<u>43,005,739</u>	<u>542,973</u>	<u>(110,942)</u>	<u>43,437,770</u>
<b>Accumulated Depreciation</b>				
Buildings	6,332,409	454,122	(9,154)	6,777,377
Buses and support vehicles	11,908,491	1,893,496	(95,613)	13,706,374
Other equipment	<u>2,183,976</u>	<u>297,819</u>	<u>(6,175)</u>	<u>2,475,620</u>
<b>Accumulated Depreciation</b>	<u>20,424,876</u>	<u>2,645,437</u>	<u>(110,942)</u>	<u>22,959,371</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>22,580,863</u>	<u>(2,102,464)</u>	<u>-</u>	<u>20,478,399</u>
<b>Capital Assets, Net</b>	<u>\$ 23,442,000</u>	<u>\$ (1,007,026)</u>	<u>\$ (23,524)</u>	<u>\$ 22,411,450</u>

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 10 - Capital Assets (continued)**

	<u>Balance July 1, 2020</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Balance June 30, 2021</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 111,936	\$ 635,842	\$ -	\$ 747,778
Construction in progress	637,000	-	(523,641)	113,359
<b>Total Capital Assets Not Being Depreciated</b>	<u>748,936</u>	<u>635,842</u>	<u>(523,641)</u>	<u>861,137</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	18,928,333	-	(60,279)	18,868,054
Buses and support vehicles	23,862,796	474,575	(2,689,332)	21,648,039
Other equipment	4,478,811	570,142	(2,559,307)	2,489,646
<b>Total Capital Assets Being Depreciated</b>	<u>47,269,940</u>	<u>1,044,717</u>	<u>(5,308,918)</u>	<u>43,005,739</u>
<b>Accumulated Depreciation</b>				
Buildings	5,807,309	525,100	-	6,332,409
Buses and support vehicles	15,173,729	1,780,428	(5,045,666)	11,908,491
Other equipment	2,236,961	210,267	(263,252)	2,183,976
<b>Accumulated Depreciation</b>	<u>23,217,999</u>	<u>2,515,795</u>	<u>(5,308,918)</u>	<u>20,424,876</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>24,051,941</u>	<u>(1,471,078)</u>	<u>-</u>	<u>22,580,863</u>
<b>Capital Assets, Net</b>	<u>\$ 24,800,877</u>	<u>\$ (835,236)</u>	<u>\$ (523,641)</u>	<u>\$ 23,442,000</u>

**Note 11 - Line of Credit**

Effective August 9, 2019, the Authority opened a \$1,000,000 line of credit with a bank with interest at 5% or the National Prime Rate, whichever is higher. At June 30, 2022 and 2021, there were no amounts outstanding against the line of credit.

**Note 12 - Unearned Medical Assistance Transportation Program Funds**

As of June 30, 2022 and 2021, the Authority has a liability of \$402,437 and \$314,898, respectively, for transportation services under the Medical Assistance Transportation Program.

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**Note 13 - Unearned Lackawanna County Funds**

Local grant funds from Lackawanna County in the amount of \$336,730 and \$137,471 at June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
<b>Beginning Balance</b>	<b>\$ 19,221</b>	<b>\$ 19,221</b>
Interest income	-	-
<b>Ending Balance</b>	<b><u>\$ 19,221</u></b>	<b><u>\$ 19,221</u></b>

**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, 2022 and 2021

**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>2022</u>	<u>2021</u>
<b>Beginning Balance</b>	<b>\$ 1,409,785</b>	<b>\$ 1,409,785</b>
Interest income	-	-
<b>Total Available</b>	<b>1,409,785</b>	<b>1,409,785</b>
Funds expended	-	-
<b>Ending Balance</b>	<b><u>\$ 1,409,785</u></b>	<b><u>\$ 1,409,785</u></b>

**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>2022</u>	<u>2021</u>
<b>Beginning Balance</b>	<b>\$ 7,566,159</b>	<b>\$ 4,791,541</b>
Funds received	<u>7,782,368</u>	<u>7,562,326</u>
<b>Total Available</b>	<b>15,348,527</b>	<b>12,353,867</b>
Funds expended	<u>(8,929,442)</u>	<u>(4,787,708)</u>
<b>Ending Balance</b>	<b><u>\$ 6,419,085</u></b>	<b><u>\$ 7,566,159</u></b>

**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.

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**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, 2022 and 2021 amounted to \$392,456 and \$391,836, 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, 2022 and 2021 amounted to \$370,449 and \$319,640, 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>2022</u>	<u>2021</u>
<b>Beginning Balance</b>	<b>\$ 194,001</b>	\$ 197,095
Claims recovered and changes in reserves	-	(3,094)
<b>Ending Balance</b>	<b>\$ 194,001</b>	\$ 194,001

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



**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 17 - Risk Management (continued)**

For the years ended June 30, 2022 and 2021, 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, 2022, 2021, and 2020.

**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 twelve 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 \$80,874 and \$87,002 was charged to operations for the years ended June 30, 2022 and 2021, 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 twelve 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 \$44,455 and \$52,599 was charged to operations for the years ended June 30, 2022 and 2021, 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 \$88 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 specified 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, 2021, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	56
Inactive employees entitled to, but not yet receiving benefits	11
Active employees	<u>78</u>
	<u><u>145</u></u>

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

At June 30, 2022 and 2021, the Authority reported a liability of \$2,959,705 and \$2,108,750, respectively, for its net pension liability. The net pension liability was measured as of December 31, 2021 and 2020, 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, 2021.

For the years ended June 30, 2022 and 2021, the Authority recognized pension expense of \$1,228,520 and \$290,444, respectively. The Authority reported deferred (inflows) outflows of resources related to the County of Lackawanna Transit System Authority Pension Plan from the following sources at June 30:

	<u>2022</u>	<u>2021</u>
<b>Deferred (Inflows) Outflows of Resources</b>		
Net differences between projected and actual earnings on pension plan investments	\$ (142,742)	\$ (75,879)
Authority contributions subsequent to the measurement date	<u>73,680</u>	<u>81,760</u>
	<u><u>\$ (69,062)</u></u>	<u><u>\$ 5,881</u></u>

**County of Lackawanna Transit System Authority**  
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Notes to Financial Statements  
 June 30, 2022 and 2021

**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 \$73,680 and \$81,760 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, 2022 and 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension (income) expense as follows for the following years ending June 30:

2023	\$ 10,257
2024	(115,670)
2025	(46,533)
2026	(12,112)
2027	10,658
2028	10,658

**Actuarial Assumptions**

The total pension liability in the January 1, 2021 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, 2021:

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

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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)**

**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)
<b>Balance at December 31, 2019</b>	\$ 5,887,907	\$ 3,343,626	\$ 2,544,281
Service cost	178,658	-	178,658
Interest cost	468,964	-	468,964
Contributions - employer	-	502,872	(502,872)
Contributions - member	-	157,168	(157,168)
Net investment gain	-	448,613	(448,613)
Benefit payments, including refunds of member contributions	(409,038)	(409,038)	-
Administrative expense	-	(25,500)	25,500
<b>Net Changes</b>	<b>238,584</b>	<b>674,115</b>	<b>(435,531)</b>
<b>Balance at December 31, 2020</b>	<b>6,126,491</b>	<b>4,017,741</b>	<b>2,108,750</b>
Service cost	<b>198,686</b>	-	<b>198,686</b>
Interest cost	<b>524,671</b>	-	<b>524,671</b>
Changes of benefit terms	<b>966,144</b>	-	<b>966,144</b>
Changes for experience	<b>74,609</b>	-	<b>74,609</b>
Contributions - employer	-	<b>310,704</b>	<b>(310,704)</b>
Contributions - member	-	<b>176,928</b>	<b>(176,928)</b>
Net investment gain	-	<b>447,298</b>	<b>(447,298)</b>
Benefit payments, including refunds of member contributions	<b>(536,989)</b>	<b>(536,989)</b>	-
Administrative expense	-	<b>(21,775)</b>	<b>21,775</b>
<b>Net Changes</b>	<b>1,227,121</b>	<b>376,166</b>	<b>850,955</b>
<b>Balance at December 31, 2021</b>	<b>\$ 7,353,612</b>	<b>\$ 4,393,907</b>	<b>\$ 2,959,705</b>

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

Notes to Financial Statements  
 June 30, 2022 and 2021

**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, 2021. The table below presents the net pension liability calculated using the discount rate of 8.00% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
<b>Net Pension Liability</b>	<b>\$ 3,625,731</b>	<b>\$ 2,959,705</b>	<b>\$ 2,377,220</b>

**Note 20 - Advertising Costs**

Advertising costs included in the statement of revenues, expenses, and changes in net position for the years ended June 30, 2022 and 2021 were \$48,717 and \$44,238, respectively.

**Note 21 - Commitments and Contingencies**

**Commitments**

**Tire Lease**

The Authority leases bus tires under the terms of an operating lease that calls for monthly payments based on actual mileage. Mileage rates are based on the billing rate per tire mile in effect during the preceding month based on calculations included in the lease agreement. The lease runs through June 30, 2023.

**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**

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Notes to Financial Statements  
June 30, 2022 and 2021

**Note 21 - Commitments and Contingencies (continued)**

**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, 2022.

**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 55% and 69% are covered by the agreement as of June 30, 2022 and 2021, respectively.

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, 2021. Of the Authority's total workforce, approximately 30% are covered by the agreement as of both June 30, 2022 and 2021.

**Note 22 - Subsequent Events**

The Authority has evaluated subsequent events through December 28, 2022. This date is the date the financial statements were available to be issued. No material events subsequent to June 30, 2022 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,					
	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>						
Service cost	\$ 198,686	\$ 178,658	\$ 170,150	\$ 134,794	\$ 128,375	\$ 145,019
Interest cost	524,671	468,964	451,987	408,254	395,714	363,441
Changes of benefit terms	966,144	-	-	372,704	-	-
Differences between expected and actual experience	74,609	-	20,821	-	2,145	-
Changes of assumptions	-	-	-	-	252,239	-
Benefit payments, including refunds of member contributions	(536,989)	(409,038)	(427,833)	(422,704)	(324,814)	(360,764)
<b>Net Change in Total Pension Liability</b>	1,227,121	238,584	215,125	493,048	453,659	147,696
<b>Total Pension Liability at Beginning of Year</b>	6,126,491	5,887,907	5,672,782	5,179,734	4,726,075	4,578,379
<b>Total Pension Liability at End of Year</b>	<u>\$ 7,353,612</u>	<u>\$ 6,126,491</u>	<u>\$ 5,887,907</u>	<u>\$ 5,672,782</u>	<u>\$ 5,179,734</u>	<u>\$ 4,726,075</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 310,704	\$ 502,872	\$ 285,096	\$ 243,660	\$ 244,477	\$ 172,914
Contributions - member	176,928	157,168	158,232	155,800	150,860	146,148
Net investment gain (loss)	447,298	448,613	567,837	(179,448)	305,731	90,352
Benefit payments, including refunds of member contributions	(536,989)	(409,038)	(427,833)	(422,704)	(324,814)	(360,764)
Administrative expense	(21,775)	(25,500)	(17,600)	(17,525)	(16,200)	(17,350)
<b>Net Change in Plan Fiduciary Net Position</b>	376,166	674,115	565,732	(220,217)	360,054	31,300
<b>Plan Fiduciary Net Position at Beginning of Year</b>	4,017,741	3,343,626	2,777,894	2,998,111	2,638,057	2,606,757
<b>Plan Fiduciary Net Position at End of Year</b>	<u>\$ 4,393,907</u>	<u>\$ 4,017,741</u>	<u>\$ 3,343,626</u>	<u>\$ 2,777,894</u>	<u>\$ 2,998,111</u>	<u>\$ 2,638,057</u>
<b>Authority's Net Pension Liability</b>	<u>\$ 2,959,705</u>	<u>\$ 2,108,750</u>	<u>\$ 2,544,281</u>	<u>\$ 2,894,888</u>	<u>\$ 2,181,623</u>	<u>\$ 2,088,018</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<u>59.8%</u>	<u>65.6%</u>	<u>56.8%</u>	<u>49.0%</u>	<u>57.9%</u>	<u>55.8%</u>
<b>Covered Employee Payroll</b>	<u>\$ 4,714,590</u>	<u>\$ 4,564,429</u>	<u>\$ 4,698,699</u>	<u>\$ 4,469,023</u>	<u>\$ 4,610,560</u>	<u>\$ 4,381,898</u>
<b>Authority's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<u>62.8%</u>	<u>46.2%</u>	<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**  
**A Component Unit of Lackawanna County**

Schedule of Pension Contributions  
 Last Ten Fiscal Years

<b>Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions from Employer</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Contributions as a % of Payroll</b>
2012	\$ 110,686	\$ 146,960	\$ (36,274)	-	- %
2013	137,385	164,600	(27,215)	-	-
2014	132,386	163,840	(31,454)	3,940,559	-
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
2020	290,202	502,872	(212,670)	4,564,429	11.02
2021	310,704	310,704	-	4,714,590	6.59

**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, 2021.

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

<b>Actuarial Cost Method</b>	Entry age normal
<b>Amortization Method</b>	Level dollar closed
<b>Remaining Amortization Period</b>	12 years
<b>Asset Valuation Method</b>	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.
<b>Inflation</b>	3.00%
<b>Salary Increases</b>	5.00%
<b>Investment Rate of Return</b>	8.00%
<b>Retirement Age</b>	Normal Retirement Age
<b>Mortality</b>	IRS 2017 Static Combined Table for Small Plans



**County of Lackawanna Transit System Authority**  
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Schedule of LEG - Fixed Route Urban Expenses - FY 21-22  
Year Ended June 30, 2022

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 2,607,603	\$ -	\$ -	\$ 2,607,603
2. Operators' Paid Absences	416,216	-	-	416,216
3. Other Salaries & Wages	-	780,181	517,430	1,297,611
4. Other Paid Absences	-	166,874	135,932	302,806
5. Fringe Benefits	1,786,591	54,007	601,305	2,441,903
6. Services	-	18,557	250,971	269,528
7. Fuel & Lubricants	524,220	-	-	524,220
8. Tires & Tubes	75,490	-	-	75,490
9. Other Materials & Supplies	267,035	32,486	20,868	320,389
10. Utilities	-	-	108,048	108,048
11. Casualty & Liability Costs	-	-	259,124	259,124
12. Taxes	-	-	-	-
13. Purchased Transportation	-	-	663,546	663,546
14. Miscellaneous Expenses	-	-	242,952	242,952
15. Mileage Reimbursement	-	-	-	-
<b>16. Total System Expenses</b>	<b>\$ 5,677,155</b>	<b>\$ 1,052,105</b>	<b>\$ 2,800,176</b>	<b>9,529,436</b>
<b>Applied Reconciling Items</b>				
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 Identify				-
<b>24. Total Applied Reconciling Items</b>				<b>-</b>
<b>25. Total Operating Expenses</b>				<b>9,529,436</b>
<b>Non-Applied Reconciling Items</b>				
26. Depreciation (publicly funded assets only)				2,259,760
27. Other Post Employment Benefits (OPEB)				-
28. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
29. Other Reconciling Items Identify: Pension adjustment				925,898
<b>30. Total Non-Applied Reconciling Items</b>				<b>3,185,658</b>
<b>31. Total Operating Expenses per Audit</b>				<b>\$ 12,715,094</b>

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

Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 21-22  
Year Ended June 30, 2022

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ 127,617	\$ -	\$ -	\$ 127,617
2. Operators' Paid Absences	23,307	-	-	23,307
3. Other Salaries & Wages	-	15,292	65,530	80,822
4. Other Paid Absences	-	3,469	15,291	18,760
5. Fringe Benefits	141,124	1,015	37,147	179,286
6. Services	-	-	14,946	14,946
7. Fuel & Lubricants	31,005	-	-	31,005
8. Tires & Tubes	4,830	-	-	4,830
9. Other Materials & Supplies	3,069	1,631	1,008	5,708
10. Utilities	-	-	5,496	5,496
11. Casualty & Liability Costs	-	-	13,019	13,019
12. Taxes	-	-	-	-
13. Purchased Transportation	-	-	26,915	26,915
14. Miscellaneous Expenses	-	-	18,407	18,407
15. Mileage Reimbursement	-	-	-	-
<b>16. Total System Expenses</b>	<b>\$ 330,952</b>	<b>\$ 21,407</b>	<b>\$ 197,759</b>	<b>550,118</b>
<b>Applied Reconciling Items</b>				
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 Identify				-
<b>24. Total Applied Reconciling Items</b>				<b>-</b>
<b>25. Total Operating Expenses</b>				<b>550,118</b>
<b>Non-Applied Reconciling Items</b>				
26. Depreciation (publicly funded assets only)				40,242
27. Other Post Employment Benefits (OPEB)				-
28. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
29. Other Reconciling Items Identify				-
<b>30. Total Non-Applied Reconciling Items</b>				<b>40,242</b>
<b>31. Total Operating Expenses per Audit</b>				<b>\$ 590,360</b>

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

Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 21-22  
Year Ended June 30, 2022

<u>Operating Expenses</u>	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
1. Operators' Salaries & Wages	\$ 973,269	\$ -	\$ -	\$ 973,269
2. Operators' Paid Absences	177,752	-	-	177,752
3. Other Salaries & Wages	-	116,625	493,674	610,299
4. Other Paid Absences	-	26,453	116,613	143,066
5. Fringe Benefits	1,076,279	7,739	243,797	1,327,815
6. Services	-	-	113,987	113,987
7. Fuel & Lubricants	236,456	-	-	236,456
8. Tires & Tubes	36,833	-	-	36,833
9. Other Materials & Supplies	23,409	12,439	7,684	43,532
10. Utilities	-	-	41,911	41,911
11. Casualty & Liability Costs	-	-	99,286	99,286
12. Taxes	-	-	-	-
13. Purchased Transportation	-	-	35,147	35,147
14. Miscellaneous Expenses	-	-	140,148	140,148
15. Mileage Reimbursement	-	-	-	-
<b>16. Total System Expenses</b>	<b>\$ 2,523,998</b>	<b>\$ 163,256</b>	<b>\$ 1,292,247</b>	<b>3,979,501</b>
<b>Applied Reconciling Items</b>				
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 Identify				-
<b>24. Total Applied Reconciling Items</b>				<b>-</b>
<b>25. Total Operating Expenses</b>				<b>3,979,501</b>
<b>Non-Applied Reconciling Items</b>				
26. Depreciation (publicly funded assets only)				313,435
27. Other Post Employment Benefits (OPEB)				-
28. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
29. Other Reconciling Items Identify				-
<b>30. Total Non-Applied Reconciling Items</b>				<b>313,435</b>
<b>31. Total Operating Expenses per Audit</b>				<b>\$ 4,292,936</b>

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

Schedule of LEG - Non-Public Expenses - Other Transportation - FY 21-22  
Year Ended June 30, 2022

Operating Expenses	Non-Shared Ride Paratransit	MATP - Non-Shared Ride Paratransit	MATP - Mileage Reimbursement	Totals
1. Operators' Salaries & Wages	\$ 20,715	\$ -	\$ -	\$ 20,715
2. Operators' Paid Absences	3,783	-	-	3,783
3. Other Salaries & Wages	13,057	121,466	-	134,523
4. Other Paid Absences	3,045	-	-	3,045
5. Fringe Benefits	28,620	39,983	-	68,603
6. Services	2,420	9,349	-	11,769
7. Fuel & Lubricants	5,033	-	-	5,033
8. Tires & Tubes	784	-	-	784
9. Other Materials & Supplies	927	-	-	927
10. Utilities	892	17,518	-	18,410
11. Casualty & Liability Costs	2,113	19,055	-	21,168
12. Taxes	-	109,041	-	109,041
13. Purchased Transportation	-	3,798	-	3,798
14. Miscellaneous Expenses	2,935	251	-	3,186
15. Mileage Reimbursement	-	-	25,044	25,044
<b>16. Total System Expenses</b>	<b>\$ 84,324</b>	<b>\$ 320,461</b>	<b>\$ 25,044</b>	<b>429,829</b>
<b>Applied Reconciling Items</b>				
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 Identify				-
<b>24. Total Applied Reconciling Items</b>				<b>-</b>
<b>25. Total Operating Expenses</b>				<b>429,829</b>
<b>Non-Applied Reconciling Items</b>				
26. Depreciation (publicly funded assets only)				32,000
27. Other Post Employment Benefits (OPEB)				-
28. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
29. Other Reconciling Items Identify				-
<b>30. Total Non-Applied Reconciling Items</b>				<b>32,000</b>
<b>31. Total Operating Expenses per Audit</b>				<b>\$ 461,829</b>

**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, 2022

Operating expenses reported on Schedule of LEG - Fixed Route Urban Expenses - FY 21-22	<b>\$ 12,715,094</b>
Operating expenses reported on Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 21-22	<b>590,360</b>
Operating expenses reported on Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 21-22	<b>4,292,936</b>
Operating expenses reported on Schedule of LEG - Non-Public Expenses - Other Transportation - FY 21-22	<b>461,829</b>
Rounding	<b>1</b>
	<hr/>
<b>Operating Expenses Reported on the Statement of Revenues, Expenses, and Changes in Net Position</b>	<b><u><u>\$ 18,060,220</u></u></b>

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

Schedule of LEG - Fixed Route Revenues - FY 21-22  
Year Ended June 30, 2022

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
<b>Transportation Revenues</b>			
1. Passenger-Paid Fares	\$ 592,037	\$ -	\$ 592,037
2. Organization-Paid Fares	10,440	-	10,440
3. MATP - Shared Ride Fare Structure	10,523	-	10,523
4. Advertising	139,686	-	139,686
<b>5. Subtotal Transportation Revenues</b>	<b>752,686</b>	<b>-</b>	<b>752,686</b>
<b>Other Revenue</b>			
6. Identify: Bookmobile fuel reimbursement	800	-	800
7. Identify: Interest	11,543	-	11,543
8. Identify: Miscellaneous	13,043	-	13,043
<b>9. Subtotal Other Revenue</b>	<b>25,386</b>	<b>-</b>	<b>25,386</b>
<b>10. Total Revenue</b>	<b>778,072</b>	<b>-</b>	<b>778,072</b>
<b>Non-Applied Reconciling Items</b>			
11. Interest/Investment Income	(33,982)	-	(33,982)
12. Identify	-	-	-
<b>13. Total Non-Applied Reconciling Items</b>	<b>(33,982)</b>	<b>-</b>	<b>(33,982)</b>
<b>14. Total Revenue per Audit</b>	<b>\$ 744,090</b>	<b>\$ -</b>	<b>\$ 744,090</b>

**County of Lackawanna Transit System Authority**  
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Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 21-22  
 Year Ended June 30, 2022

	ADA Paratransit	Shared Ride 65+		Shared Ride Under 65		Public Vanpool	Total
		Urban	Rural	Urban	Rural		
		Standard	DAS*	Standard	DAS*		
<b>Transportation Revenues</b>							
1. Passenger Fares	\$ 39,757	\$ -	\$ -	\$ 1,849	\$ -	\$ -	\$ 41,606
2. Advertising	-	-	-	-	-	-	-
3. Shared-Ride Lottery Trip Reimbursement	-	1,574,060	-	-	-	-	1,574,060
4. PwD Trip Reimbursement	-	-	-	126,414	-	-	126,414
5. PwD Trip Passenger Fares	-	-	-	22,363	-	-	22,363
6. AAA	-	257,225	-	-	-	-	257,225
7. MH/MR - Shared-Ride Fare Structure	-	-	-	-	-	-	-
8. W2W - Shared-Ride Fare Structure	-	-	-	-	-	-	-
9. MATP - Shared-Ride Fare Structure	-	-	-	-	-	-	-
Other Agencies/Third-Party Sponsors	-	22,197	-	392,228	-	-	414,425
10. Identify	-	-	-	-	-	-	-
11. Identify	-	-	-	-	-	-	-
<b>Other (Revenue)</b>							
12. Identify	-	-	-	-	-	-	-
13. Identify	-	-	-	-	-	-	-
14. Admin Reimbursement for MATP	-	-	-	-	-	-	-
Shared Ride Fare Structure	-	-	-	-	-	-	-
15. Miscellaneous	-	19	-	-	-	-	19
<b>16. Total Revenue</b>	<b>39,757</b>	<b>1,853,501</b>	<b>-</b>	<b>542,854</b>	<b>-</b>	<b>-</b>	<b>2,436,112</b>
<b>Non-Applied Reconciling Items</b>							
17. Identify	-	-	-	-	-	-	-
18. Identify	-	-	-	-	-	-	-
<b>19. Total Non-Applied Reconciling</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Total Revenue per Audit</b>	<b>\$ 39,757</b>	<b>\$ 1,853,501</b>	<b>\$ -</b>	<b>\$ 542,854</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,436,112</b>

\* 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**

Schedule of LEG - Non-Public Revenues - Other Transportation - FY 21-22  
 Year Ended June 30, 2022

**Contract Revenues**

1. MATP - Contract Rate Paratransit Revenue	\$ 320,211
2. Identify: Other Contract Rate Paratransit Revenue	86,660
3. Identify	-

**MATP Revenue**

4. MATP - Fixed Route Bus Pass Revenue	-
5. MATP - Contract Rate Paratransit	-
6. MATP - Mileage Reimbursement	25,044
7. MATP - Admin Reimbursement	-
8. MATP - Offset	-

**W2W Revenue**

9. W2W - Contract Rate Paratransit	251
10. W2W - Other (i.e. vehicle purchase/repair, fixed route fares)	-
11. W2W - Admin/Case Management	-

**Other Revenue**

12. Identify	-
13. Identify	-

<b>14. Total Revenue</b>	<b>432,166</b>
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**Non-Applied Reconciling Items**

15. Identify: Depreciation	32,000
16. Identify	-

<b>17. Total Non-Applied Reconciling Items</b>	<b>32,000</b>
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<b>18. Total Revenue per Audit</b>	<b>\$ 464,166</b>
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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, 2022

Operating revenues reported on Schedule of LEG - Fixed Route Revenues - FY 21-22	\$ 744,090
Operating revenues reported on Schedule of LEG - Non-Fixed Route Revenues - Urban - FY - 21-22	2,436,112
Operating revenues reported on Schedule of LEG - Non-Public Revenues - Other Transportation - FY 21-22	<u>464,166</u>
<b>Total Operating Revenues per Schedules</b>	<b><u><u>\$ 3,644,368</u></u></b>
<b>Per Financial Statements</b>	
Operating revenues	\$ 3,666,807
Investment loss	<u>(22,439)</u>
<b>Operating Revenues Reported on the Statement of Revenues, Expenses, and Changes in Net Position</b>	<b><u><u>\$ 3,644,368</u></u></b>

**County of Lackawanna Transit System Authority**  
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Schedule of LEG - Fixed Route Subsidies - FY 21-22  
Year Ended June 30, 2022

Subsidy	Urban	Rural	Total
1. Federal Operating Grant	\$ 514,387	\$ -	\$ 514,387
2. Federal Capital Grant to Fund Preventive Maintenance Costs	162,692	-	162,692
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	107,801	-	107,801
<b>6. Subtotal Federal Subsidy</b>	<b>784,880</b>	<b>-</b>	<b>784,880</b>
7. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	7,566,159	-	7,566,159
8. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	(436,560)	-	(436,560)
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	-	-	-
<b>12. Subtotal State Subsidy</b>	<b>7,129,599</b>	<b>-</b>	<b>7,129,599</b>
13. Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Source *	-	-	-
14. Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Municipal Source	836,885	-	836,885
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	-	-	-
<b>20. Subtotal Local Subsidy</b>	<b>836,885</b>	<b>-</b>	<b>836,885</b>
<b>21. Grand Total Subsidy</b>	<b>8,751,364</b>	<b>-</b>	<b>8,751,364</b>
<b>Non-Applied Reconciling Items</b>			
22. Identify Federal	-	-	-
23. Identify State	-	-	-
24. Identify Local	-	-	-
<b>25. Total Non-Applied Reconciling Items</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>26. Total Revenue per Audit</b>	<b>\$ 8,751,364</b>	<b>\$ -</b>	<b>\$ 8,751,364</b>

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

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

**County of Lackawanna Transit System Authority**  
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Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 21-22  
Year Ended June 30, 2022

Subsidy	ADA	Shared Ride		Public	Total
	Paratransit	Standard	DAS*	Vanpool	
1. Federal Operating Grant	\$ -	\$ 217,103	\$ -	\$ -	\$ 217,103
2. Federal Capital Grant to Fund Preventive Maintenance Costs	-	76,561	-	-	76,561
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	-	-	-	-	-
<b>7. Subtotal Federal Subsidy</b>	<b>-</b>	<b>293,664</b>	<b>-</b>	<b>-</b>	<b>293,664</b>
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	510,361	1,289,482	-	-	1,799,843
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	-	-	-	-	-
<b>14. Subtotal State Subsidy</b>	<b>510,361</b>	<b>1,289,482</b>	<b>-</b>	<b>-</b>	<b>1,799,843</b>
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	-	-	-	-	-
<b>23. Subtotal Local Subsidy</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Grand Total Subsidy</b>	<b>510,361</b>	<b>1,583,146</b>	<b>-</b>	<b>-</b>	<b>2,093,507</b>
<b>Non-Applied Reconciling Items</b>					
25. Identify Federal	-	-	-	-	-
26. Identify State	-	-	-	-	-
27. Identify Local	-	-	-	-	-
<b>28. Total Non-Applied Reconciling Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>29. Grand Total Subsidies per Audit</b>	<b>\$ 510,361</b>	<b>\$ 1,583,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,093,507</b>

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

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

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

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

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Reconciliation of Reported Subsidies to Financial Statements Prepared under Accounting Principles  
Generally Accepted in the United States of America  
Year Ended June 30, 2022

Subsidies Reported on Schedule of LEG - Fixed Route Subsidies - FY 21-22	\$ 8,751,364
Subsidies Reported on Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 21-22	2,093,507
Rounding	<u>(1)</u>
 <b>Subsidies Reported on the Statement of Revenues, Expenses, and Changes in Net Position</b>	 <b><u>\$ 10,844,870</u></b>

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

Schedule of LEG - Budget Summary - FY 21-22  
 Year Ended June 30, 2022

	Fixed Route		Non-Fixed Route							Non-Public Other Transportation	Total	
	Urban	Rural	ADA Paratransit		Shared Ride			Public Vanpool				
			Urban	Rural	Standard Urban	DAS* Urban	Standard Rural	DAS* Rural	Urban			Rural
1. Total Operating Expenses	\$ 9,529,436	\$ -	\$ 550,118	\$ -	\$ 3,979,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 429,829	\$ 14,488,884
2. Total Revenues	778,072	-	39,757	-	2,396,355	-	-	-	-	-	432,166	3,646,350
<b>3. Operating Balance (Deficit)</b>	<b>(8,751,364)</b>	<b>-</b>	<b>(510,361)</b>	<b>-</b>	<b>(1,583,146)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,337</b>	<b>(10,842,534)</b>
4. Grand Total Subsidy	8,751,364	-	510,361	-	1,583,146	-	-	-	-	-	-	10,844,871
<b>5. Applied Operating Result **</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,337</b>	<b>2,337</b>
<b>Non-Applied Reconciling Items</b>												
6. Total Non-Applied Reconciling Expense Items	3,185,658	-	40,242	-	313,435	-	-	-	-	-	32,000	3,571,335
7. Total Non-Applied Reconciling Revenue Items	(33,982)	-	-	-	-	-	-	-	-	-	32,000	(1,982)
8. Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-
<b>9. Operating Result per Audit</b>	<b>\$ (3,219,640)</b>	<b>\$ -</b>	<b>\$ (40,242)</b>	<b>\$ -</b>	<b>\$ (313,435)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,337 ***</b>	<b>\$ (3,570,980)</b>

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

\*\* If the Applied Operating Result is negative under any column provide an explanation below.

\*\*\* Rounding adjustment of \$2 to audited financial statements.

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

Schedule S1 - Local Match Provided - FY 21-22  
 Year Ended June 30, 2022

**Act 44 Section 1513 Local Match for Operating Funds Received**  
**(Including any PTAF Matching Funds - PPAC and SEPTA only)**

Contributor Name	Date of Final Payment *	Total Amount Provided
Lackawanna County	4/21/2022	\$ 1,036,144
		-
		-
		-
<b>Subtotal</b>		<b>1,036,144</b>

**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
		-
		-
		-
		-
<b>Subtotal</b>		<b>-</b>

**Act 44 Section 1514 Local Match for Capital Bond Funds Received**

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

**Act 44 Section 1515 Local Match for New Initiatives**

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

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

Schedule S1 - Local Match Provided - FY 21-22 (continued)  
 Year Ended June 30, 2022

**Act 44 Section 1516 Local Match for Programs of Statewide Significance:**

Contributor Name	Date of Final Payment *	Total Amount Provided
		\$ -
		-
		-
		-
		-
<b>Subtotal</b>		<b>-</b>

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

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

**Unassigned Local Match Funding:**

Contributor Name	Date of Final Payment *	Total Amount Provided
		-
		-
		-
		-
		-
<b>Subtotal</b>		<b>-</b>
<b>Grand Total</b>		<b>\$ 1,036,144</b>

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

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

Schedule S2 - Local Match Carryover - FY 21-22

Year Ended June 30, 2022

A.	Local match available as of June 30, 2021	\$	137,471
B.	Local match funds provided during year ended June 30, 2022		1,036,144
C.	Local match operating expenditures for year ended June 30, 2022:		
	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	836,885	
	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)	-	
		<hr/>	
D.	Total local match operating expenditures for year ended June 30, 2022 (Sum C.a - C.i)		836,885
E.	Local match capital expenditures for year ended June 30, 2022:		
	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	-	
	j. Other	-	
	k. Other	-	
		<hr/>	
F.	Total local match capital expenditures for year ended June 30, 2022 (Sum E.a - E.k)		-
G.	Interest earned on local funds for year ended June 30, 2022		<hr/> -
H.	Local match funds available as of June 30, 2022 (A + B - D - F + G)	\$	<u><u>336,730</u></u>

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

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



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

Schedule S3 - Urban PTAF/BSG/ASG Carryover - FY 21-22  
 Year Ended June 30, 2022

	ACT 26			ACT 3					
	PTAF	PTAF Required Local Match	PTAF Total Balance	BSG	BSG Required Local Match	BSG Total Balance	ASG	ASG Actual Local Match	ASG Total Balance
1. Funds available as of June 30, 2021	\$ 19,221	\$ 658	\$ 19,879	\$ 1,409,785	\$ (30,097)	\$ 1,379,688	\$ -	\$ -	\$ -
2. PTAF funds received	-	-	-	-	-	-	-	-	-
<b>3. Total Funds Available in FY 2021-22 (Line 1+2)</b>	<b>19,221</b>	<b>658</b>	<b>19,879</b>	<b>1,409,785</b>	<b>(30,097)</b>	<b>1,379,688</b>	<b>-</b>	<b>-</b>	<b>-</b>
4. Funds used for operating in FY 2021-22	-	-	-	-	-	-	-	-	-
5. Funds used for capital in FY 2021-22	-	-	-	-	73,768	73,768	-	-	-
<b>6. Total Funds Used in FY 2021-22 (Line 4+5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,768</b>	<b>73,768</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7. Funds Available as of June 30, 2022 (Line 3-6)</b>	<b>\$ 19,221</b>	<b>\$ 658</b>	<b>\$ 19,879</b>	<b>\$ 1,409,785</b>	<b>\$ (103,865)</b>	<b>\$ 1,305,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Schedule S5 - Urban Section 1513 Program Carryover - FY 21-22

	State Grant	Local Match	Total
<b>A. A. FY 2020-21 Section 1513 URBAN Grant Agreement</b>	<b>\$ 7,782,368</b>	<b>\$ 836,885</b>	<b>\$ 8,619,253</b>
<b>Urban Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2022</b>			
1. Section 1513 fund balance as of June 30, 2021	\$ 7,566,159	\$ -	\$ 7,566,159
2. Section 1513 funds received for FY 2021-22	-	-	-
3. PTAF Section 1513 funds received for FY 2021-22 (applicable to SEPTA and PAAC)	7,782,368	836,885	8,619,253
4. Total Section 1513 funds received for FY 2021-22 (Line 2+3, must agree with A above)	7,782,368	836,885	8,619,253
5. Interest income earned on Section 1513 funds in FY 2021-22	-	-	-
6. Total Section 1513 funds available in FY 2021-22 (Line 1+4+5)	15,348,527	836,885	16,185,412
7. Section 1513 funds used for Urban fixed route operating expenses in FY 2021-22	7,129,599	836,885	7,966,484
8. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2021-22	1,799,843	-	1,799,843
9. Section 1513 funds used for Rural fixed route operating expenses in FY 2021-22	-	-	-
10. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2021-22	-	-	-
11. Section 1513 funds used for Urban capital costs in FY 2021-22 (waiver required)	-	-	-
12. Section 1513 funds used for Rural capital costs in FY 2021-22 (waiver required)	-	-	-
13. Total Section 1513 used in FY 2021-22 (Line 7+8+9+10+11+12)	8,929,442	836,885	9,766,327
14. Section 1513 Fund Balance as of June 30, 2022 (Line 6-13)	\$ 6,419,085	\$ -	\$ 6,419,085
<b>B. FY 2021-22 Section 1513 RURAL Grant Agreement</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Rural Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2022</b>			
15. Section 1513 fund balance as of June 30, 2021	\$ -	\$ -	\$ -
16. Section 1513 funds received for FY 2021-22 (must agree with B above)	-	-	-
17. Interest income earned on Section 1513 funds in FY 2021-22	-	-	-
18. Total Section 1513 funds available in FY 2021-22 (Line 15+16+17)	-	-	-
19. Section 1513 funds used for Rural fixed route operating expenses in FY 2021-22	-	-	-
20. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2021-22	-	-	-
21. Section 1513 funds used for Urban fixed route operating expenses in FY 2021-22	-	-	-
22. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2021-22	-	-	-
23. Section 1513 funds used for Rural capital costs in FY 2021-22 (waiver required)	-	-	-
24. Section 1513 funds used for Urban capital costs in FY 2021-22 (waiver required)	-	-	-
25. Total Section 513 used in FY 2021-22 (Line 19+20+21+22+23+24)	-	-	-
26. Section 1513 Fund Balance as of June 30, 2022 (Line 18-25)	\$ -	\$ -	\$ -
<b>C. Total Agency Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2022</b>			
27. Section 1513 fund balance as of June 30, 2021	\$ 7,566,159	\$ -	\$ 7,566,159
28. Section 1513 funds received for FY 2021-22	-	-	-
29. PTAF Section 1513 funds received for FY 2021-22 (applicable to SEPTA and PAAC)	7,782,368	836,885	8,619,253
30. Total Section 1513 funds received for FY 2021-22 (Line 28+29)	7,782,368	836,885	8,619,253
31. Interest income earned on Section 1513 funds in FY 2021-22	-	-	-
32. Total Section 1513 funds available for FY 2021-22 (Line 27+30+31)	15,348,527	836,885	16,185,412
33. Section 1513 funds used for Urban fixed route operating expenses in FY 2021-22	7,129,599	836,885	7,966,484
34. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2021-22	1,799,843	-	1,799,843
35. Section 1513 funds used for Rural fixed route operating expenses in FY 2021-22	-	-	-
36. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2021-22	-	-	-
37. Section 1513 funds used for Urban capital costs in FY 2021-22 (waiver required)	-	-	-
38. Section 1513 funds used for Rural capital costs in FY 2021-22 (waiver required)	-	-	-
39. Total Section 1513 Used in FY 2021-22 (Line 33+34+35+36+37+38)	8,929,442	836,885	9,766,327
40. Section 1513 Fund Balance as of June 30, 2022 (Line 32-39)	\$ 6,419,085	\$ -	\$ 6,419,085

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

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Shared Ride Retained Earnings  
Year Ended June 30, 2022

1. Shared Ride service Retained Earnings balance as of June 30, 2021	<b>\$ (4,629,981)</b>
2. Shared Ride service passenger revenue and grant funds received for FY 2021-22	<b>2,396,355</b>
3. Other funds/transfers received	-
4. Interest Income earned for FY 2021-22	<u>-</u>
5. Total funds available for Shared Ride service in FY 2021-22	<b>(2,233,626)</b>
6. Shared Ride operating expenses in FY 2021-22	<u><b>4,292,936</b></u>
7. Shared Ride service Retained Earnings balance as of June 30, 2022	<u><b>\$ (6,526,562)</b></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, 2022

		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Sources of Funds for the Current Fiscal Year</b>								
3	Federal Capital - 5303/5304/5305 - FTA Planning	-	-	-	-	-	-	-	-
4	Federal Capital - 5307 - FTA Urban Formula	12,270	-	-	-	-	12,270	12,270	-
5	Federal Capital - 5309 - FTA Fixed Guideway	-	-	-	-	-	-	-	-
6	Federal Capital - 5339 - FTA Bus/Bus Facilities	65,107	7,335	-	-	184,062	256,504	256,504	-
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	50,337	1,776	1,058,461	-	-	1,110,574	1,110,574	-
19	State Capital - 1515 - New Initiatives	-	-	-	-	-	-	-	-
20	State Capital - 1516 - CTC	-	-	-	178,164	-	178,164	178,164	-
21	State Capital - 1516 - Other (NF)	-	-	-	-	-	-	-	-
22	State Capital - 1517 - Capital Improvement Program	-	-	-	-	5,431	5,431	5,431	-
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	3,336	60	35,277	1,700	35,095	75,468	75,468	-
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	131,050	9,171	1,093,738	179,864	224,588	1,638,411	\$ 1,638,411	\$ -
							<b>Grand Total</b>		
47	Total Sources of Funds Spent Inception-to-Date	131,050	9,171	1,093,738	179,864	224,588	1,638,411		
48	Total Granted Sources of Funds Inception-to-Date	131,050	9,171	1,093,738	179,864	224,588	1,638,411		
49	Granted Sources Less Amount Spent Inception-to-Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		