



**Financial Statements and  
Supplementary Information**

June 30, 2021 and 2020

# South Central Transit Authority

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## Independent Auditor's Report

To the Board of Directors  
South Central Transit Authority  
Lancaster, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying financial statements of the South Central Transit Authority (the Authority) as of and for the years ended June 30, 2021 and 2020 of the business-type activities and 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.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of the Pennsylvania Department of Transportation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the 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 South Central Transit Authority as of June 30, 2021 and 2020, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter - Adoption of Governmental Accounting Standards Board (GASB) Statement No. 84**

The Authority adopted the provisions of GASB Statement No. 84 *Fiduciary Activity*, as of July 1, 2019. As a result, the fund balance of the Fiduciary Fund as of July 1, 2019 has been restated to \$2,797,054 from \$-0-, as previously reported. The adoption required the inclusion of a statement of fiduciary net position - fiduciary funds and a statement of changes in fiduciary net position - fiduciary funds for the year ended June 30, 2020 in the basic financial statements. Our opinion is not modified in respect to these matters.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 10 and the required supplementary information on pages 44 to 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards* and the audit requirements of the Pennsylvania Department of Transportation, we have also issued our report, dated December 29, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements of the Pennsylvania Department of Transportation in considering the Authority's internal control over financial reporting and compliance.

RKL LLP

December 29, 2021  
Lancaster, Pennsylvania

## South Central Transit Authority

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### Management's Discussion and Analysis

June 30, 2021 and 2020

The following management's discussion and analysis of the South Central Transit Authority's (SCTA or the Authority) financial performance provides an introduction to the Authority's basic financial statements for the years ended June 30, 2021 and 2020. Please read it in conjunction with the Authority's financial statements.

#### Authority Activities and Highlights

- SCTA was formed on January 1, 2015 by Lancaster and Berks Counties to provide transportation services to the counties.
- The Authority's net position increased approximately \$1,808,000 for the year ended June 30, 2021, compared to increases of approximately \$14,968,000 and \$16,177,000 for the years ended June 30, 2020 and 2019, respectively. These changes were primarily the result of fluctuations in capital grant revenues, which are utilized to purchase capital assets, primarily revenue vehicles. Capital grant revenues approximated \$6,624,000, \$18,551,000, and \$15,075,000 for the years ended June 30, 2021, 2020, and 2019, respectively.
- The Authority's operating revenues decreased approximately \$5,027,000 or 34.8% for the year ended June 30, 2021 and decreased approximately \$4,197,000 or 22.5% for the year ended June 30, 2020. The decreases in operating revenues were primarily due to decreases in passenger fares, State Medical Transportation Program revenue, and State Shared Ride Program revenue.
- The Authority's operating expenses increased approximately \$671,000 or 1.9% for the year ended June 30, 2021 and increased approximately \$273,000 or 0.8% for the year ended June 30, 2020. The increase in the current year was due to increased depreciation.

#### Overview of the Financial Statements

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

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

**Statement of Net Position.** The statement of net position presents the financial position of the Authority. It presents information on SCTA's assets and deferred outflows of resources and liabilities and deferred inflows of resources. SCTA's net position is presented as the difference between the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources on this report. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

## South Central Transit Authority

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### Management's Discussion and Analysis

June 30, 2021 and 2020

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

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

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

**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 the financial statements.

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

#### Financial Analysis

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by approximately \$47,998,000, \$46,190,000, and \$31,222,000 as of June 30, 2021, 2020 and 2019, respectively.

## South Central Transit Authority

### Management's Discussion and Analysis

June 30, 2021 and 2020

#### Financial Analysis (continued)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>			
Current assets	\$ 44,424,213	\$ 29,234,202	\$ 22,249,729
Capital assets, net	45,628,779	43,475,669	28,507,464
<b>Total Assets</b>	<u>90,052,992</u>	<u>72,709,871</u>	<u>50,757,193</u>
<b>Deferred Outflows of Resources - Pension Plan</b>	<u>222,814</u>	<u>283,947</u>	<u>113,443</u>
<b>Deferred Outflows of Resources - Postemployment Benefits Plan</b>	<u>55,949</u>	<u>41,932</u>	<u>62,990</u>
<b>Liabilities</b>			
Current liabilities	41,597,115	25,958,336	19,011,629
Net pension liability	50,394	684,232	476,047
Postemployment benefits liability	193,685	160,192	187,437
<b>Total Liabilities</b>	<u>41,841,194</u>	<u>26,802,760</u>	<u>19,675,113</u>
<b>Deferred Inflows of Resources - Pension Plan</b>	<u>464,208</u>	<u>9,683</u>	<u>19,027</u>
<b>Deferred Inflows of Resources - Postemployment Benefits Plan</b>	<u>28,224</u>	<u>32,928</u>	<u>17,550</u>
<b>Net Position</b>			
Investment in capital assets	45,628,779	43,475,669	28,507,464
Unrestricted net position	2,369,350	2,714,710	2,714,472
<b>Total Net Position</b>	<u>\$ 47,998,129</u>	<u>\$ 46,190,379</u>	<u>\$ 31,221,936</u>

By far the largest portion of the Authority's net position, 95.1%, 94.1%, and 91.3% as of June 30, 2021, 2020, and 2019, respectively, reflects its investment in capital assets (e.g., revenue vehicles and equipment, furniture and office equipment, miscellaneous revenue equipment, building and improvements, and construction in progress). The Authority receives capital grant funding from federal, state, and local governments to acquire these capital assets. Therefore, certain restrictions are placed on their disposal. The Authority uses these capital assets to provide services to citizens. For this reason, and due to the restrictions placed on the disposal of these capital assets, these assets are not available for future spending.

## South Central Transit Authority

### Management's Discussion and Analysis

June 30, 2021 and 2020

#### Financial Analysis (continued)

The unrestricted net position of approximately \$2,369,000, \$2,715,000, and 2,714,000 at June 30, 2021, 2020, and 2019, respectively, represents unrestricted surplus, which is not subject to external restrictions on how it may be used.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>			
Passenger fares	\$ 4,395,967	\$ 6,734,489	\$ 9,104,284
Government fare programs	2,775,868	4,915,311	6,255,620
Other operating revenues	<u>2,258,356</u>	<u>2,806,980</u>	<u>3,293,486</u>
<b>Total Operating Revenues</b>	<u>9,430,191</u>	<u>14,456,780</u>	<u>18,653,390</u>
<b>Operating Expenses</b>			
Salaries and wages	2,688,167	2,560,123	2,462,457
Fringe benefits	1,920,347	1,784,237	1,891,861
Purchased transportation	20,752,653	21,853,069	22,835,150
Other operating expenses	6,704,549	6,141,959	6,486,897
Depreciation	<u>4,470,589</u>	<u>3,525,720</u>	<u>1,915,735</u>
<b>Total Operating Expenses</b>	<u>36,536,305</u>	<u>35,865,108</u>	<u>35,592,100</u>
<b>Nonoperating Revenues</b>			
Operating grants			
Federal government	19,306,924	8,436,317	759,048
Commonwealth of Pennsylvania Act 44/89 funds	2,163,379	9,056,119	15,460,760
Local governments	819,860	390,410	-
Loss on disposal of capital assets	<u>(29)</u>	<u>(56,807)</u>	<u>-</u>
<b>Total Nonoperating Revenues</b>	<u>22,290,134</u>	<u>17,826,039</u>	<u>16,219,808</u>
<b>Capital Contribution</b>	<u>-</u>	<u>-</u>	<u>1,820,677</u>
<b>Capital Grant Funding</b>	<u>6,623,730</u>	<u>18,550,732</u>	<u>15,075,192</u>
<b>Increase in Net Position</b>	<u>\$ 1,807,750</u>	<u>\$ 14,968,443</u>	<u>\$ 16,176,967</u>

The Authority's major expenses are salaries and wages, fringe benefits, and purchased transportation.

## South Central Transit Authority

### Management's Discussion and Analysis

June 30, 2021 and 2020

#### Capital Assets and Debt Administration

##### Capital Assets

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

The Authority's investment in capital assets as of June 30, 2021, 2020, and 2019, net of accumulated depreciation, amounted to approximately \$45,629,000, \$43,476,000, and \$28,507,000, respectively.

	Capital Assets at June 30 (Net of Accumulated Depreciation)		
	2021	2020	2019
Revenue vehicles and equipment	\$ 30,717,397	\$ 30,320,638	\$ 20,519,343
Furniture and office equipment	271,156	185,136	225,975
Miscellaneous revenue equipment	2,229,069	2,275,789	812,198
Building and improvements	9,617,469	2,174,291	2,163,398
Construction in progress	2,793,688	8,519,815	4,786,550
	<u>\$ 45,628,779</u>	<u>\$ 43,475,669</u>	<u>\$ 28,507,464</u>

During the years ended June 30, 2021, 2020, and 2019, the Authority expended approximately \$6,624,000, \$18,551,000, and \$15,075,000, respectively, on capital asset activities. In addition, assets with a value approximating \$1,821,000 were transferred to the Authority from Berks Area Regional Transportation Authority (BARTA) in the year ended June 30, 2019.

Additional information related to capital assets can be found in Note 11 to the financial statements.

##### Debt Administration

The Authority has no debt. Capital acquisitions are funded by federal, state, and local governmental grants.

## **South Central Transit Authority**

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### Management's Discussion and Analysis

June 30, 2021 and 2020

#### **Economic Factors**

The fiscal year continued the dramatic effects of the COVID-19 pandemic and the corresponding losses in ridership on all services and revenues. SCTA continued to spend funds on increased cleaning and sanitizing of its facilities and vehicles, plus continued expenditures on personal protection equipment responding to the needs for personal protection equipment for its employees and the general public. Although the availability of vaccines has been widespread, the infection rate continues to increase with new variants of COVID-19 making it difficult to sustain a recovery. Also, the continued availability of supplemental funds for unemployment has made the employment situation difficult as people are not returning to the workforce. This has greatly affected any recovery for ridership on the fixed-route and shared ride systems. For fiscal year 2021, fixed-route ridership was down 26.7% over the previous year and shared ride ridership was down 37.1% over the previous year. Compared to pre-pandemic levels, ridership continues to be down roughly 30% with very little growth expected, especially for the shared ride service as many social programs are still finding difficulty in returning to pre-pandemic program levels with in-person services. Further, this has created a shortage for employees on the lower end of the wage scales that are typically riders of public transit. SCTA is also experiencing shortages in labor, particularly in CDL drivers, making it difficult to fill open positions. On the other hand, the added federal funding from supplemental COVID-19 legislation has bridged any gaps in SCTA's finances to make up for the loss in revenues and increased cleaning and sanitizing expenses. SCTA does not expect to see any real return to pre-pandemic ridership levels until possibly fiscal year 2023 based on national trends.

In terms of capital improvements, SCTA received nine new hybrid electric buses during fiscal year 2021 with three being placed in service in Lancaster to replace 2008 Gillig buses and six being placed in service in Reading to replace 2008 and 2009 Gillig buses. SCTA was also able to replace 29 shared ride vehicles to replace 2014 and 2015 vehicles that were beyond their useful life through the state-wide paratransit vehicle contract spearheaded by SCTA. These vehicle replacements are in line with SCTA's updated Transit Asset Maintenance Plan adopted by the Board of Directors in fiscal year 2021.

For other capital related projects, SCTA was able to complete the renovation of the BARTA Transportation Center (BTC) with upgrades of the HVAC, lighting, fire protection, and roof replacement all completed. SCTA also initiated a design effort to upgrade the parking structures in Lancaster and Reading that began at the end of fiscal year 2021 and is expected to be completed in fall 2021. This included the repair and replacement of expansion joints and caulking of joints at both facilities and the repairs to the travel lanes at the BTC, which has parking underneath. In Lancaster, final design of the solar expansion and security upgrade project is expected to be completed with bidding to occur in late fall 2021. SCTA has also started the design and engineering for a new shared ride facility in Lancaster. This project will include the acquisition of land and the construction of a facility to house the 80 shared ride vehicles under roof for its Lancaster operations. The project is expected to be completed by the end of fiscal year 2023.

## **South Central Transit Authority**

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### Management's Discussion and Analysis

June 30, 2021 and 2020

#### **Economic Factors (continued)**

While the recovery from the pandemic continues at a slow pace, funding for SCTA at the federal and state levels has been good with the supplemental funding for COVID-19 being allocated by the federal government. The state funds have also been surprisingly good as sales tax, which partially funds public transit, grew due to online sales increasing during the pandemic. It was hoped that a reauthorization of the federal program would have been accomplished during the fiscal year. It now looks like late fall 2021 before new legislation will be passed. There is good news for public transit in that the proposed federal bill includes increased funding levels. At the state level, the provisions of ACT 89 that passed in 2017 for capital funds from the Pennsylvania Turnpike will expire at the end of fiscal year 2022 and is slated to be replaced with general fund monies, which are not as reliable. Efforts are taking place to find an alternative funding source for public transit funds, but nothing is expected to be considered until late fiscal year 2022. A challenge still facing SCTA is the potential loss of the Medical Assistance Transportation Program (MATP) for the shared ride service. The state is still investigating the idea of brokering the services that would essentially remove these trips from SCTA and create a financial crisis for the shared ride service as MATP accounts for roughly 40% of all trips. This has been an ongoing issue for the last several years and is still not resolved. SCTA and its state association, Pennsylvania Public Transportation Association, are continuing to seek a legislative resolution to this problem.

#### **Contacting the Authority's Financial Management**

This financial report is designed to provide our customers and funding agencies with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If there are any questions about this report, or if additional financial information is required, please contact the Authority's Chief Financial Officer, Benjamin Dice, at South Central Transit Authority, 45 Erick Road, Lancaster, Pennsylvania 17601.

# South Central Transit Authority

## Statement of Net Position

	June 30,	
	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents - unrestricted	\$ 14,299	\$ 1,620
Cash and cash equivalents - restricted	38,435,226	21,870,074
Accounts receivable, including amounts due from the Berks Area Regional Transportation Authority; 2021 and 2020 - \$151,422	3,600,634	3,251,774
Inventory	818,532	857,632
Prepaid expenses	15,693	17,678
Operating and planning grants receivable	930,765	2,034,037
Capital grants receivable	609,064	1,201,387
<b>Total Current Assets</b>	<b>44,424,213</b>	<b>29,234,202</b>
Capital assets not being depreciated	2,793,688	8,519,815
Capital assets being depreciated, net	42,835,091	34,955,854
<b>Capital Assets, Net</b>	<b>45,628,779</b>	<b>43,475,669</b>
<b>Total Assets</b>	<b>90,052,992</b>	<b>72,709,871</b>
<b>Deferred Outflows of Resources</b>		
<b>Pension Plan</b>	<b>222,814</b>	<b>283,947</b>
<b>Postemployment Benefits Plan</b>	<b>55,949</b>	<b>41,932</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>90,331,755</b>	<b>73,035,750</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable; including amounts due to the Red Rose Transit Authority; 2021 - \$273,140; 2020 - \$280,607 and amounts due to the Berks Area Regional Transportation Authority; 2021 - \$424,156; 2020 - \$306,404	1,633,875	1,043,683
Accrued wages	328,619	323,839
Payroll taxes and withholdings	32,008	32,844
Unearned federal operating revenue	-	72,197
Unearned Commonwealth of Pennsylvania Act 44/89 revenue	39,602,613	24,485,773
<b>Total Current Liabilities</b>	<b>41,597,115</b>	<b>25,958,336</b>
<b>Long-Term Liabilities</b>		
Net pension plan	50,394	684,232
Postemployment benefits plan	193,685	160,192
<b>Total Long-Term Liabilities</b>	<b>244,079</b>	<b>844,424</b>
<b>Total Liabilities</b>	<b>41,841,194</b>	<b>26,802,760</b>

See accompanying notes.

**South Central Transit Authority**

## Statement of Net Position (continued)

	<b>June 30, 2021</b>	<b>2020</b>
<i>Deferred Inflows of Resources</i>		
<b>Pension Plan</b>	<b>\$ 464,208</b>	<b>\$ 9,683</b>
<b>Postemployment Benefits Plan</b>	<b>28,224</b>	<b>32,928</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>42,333,626</b>	<b>26,845,371</b>
<i>Net Position</i>		
<b>Net Position</b>		
Investment in capital assets	<b>45,628,779</b>	43,475,669
Unrestricted	<b>2,369,350</b>	2,714,710
<b>Total Net Position</b>	<b>\$ 47,998,129</b>	<b>\$ 46,190,379</b>

## South Central Transit Authority

### Statement of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	2021	2020
<b>Operating Revenues</b>		
Passenger fares	\$ 2,508,563	\$ 3,633,363
State Medical Assistance Transportation Program	2,747,589	4,731,536
State Shared Ride Program	1,887,404	3,101,126
Area Agency on Aging	28,279	183,775
Other contract revenue	924,169	2,076,578
Advertising	703,705	151,134
Miscellaneous income	630,482	579,268
<b>Total Operating Revenues</b>	<b>9,430,191</b>	<b>14,456,780</b>
<b>Operating Expenses</b>		
Salaries and wages	2,688,167	2,560,123
Fringe benefits	1,920,347	1,784,237
Services	1,373,757	1,159,575
Fuel and lubricants	2,090,224	2,350,741
Tires and tubes	153,625	182,911
Other materials and supplies	2,226,707	1,610,912
Utilities	609,301	551,575
Casualty and liability	147,241	136,361
Purchased transportation	20,752,653	21,853,069
Miscellaneous expense	103,694	149,884
Depreciation	4,470,589	3,525,720
<b>Total Operating Expenses</b>	<b>36,536,305</b>	<b>35,865,108</b>
<b>Loss from Operations</b>	<b>(27,106,114)</b>	<b>(21,408,328)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Capital funds used for operating assistance and planning grants		
Federal government	16,667,666	7,540,546
Operating grants		
Federal government	2,639,258	895,771
Commonwealth of Pennsylvania Act 44/89 funds	2,163,379	9,056,119
Local governments	819,860	390,410
<b>Total Government Subsidies for Operations</b>	<b>22,290,163</b>	<b>17,882,846</b>
Loss on disposal of capital assets	(29)	(56,807)
<b>Total Nonoperating Revenues</b>	<b>22,290,134</b>	<b>17,826,039</b>
<b>Loss Before Capital Contributions and Capital Grant Funding</b>	<b>(4,815,980)</b>	<b>(3,582,289)</b>

## South Central Transit Authority

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

	Years Ended June 30,	
	2021	2020
<b>Capital Grant Funding</b>		
Federal government	\$ 4,093,677	\$ 14,740,702
Commonwealth of Pennsylvania Act 44/89 revenue	<u>2,530,053</u>	<u>3,810,030</u>
<b>Total Capital Grant Funding</b>	<u>6,623,730</u>	<u>18,550,732</u>
<b>Increase in Net Position</b>	<b>1,807,750</b>	14,968,443
<b>Net Position at Beginning of Year</b>	<u>46,190,379</u>	<u>31,221,936</u>
<b>Net Position at End of Year</b>	<u>\$ 47,998,129</u>	<u>\$ 46,190,379</u>

# South Central Transit Authority

## Statement of Cash Flows

	Years Ended June 30,	
	2021	2020
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 8,450,849	\$ 15,100,350
Cash payments to suppliers for goods and services	(26,930,169)	(28,574,054)
Cash payments to employees for services	(4,603,734)	(4,341,822)
Other operating cash receipts	630,482	579,268
<b>Net Cash Used in Operating Activities</b>	<b>(22,452,572)</b>	<b>(17,236,258)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Receipts from operating and planning grants	38,438,080	23,393,091
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>38,438,080</b>	<b>23,393,091</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipts from capital grants	7,216,053	18,192,521
Purchase of capital assets	(6,623,730)	(18,550,732)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>592,323</b>	<b>(358,211)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>16,577,831</b>	<b>5,798,622</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>21,871,694</b>	<b>16,073,072</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 38,449,525</b>	<b>\$ 21,871,694</b>
<b>Cash and Cash Equivalents are Comprised of the Following on the Statement of Net Position</b>		
Cash and cash equivalents	\$ 14,299	\$ 1,620
Cash and cash equivalents - restricted	38,435,226	21,870,074
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 38,449,525</b>	<b>\$ 21,871,694</b>

## South Central Transit Authority

### Statement of Cash Flows (continued)

	Years Ended June 30,	
	2021	2020
<b>Reconciliation of Loss from Operations to Net Cash Used in Operating Activities</b>		
Loss from operations	\$ (27,106,114)	\$ (21,408,328)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	4,470,589	3,525,720
(Increase) decrease in assets		
Accounts receivable	(348,860)	1,222,838
Inventory	39,100	(72,331)
Prepaid expenses	1,985	(2,043)
(Increase) decrease in deferred outflows of resources		
Pension plan	61,133	(170,504)
Postemployment benefit plan	(14,017)	21,058
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	594,136	(539,642)
Net pension plan	(633,838)	208,185
Postemployment benefit plan	33,493	(27,245)
Increase (decrease) in deferred inflows of resources		
Pension plan	454,525	(9,344)
Postemployment benefit plan	(4,704)	15,378
<b>Net Cash Used in Operating Activities</b>	<b>\$ (22,452,572)</b>	<b>\$ (17,236,258)</b>

# South Central Transit Authority

## Statement of Fiduciary Net Position - Fiduciary Funds

	June 30,	
	2021	2020
<b>Assets</b>		
Money market fund	\$ 87,211	\$ 67,797
Investments	4,128,982	3,109,347
Accrued interest receivable	2	4
<b>Total Assets</b>	<b>\$ 4,216,195</b>	<b>\$ 3,177,148</b>
<b>Net Position</b>		
Assets held in trust for pension benefits	\$ 4,216,195	\$ 3,177,148
<b>Total Net Position</b>	<b>\$ 4,216,195</b>	<b>\$ 3,177,148</b>

## South Central Transit Authority

### Statement of Changes in Fiduciary Net Position - Fiduciary Funds

	June 30,	
	2021	2020
<b>Additions</b>		
Contributions		
Employer	<u>\$ 331,525</u>	<u>\$ 306,559</u>
Investment income		
Net increase in fair value of investments	762,729	127,129
Interest and dividends	<u>79,935</u>	<u>68,245</u>
Total investment income	<u>842,664</u>	<u>195,374</u>
Miscellaneous	<u>-</u>	<u>1,065</u>
<b>Total Additions</b>	<u>1,174,189</u>	<u>502,998</u>
<b>Deductions</b>		
Benefit payments	101,975	98,891
Administrative expenses	<u>33,167</u>	<u>24,013</u>
<b>Total Deductions</b>	<u>135,142</u>	<u>122,904</u>
<b>Change in Net Position</b>	<b>1,039,047</b>	<b>380,094</b>
<b>Net Position at Beginning of Year</b>	<u>3,177,148</u>	<u>2,797,054</u>
<b>Net Position at End of Year</b>	<u><u>\$ 4,216,195</u></u>	<u><u>\$ 3,177,148</u></u>

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

#### **Note 1 - Nature of Activity**

The South Central Transit Authority (the Authority) was created January 1, 2015 under the laws of the Commonwealth of Pennsylvania, in compliance with the Pennsylvania Municipality Authorities Act, for the purpose of providing public transportation within Lancaster and Berks Counties. The Authority is governed by a ten-member Board of Directors comprised by Lancaster and Berks Counties each appointing five board members.

The Authority was created to merge the administrative staff at both the Red Rose Transit Authority (RRTA) and the Berks Area Regional Transportation Authority (BARTA). The South Central Transit Authority is the administrative authority that oversees both RRTA and BARTA services.

The Authority is funded by a combination of operating revenues and federal, state, and local operating, planning, 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 to be incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. The Authority has determined the following to be component units:

South Central Transportation Pension Plan - a single employer defined benefit plan for 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 the assets of the pension plan.

##### **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 the 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.

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

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

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

Operating revenues and expenses are distinguished from nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for transportation services. Operating expenses include the cost of providing transportation services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal nonoperating revenues of the Authority are operating and capital grants from federal, state, and local governments.

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

The Authority also reports the following fiduciary fund type:

**Trust Fund** - is used to account for fiduciary resources legally held in trust for the receipt and distribution of retirement benefits. The Authority sponsors a salary deferral retirement plan for those employees who meet the eligibility requirements.

##### **Use of Estimates**

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

##### **Assets, Liabilities, Net Position, Revenues, and Expenses**

###### **Cash and Cash Equivalents**

For purposes of reporting cash flows, the Authority considers all cash and cash equivalent accounts, including accounts 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. Cash and cash equivalents held in trust accounts are considered to be investments.

###### **Cash and Cash Equivalents - Restricted**

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.

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

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

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

###### **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 collectability 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 at June 30, 2021 and 2020.

###### **Investment of Funds**

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

1. U.S. Treasury bills
2. Short-term obligations of the U.S. Government and Federal agencies
3. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
4. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision
5. 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 the pension trust fund are pursuant to the guidelines established by the plan's trustee.

Investments are stated at fair value.

###### **Inventory and Prepaid Expenses**

Inventory is 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.

## South Central Transit Authority

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### Notes to Financial Statements

June 30, 2021 and 2020

#### 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 greater than or equal to \$1,000 and the item meets the Bureau of Public Transportation's listing of estimated useful life for capital items. Capital assets are recorded at cost and depreciated utilizing the straight-line method over their estimated useful lives as follows:

Revenue vehicles and equipment	4 to 15 years
Furniture and office equipment	3 to 10 years
Miscellaneous revenue equipment	5 to 10 years
Building and improvements	30 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 from the accounts.

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, 2021 and 2020.

###### 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.

###### Unearned Revenues

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

###### Deferred Outflows of Resources and Deferred Inflows of Resources

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

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

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

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

###### **Net Position**

Net position is classified into three categories as follows:

Investment in capital assets consist of capital assets, net of accumulated depreciation.

Restricted net position are amounts that have externally imposed restrictions on how the funds can be spent. The Authority had no restricted amounts as of June 30, 2021 or 2020.

Unrestricted net position are amounts that do not meet the definitions of "investment 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 and expenses.

###### **Advertising Costs**

Advertising costs are expensed as incurred.

###### **Employee Benefits**

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

###### **Postemployment Benefits**

The Authority provides for 50% of the health insurance premiums for retired employees ages 62 through 64. The Authority funds postemployment benefits as they are incurred.

###### **Recent Accounting Pronouncements**

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement amends the financial accounting and reporting requirements for sponsors (employers) of pension and other postemployment benefits (OPEB) plans. GASB Statement No. 84 is effective for periods beginning after December 15, 2019. The Authority has implemented the effects of this statement for the year ended June 30, 2021. The effect of this statement was to restate fiduciary fund net assets to \$2,797,054 as of July 1, 2019.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

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

##### Recent Accounting Pronouncements (continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB Statement No. 87 is effective for periods beginning after June 15, 2021. The Authority is currently evaluating the effect of implementation of this statement on the financial statements.

#### Note 3 - Budget Matters

The Authority has an annual budget; however, the Pennsylvania Municipal Authorities Act does not require it.

#### Note 4 - Stewardship, Compliance, and Accountability

##### Compliance with Finance-Related Legal and Contractual Provisions

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

#### Note 5 - Deposits and Investments

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

The Authority's available cash is invested in demand deposit accounts. Pension fund assets are invested in money market funds and equity and fixed income mutual funds. The carrying amounts of cash and investments consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents - unrestricted	\$ 14,299	1,620
Cash and cash equivalents - restricted	<u>38,435,226</u>	<u>21,870,074</u>
	<u>38,449,525</u>	<u>21,871,694</u>



## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

#### **Note 5 - Deposits and Investments (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.

##### **Custodial Credit Risk - Deposits**

As of June 30, 2021 and 2020, the carrying amount of the Authority's bank deposits were \$38,435,226 and \$21,870,074, respectively, and the corresponding bank balances were \$38,557,280 and \$21,875,771, respectively, of which \$38,307,280 and \$21,625,771, respectively, were exposed to custodial risk because it was uninsured, but was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name. The Authority has \$14,299 and \$1,620 of cash on hand and petty cash at June 30, 2021 and 2020, respectively.

##### **Custodial Credit Risk - Investments**

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 possession of an outside party. As of June 30, 2021 and 2020, \$4,216,193 and \$3,177,144 was held by the investment's counterparties, not in the name of the Authority.

#### **Note 6 - Cash and Cash Equivalents - Restricted**

Cash whose use is limited to a specific purpose has been classified as "restricted" in the financial statements. At June 30, 2021 and 2020, cash and cash equivalents - restricted consist of unearned Commonwealth of Pennsylvania Act 44/89 funds in the amounts of \$38,435,226 and \$21,870,074, respectively.

At June 30, 2021, substantially all of the Authority's cash was restricted due to state statutes limiting use of the funds.

At June 30, 2021 and 2020, the Authority had utilized \$1,364,585 and \$2,615,699, respectively, of grant funds on operations, which are returned to the restricted account upon receipt of the state share of those projects.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 7 - Fair Value Measurements

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 measurement). 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.

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

	Fair Value Measurements at June 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Mutual Funds</b>				
Fixed income	\$ 1,221,925	\$ -	\$ -	\$ 1,221,925
Equity	2,907,057	-	-	2,907,057
<b>Total Mutual Funds</b>	<b>4,128,982</b>	<b>-</b>	<b>-</b>	<b>4,128,982</b>
<b>Money Market</b>	<b>87,211</b>	<b>-</b>	<b>-</b>	<b>87,211</b>
	<b>\$ 4,216,193</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,216,193</b>
	Fair Value Measurements at June 30, 2020			
<b>Mutual Funds</b>				
Fixed income	\$ 1,281,754	\$ -	\$ -	\$ 1,281,754
Equity	1,827,593	-	-	1,827,593
<b>Total Mutual Funds</b>	<b>3,109,347</b>	<b>-</b>	<b>-</b>	<b>3,109,347</b>
<b>Money Market</b>	<b>67,797</b>	<b>-</b>	<b>-</b>	<b>67,797</b>
	<b>\$ 3,177,144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,177,144</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.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 8 - Inventory

As of June 30, 2021 and 2020, inventory in the amount of \$818,532 and \$857,632, respectively, consisted entirely of parts and supplies.

#### Note 9 - Operating and Planning Grants Receivable

Operating and planning grant receivable balances due from the federal government as of June 30, 2021 and 2020 were \$930,765 and \$2,034,037, respectively.

#### Note 10 - Capital Grants Receivable

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

	<u>2021</u>	<u>2020</u>
Commonwealth of Pennsylvania	<u>\$ 609,064</u>	<u>\$ 1,201,387</u>

#### Note 11 - Capital Assets

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

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2021</u>
<b>Capital Assets Not Being Depreciated</b>				
Construction in progress	<u>\$ 8,519,815</u>	<u>\$ -</u>	<u>\$ 5,726,127</u>	<u>\$ 2,793,688</u>
<b>Capital Assets Being Depreciated</b>				
Revenue vehicles and equipment	37,045,335	4,465,011	-	41,510,346
Furniture and office equipment	465,619	166,967	1,178	631,408
Miscellaneous revenue equipment	2,630,656	202,431	-	2,833,087
Building and improvements	<u>2,243,887</u>	<u>7,515,446</u>	<u>-</u>	<u>9,759,333</u>
<b>Total Capital Assets Being Depreciated</b>	<u>42,385,497</u>	<u>12,349,856</u>	<u>1,178</u>	<u>54,734,174</u>
<b>Accumulated Depreciation</b>				
Revenue vehicles and equipment	6,724,697	4,068,252	-	10,792,949
Furniture and office equipment	280,483	80,918	1,149	360,252
Miscellaneous revenue equipment	354,867	249,151	-	604,018
Building and improvements	<u>69,596</u>	<u>72,268</u>	<u>-</u>	<u>141,864</u>
<b>Accumulated Depreciation</b>	<u>7,429,643</u>	<u>4,470,589</u>	<u>1,149</u>	<u>11,899,083</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>34,955,854</u>	<u>7,879,266</u>	<u>29</u>	<u>42,835,091</u>
<b>Capital Assets, Net</b>	<u>\$ 43,475,669</u>	<u>\$ 7,879,266</u>	<u>\$ 5,726,156</u>	<u>\$ 45,628,779</u>

**South Central Transit Authority**

## Notes to Financial Statements

June 30, 2021 and 2020

**Note 11 - Capital Assets (continued)**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<b>Capital Assets Not Being Depreciated</b>				
Construction in progress	\$ 4,786,550	\$ 3,733,265	\$ -	\$ 8,519,815
<b>Capital Assets Being Depreciated</b>				
Revenue vehicles and equipment	24,052,920	13,063,636	71,221	37,045,335
Furniture and office equipment	418,057	49,026	1,464	465,619
Miscellaneous revenue equipment	1,006,229	1,624,427	-	2,630,656
Building and improvements	2,163,509	80,378	-	2,243,887
<b>Total Capital Assets Being Depreciated</b>	<u>27,640,715</u>	<u>14,817,467</u>	<u>72,685</u>	<u>42,385,497</u>
<b>Accumulated Depreciation</b>				
Revenue vehicles and equipment	3,533,577	3,205,959	14,839	6,724,697
Furniture and office equipment	192,082	89,440	1,039	280,483
Miscellaneous revenue equipment	194,031	160,836	-	354,867
Building and improvements	111	69,485	-	69,596
<b>Accumulated Depreciation</b>	<u>3,919,801</u>	<u>3,525,720</u>	<u>15,878</u>	<u>7,429,643</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>23,720,914</u>	<u>11,291,747</u>	<u>56,807</u>	<u>34,955,854</u>
<b>Capital Assets, Net</b>	<u>\$ 28,507,464</u>	<u>\$ 15,025,012</u>	<u>\$ 56,807</u>	<u>\$ 43,475,669</u>

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 12 - Unearned Commonwealth of Pennsylvania Act 44/89 Revenue

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>2021</u>	<u>2020</u>
<b>Balance at Beginning of Year</b>	<b>\$ 24,485,773</b>	\$ 16,999,424
Funds received - state	<b>17,665,076</b>	17,004,091
Interest earned	<b>13,535</b>	114,941
<b>Total Available</b>	<b><u>42,164,384</u></b>	<u>34,118,456</u>
Funds expended - Lancaster County	<b>(11,681)</b>	(4,427,924)
Funds expended - Berks County	<b>(2,151,698)</b>	(4,628,195)
Funds expended on Access to Jobs and Welfare to Work Programs	<b>(398,392)</b>	(576,564)
<b>Total Expended</b>	<b><u>(2,561,771)</u></b>	<u>(9,632,683)</u>
<b>Balance at End of Year</b>	<b><u>\$ 39,602,613</u></b>	<u>\$ 24,485,773</u>

#### Note 13 - Pension Plan

##### Plan Description

The South Central Transit Authority Pension Plan (the Plan) is a single-employer defined benefit pension plan administered by the Authority. A full-time non-union employee becomes a participant in the Plan on the July 1 after completion of one year of service.

Prior to July 1, 2015, the Plan was administered by the Red Rose Transit Authority. On January 1, 2015, all salaried employees transferred from the Red Rose Transit Authority Pension Plan to the South Central Transit Authority Pension Plan. Effective July 1, 2015, the related pension assets and liability for this Plan also transferred to the South Central Transit Authority.

**Note 13 - Pension Plan (continued)**

**Benefits Accrued for Service Prior to January 1, 2015**

**Benefits Provided**

**Normal Retirement**

A participant is eligible for normal retirement after attainment of age 65 and completion of ten years of vesting service.

The normal retirement pension is payable monthly during the participant's lifetime, with payments ceasing upon the participant's death.

The amount of monthly pension is equal to 60% of average monthly compensation, less 83-1/3% of Primary Social Security, prorated if the member has less than 15 years of benefit service at the normal retirement date.

Average monthly compensation is based upon the five consecutive plan years of highest compensation out of the last ten years preceding retirement.

**Late Retirement**

If a participant continues working after their normal retirement date, the participant's pension does not start until the participant actually retires. The monthly late retirement pension is equal to the greater of the actuarial equivalent of the retirement benefit determined as of the preceding plan year or the benefit determined by the normal retirement pension formula.

**Early Retirement**

A participant is eligible for early retirement after attainment of age 55 and completion of ten years of vesting service. The early retirement pension is equal to the benefit accrued to the date of early retirement, reduced 5/9 of 1% for each of the first 60 months early and 5/18 of 1% for each month early in excess of 60 months.

**Disability Retirement**

For active members with a service related disability, a disability pension is payable equal to 50% of average monthly compensation. The disability benefit is reduced by workers' compensation benefits, or insurance benefits provided by the employer that are received by the member.

For active members with a non-service related disability after ten or more years of vesting service, the disability benefit is equal to 30% of average monthly compensation.

**Death Benefit**

The death benefit for a participant who has been married at least one year and is eligible for normal retirement or early retirement is a survivor pension for the participant's spouse equal to 50% of the actuarially reduced pension the participant would have been entitled to if the participant had retired on the day before death and elected a joint and 50% survivor pension.

**Note 13 - Pension Plan (continued)**

**Benefits Accrued for Service After January 1, 2015**

**Benefits Provided**

**Normal Retirement**

A participant is eligible for normal retirement after attainment of age 60.

The normal retirement pension is payable monthly during the participant's lifetime, with payments ceasing upon the participant's death.

The amount of monthly pension is equal to 1.67% of average monthly compensation multiplied by the number of years of benefit service completed by the member after January 1, 2015.

**Late Retirement**

If a participant continues working after their normal retirement date, the participant's pension does not start until the participant actually retires. The monthly late retirement pension is equal to the benefit accrued to the late retirement date.

**Early Retirement**

A participant is eligible for early retirement after attainment of age 55 and completion of ten years of vesting service. The early retirement pension is equal to the benefit accrued to the date of early retirement, reduced 5/9 of 1% for each of the first 60 months early and 5/18 of 1% for each month early in excess of 60 months.

**Disability Retirement**

For active members with a service related disability, a disability pension is payable equal to 50% of average monthly compensation. The disability benefit is reduced by workers' compensation benefits, or insurance benefits provided by the employer that are received by the member.

For active members with a non-service related disability after ten or more years of vesting service, the disability benefit is equal to 30% of average monthly compensation.

**Death Benefits**

The death benefit for a participant who has been married at least one year and is eligible for normal retirement or early retirement is a survivor pension for the participant's spouse equal to 50% of the actuarially reduced pension the participant would have been entitled to if the participant had retired on the day before death and elected a joint and 50% survivor pension.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 13 - Pension Plan (continued)

##### Benefits Accrued for Service After January 1, 2015 (continued)

##### Benefits Provided (continued)

##### Employees Covered by Benefit Terms

The following employees were covered by the benefit terms at June 30, 2021:

Inactive members or beneficiaries currently receiving benefits	22
Inactive members entitled to, but not yet receiving benefits	11
Active members	<u>41</u>
	<u>74</u>

##### Contributions

The employer pays the full cost of the Plan. Member contributions are not required.

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

At June 30, 2021 and 2020, the Authority reported a liability of \$50,394 and \$684,232, respectively, for its net pension liability. The net pension liability was measured as of June 30, 2021 and 2020, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of July 1, 2019. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. For the years ended June 30, 2021 and 2020, the Authority recognized pension expense of \$213,345 and \$334,896, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to the South Central Transit Authority Pension Plan from the following sources at June 30:

	<u>2021</u>	<u>2020</u>
<b>Deferred Outflows of Resources</b>		
Differences between projected and actual earnings on pension plan investments	\$ 77,608	\$ 106,191
Differences between expected and actual experience	<u>145,206</u>	<u>177,756</u>
	<u>\$ 222,814</u>	<u>\$ 283,947</u>
<b>Deferred Inflows of Resources</b>		
Differences between projected and actual earnings on pension plan investments	<u>\$ (464,208)</u>	<u>\$ (9,683)</u>

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 13 - Pension Plan (continued)

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

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

2022	\$	(56,961)
2023		(56,622)
2024		(64,764)
2025		(85,205)
2026		22,158

##### Actuarial Methods and Assumptions

The total pension liability in the July 1, 2019 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.00
Investment rate of return	7.50

Mortality rates were based on the RP-2000 Table, which does not include projected mortality improvements.

The actuarial assumptions used in the July 1, 2019 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 June 30, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50.00 %	5.50 - 7.50 %
International equity	8.00	4.50 - 6.50
Fixed income	40.00	1.00 - 3.00
Cash	2.00	0.00 - 1.00

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 13 - Pension Plan (continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania Law Act 205 of 1984 (Act 205). Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

##### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at June 30, 2019</b>	<u>\$ 3,335,126</u>	<u>\$ 2,859,079</u>	<u>\$ 476,047</u>
Service cost	196,150	-	196,150
Interest cost	272,811	-	272,811
Benefit payments, including refunds of member contributions	(97,825)	(97,825)	-
Changes for experience	155,118	-	155,118
Contributions - employer	-	306,559	(306,559)
Net investment income	-	119,665	(119,665)
Administrative expense	-	(10,330)	10,330
<b>Net Changes</b>	<u>526,254</u>	<u>318,069</u>	<u>208,185</u>
<b>Balance at June 30, 2020</b>	<u>3,861,380</u>	<u>3,177,148</u>	<u>684,232</u>
Service cost	<b>205,958</b>	-	<b>205,958</b>
Interest cost	<b>301,226</b>	-	<b>301,226</b>
Benefit payments, including refunds of member contributions	<b>(101,975)</b>	<b>(101,975)</b>	-
Contributions - employer	-	<b>331,525</b>	<b>(331,525)</b>
Net investment income	-	<b>826,107</b>	<b>(826,107)</b>
Administrative expense	-	<b>(16,610)</b>	<b>16,610</b>
<b>Net Changes</b>	<u><b>405,209</b></u>	<u><b>1,039,047</b></u>	<u><b>(633,838)</b></u>
<b>Balance at June 30, 2021</b>	<u><b>\$ 4,266,589</b></u>	<u><b>\$ 4,216,195</b></u>	<u><b>\$ 50,394</b></u>

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 13 - Pension 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 (asset) to changes in the discount rate. The table below presents the net pension liability (asset) calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
<b>Net Pension Liability (Asset)</b>	<b>\$ 443,993</b>	<b>\$ 50,394</b>	<b>\$ (288,770)</b>

#### Note 14 - Postemployment Benefits Other than Pensions

##### Plan Description

The South Central Transit Authority Postemployment Benefits Plan is a single-employer plan administered by the Authority. Upon normal or early retirement, the Authority will provide postemployment benefits for employees who are age 62, have completed 15 years of service, and were hired by either RRTA or BARTA prior to January 1, 2015.

##### Benefits Provided

The Authority will pay 50% of the medical premium for the member only for the ages 62 through 64. During this time period, the member must pay the remaining premium, as well as any additional premium to cover dependents. Upon the member and/or spouse attaining age 65, he or she must enroll in the Senior Plan to continue coverage and pay 100% of the premium. Additionally, upon the member attaining age 65, no other coverage is available for the spouse and dependents. Otherwise, the member, spouse, and dependents are not eligible for coverage.

For full-time employees, the Authority will pay for a death benefit. The face value is \$6,000.

Benefits are established or modified through collective bargaining agreements with participants. Separate financial statements are available by contacting the Authority.

##### Retiree Contributions

The retiree contributions are assumed to increase at the same rate as the Healthcare Cost Trend Rate.

##### Death Benefit

It is assumed that the annual cost to provide the death benefit varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 14 - Postemployment Benefits Other than Pensions (continued)

##### Funding Policy

The Authority currently funds other postemployment benefits costs as they occur.

##### Employees Covered by Benefit Terms

The following employees were covered by the benefit terms at July 1, 2019:

Active participants	28
Vested former participants	0
Retired participants	6
	<u>6</u>
	<u>34</u>

##### Postemployment Benefits Liability, Postemployment Benefits Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Postemployment Benefits

At June 30, 2021 and 2020, the Authority reported a liability of \$193,685 and \$160,192, respectively, for its postemployment benefits liability. The net postemployment benefits liability was measured as of June 30, 2021 and 2020, and the total postemployment benefit liability was determined by rolling forward the liabilities from an actuarial valuation as of July 1, 2019. For the years ended June 30, 2021 and 2020, the Authority recognized postemployment benefits expense of \$18,257 and \$15,562, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to the South Central Transit Authority Postemployment Benefits Plan from the following sources at June 30:

	<u>2021</u>	<u>2020</u>
<b>Deferred Outflows of Resources</b>		
Changes in assumptions	\$ 35,177	\$ 15,392
Differences between expected and actual experience	17,287	20,169
Benefit payments made subsequent to the measurement date	<u>3,485</u>	<u>6,371</u>
	<u>\$ 55,949</u>	<u>\$ 41,932</u>
<b>Deferred Inflows of Resources</b>		
Changes in assumptions	\$ (17,797)	\$ (20,763)
Differences between expected and actual experience	<u>(10,427)</u>	<u>(12,165)</u>
	<u>\$ (28,224)</u>	<u>\$ (32,928)</u>

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 14 - Postemployment Benefits Other than Pensions (continued)

##### Postemployment Benefits Liability, Postemployment Benefits Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Postemployment Benefits (continued)

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

2022	\$	6,970
2023		3,485
2024		3,485
2025		3,485
2026		3,485
Thereafter		6,815

##### Actuarial Methods and Assumptions

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

<b>Actuarial Valuation Date</b>	July 1, 2019
<b>Actuarial Cost Method</b>	Entry age normal
<b>Asset Valuation Method</b>	Market value of assets
<b>Discount Rate</b>	1.86% per annum based on S&P municipal bond 20-year high grade rate index at July 1, 2020
<b>Healthcare Cost Trend Rate</b>	Declining scale from 5.50% in 2020 through 2023. Rates gradually decrease from 5.40% in 2024 to 4.0% in 2075 based on the Society of Actuaries Long-Run Medical Cost Trend Model.
<b>Salary Increases</b>	Assumptions for salary increases are used only for spreading contributions over future pay under entry age normal cost method. For this purpose, salary increases are assumed to be 5.00%.
<b>Mortality</b>	PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 14 - Postemployment Benefits Other than Pensions (continued)

##### Actuarial Methods and Assumptions (continued)

<b>Retirement Age</b>	Latest of age 62, age at the completion of ten years of service, or age on the valuation date
<b>Election of Coverage</b>	25% medical and prescription coverage, 100% receive death benefit
<b>Percent Married at Retirement</b>	15% are assumed married and have a covered spouse at retirement

##### Changes in the Net Postemployment Benefits Liability

	Increase (Decrease)		
	Total Postemployment Benefits Liability (a)	Plan Fiduciary Net Position (b)	Net Postemployment Benefits Liability (a) - (b)
<b>Balance at June 30, 2019</b>	\$ 187,437	\$ -	\$ 187,437
Service cost	9,700	-	9,700
Interest cost	5,513	-	5,513
Differences between expected and actual experience	(13,903)	-	(13,903)
Changes in assumptions	(6,179)	-	(6,179)
Benefit payments	(22,376)	-	(22,376)
<b>Net Changes</b>	(27,245)	-	(27,245)
<b>Balance at June 30, 2020</b>	160,192	-	160,192
Service cost	<b>9,196</b>	-	<b>9,196</b>
Interest cost	<b>5,575</b>	-	<b>5,575</b>
Changes in assumptions	<b>25,093</b>	-	<b>25,093</b>
Benefit payments	(6,371)	-	(6,371)
<b>Net Changes</b>	<b>33,493</b>	-	<b>33,493</b>
<b>Balance at June 30, 2021</b>	<b>\$ 193,685</b>	<b>\$ -</b>	<b>\$ 193,685</b>

Changes in assumptions include the discount rate change from 3.36% to 1.86%; the trend assumption was updated. The mortality table was changed from the RP-2000 Table to the PubG-2010 mortality table.

## South Central Transit Authority

### Notes to Financial Statements

June 30, 2021 and 2020

#### Note 14 - Postemployment Benefits Other than Pensions (continued)

##### Sensitivity of the Authority's Net Postemployment Benefits Liability to Changes in the Discount Rate

The following is a sensitivity analysis of the net postemployment benefits liability to changes in the discount rate. The table below presents the net postemployment benefits liability calculated using the discount rate of 1.86% as well as what the net postemployment benefits liability would be if it were calculated using a discount rate that is one percentage point lower (0.86%) or one percentage point higher (2.86%) than the current rate:

	<u>1% Decrease (0.86%)</u>	<u>Discount Rate (1.86%)</u>	<u>1% Increase (2.86%)</u>
<b>Net Postemployment Benefits Liability</b>	<b>\$ 218,968</b>	<b>\$ 193,685</b>	<b>\$ 173,111</b>

##### Sensitivity of the Authority's Net Postemployment Benefits Liability to Changes in the Healthcare Cost Trend Rate

The following is a sensitivity analysis of the net postemployment benefits liability to changes in the healthcare cost trend rate. The table below presents the net postemployment benefits liability calculated using the healthcare cost trend rate of 5.50% as well as what the net postemployment benefits liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate:

	<u>1% Decrease (4.50%)</u>	<u>Healthcare Cost Trend Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
<b>Net Postemployment Benefits Liability</b>	<b>\$ 181,840</b>	<b>\$ 193,685</b>	<b>\$ 207,277</b>

#### Note 15 - Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority has joined together with other transit organizations in the Commonwealth of Pennsylvania to form the State Association for Transportation Insurance (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, 2021 and 2020 amounted to \$129,010 and \$118,539, respectively.

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

#### **Note 15 - Risk Management (continued)**

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, 2021 and 2020 amounted to \$4,843 and \$5,703, respectively.

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

For the years ended June 30, 2021 and 2020, claims settled were not in excess of insurance coverage. In addition, settled claims have not exceeded the insurance coverage purchased for the years ended June 30, 2021, 2020, and 2019.

#### **Note 16 - Advertising**

Advertising costs included in the statement of revenues, expenses, and changes in net position for the years ended June 30, 2021 and 2020 were \$105,480 and \$169,985, respectively.

#### **Note 17 - Commitment and Contingencies**

##### **Commitments**

##### **Fuel**

The Authority has entered into an agreement to purchase bio-diesel fuel at a fixed price of \$1.9790 per gallon for the period of April 1, 2021 through March 31, 2022.

The Authority has also entered into an agreement to purchase gasoline at a fixed price of \$1.9470 per gallon for the period of April 1, 2021 through March 31, 2022.

##### **Capital Purchases**

The Authority has made commitments at June 30, 2021 of approximately \$9,391,000 for the purchase of four fixed-route buses, 18 shared ride vehicles, security upgrades, solar panel expansion, bus lifts, mobile ticketing fare collection software, parking garage rehabilitation, shared ride operations facility, and other miscellaneous purchases.

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

#### **Note 17 - Commitment and Contingencies (continued)**

##### **Commitments (continued)**

###### **Bus Tire Lease**

The Authority leases bus tires under the terms of two operating leases that call for monthly payments based on actual mileage on behalf of RRTA and BARTA. Mileage rates are based on the billing rate per tire mile in effect during the preceding month based on calculations included in the lease agreements. The leases ran through 2018 and automatically renew for two-year periods thereafter.

###### **Parking Lot Lease**

The Authority leases a parking lot for the park and ride program on behalf of RRTA. The lease term is for one year, with the option to extend for an additional four years. Under the terms of the lease, monthly payments of \$900 are due through June 30, 2022. The future minimum rental commitment totaled \$10,800 as of June 30, 2021.

##### **Contingencies**

###### **Grants**

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

###### **Capital Assets**

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

###### **Audit**

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

###### **Unemployment Compensation**

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

## **South Central Transit Authority**

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### Notes to Financial Statements

June 30, 2021 and 2020

#### **Note 18 - Management Agreement**

The Authority entered into a subcontract agreement with RRTA and BARTA, which took effect on July 1, 2015 and extends in perpetuity until any party wishes to withdraw. The agreement calls for the Authority to provide fixed-route transportation services and paratransit services for Lancaster and Berks Counties. Under the agreement, the Authority will utilize existing vehicles and facilities of RRTA and BARTA. The payment of all such maintenance, repairs, operating, and insurance costs by SCTA shall be the consideration for the lease of such properties, without the payment of any additional sums and shall be considered the rent for such properties. SCTA will be receiving future grants that will fund transportation services in Lancaster and Berks Counties and, as a result, SCTA may purchase vehicles, supplies, and services needed to provide the contracted transportation services. Funding for these transportation services for the years ended June 30, 2021 and 2020 totaled \$17,413,960 and \$16,711,302, respectively.

#### **Note 19 - Subsequent Events**

The Authority has evaluated subsequent events through December 29, 2021. This date is the date the financial statements were available to be issued. No material events subsequent to June 30, 2021 were noted.

## South Central Transit Authority

### Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years\*

	Years Ended June 30,					
	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>						
Service cost	\$ 205,958	\$ 196,150	\$ 180,709	\$ 172,104	\$ 140,177	\$ 133,502
Interest cost	301,226	272,811	235,965	213,183	187,530	170,647
Benefit payments, including refunds of member contributions	(101,975)	(97,825)	(94,082)	(86,167)	(86,673)	(84,763)
Changes in benefit terms	-	-	-	-	-	(56,160)
Changes for experience	-	155,118	-	68,815	-	10,738
Transfer of liabilities from the Red Rose Transit Authority	-	-	-	-	-	2,229,601
<b>Net Change in Total Pension Liability</b>	<b>405,209</b>	526,254	322,592	367,935	241,034	2,403,565
<b>Total Pension Liability at Beginning of Year</b>	<b>3,861,380</b>	3,335,126	3,012,534	2,644,599	2,403,565	-
<b>Total Pension Liability at End of Year</b>	<b>\$ 4,266,589</b>	\$ 3,861,380	\$ 3,335,126	\$ 3,012,534	\$ 2,644,599	\$ 2,403,565
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 331,525	\$ 306,559	\$ 300,940	\$ 199,743	\$ 30,146	\$ 138,252
Net investment income	826,107	119,665	154,945	173,347	200,911	26,572
Benefit payments, including refunds of member contributions	(101,975)	(97,825)	(94,082)	(86,167)	(86,673)	(84,763)
Administrative expense	(16,610)	(10,330)	(16,083)	(11,160)	(26,790)	-
Transfer of assets from the Red Rose Transit Authority	-	-	-	-	-	2,039,941
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,039,047</b>	318,069	345,720	275,763	117,594	2,120,002
<b>Plan Fiduciary Net Position at Beginning of Year</b>	<b>3,177,148</b>	2,859,079	2,513,359	2,237,596	2,120,002	-
<b>Plan Fiduciary Net Position at End of Year</b>	<b>\$ 4,216,195</b>	\$ 3,177,148	\$ 2,859,079	\$ 2,513,359	\$ 2,237,596	\$ 2,120,002
<b>Authority's Net Pension Liability</b>	<b>\$ 50,394</b>	\$ 684,232	\$ 476,047	\$ 499,175	\$ 407,003	\$ 283,563
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>98.8%</b>	82.3%	85.7%	83.4%	84.6%	88.2%
<b>Covered Employee Payroll</b>	<b>\$ 2,613,169</b>	\$ 2,555,042	\$ 2,374,664	\$ 1,963,694	\$ 2,525,447	\$ 2,067,570
<b>Authority's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>1.9%</b>	26.8%	20.0%	25.4%	16.1%	13.7%

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

## South Central Transit Authority

### Schedule of Pension Contributions - Salaried Employees' Pension Plan Last Ten Fiscal Years

Years	Actuarially Determined Contribution	Contributions from Employer	Contribution Excess	Covered Employee Payroll	Contributions as a % of Payroll
2012	\$ 92,138	\$ 93,346	\$ (1,208)	\$ -	\$ -
2013	91,411	92,751	(1,340)	-	-
2014	113,406	116,263	(2,857)	-	-
2015	123,568	126,188	(2,620)	-	-
2016	138,252	138,252	-	-	-
2017	30,146	30,146	-	2,525,447	1.19
2018	180,805	188,315	(7,510)	1,963,694	9.59
2019	199,743	250,342	(50,599)	2,374,664	10.54
2020	300,940	306,559	(5,619)	2,555,042	12.00
<b>2021</b>	<b>312,178</b>	<b>331,525</b>	<b>(19,347)</b>	<b>2,613,169</b>	<b>12.69</b>

#### Actuarial Methods and Assumptions

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

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

<b>Actuarial Valuation Date</b>	July 1, 2019
<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>	Market value of assets as determined by the trustee
<b>Inflation</b>	3.00%
<b>Salary Increases</b>	5.00%
<b>Investment Rate of Return</b>	7.50%
<b>Retirement Age</b>	Attainment of age 60
<b>Mortality</b>	RP-2000 Table, which does not include projected mortality improvements.

There have been no changes in the benefit terms since July 1, 2019. Effective July 1, 2015, the pension liability and related expenses transferred to the South Central Transit Authority Pension Plan from the Red Rose Transit Authority Pension Plan.

**South Central Transit Authority**

Schedule of Changes in Postemployment Benefits Liability and Related Ratios  
 Last Ten Fiscal Years\*

	Years Ended June 30,				
	2021	2020	2019	2018	2017
<b>Total Postemployment Benefits Liability</b>					
Service cost	\$ 9,196	\$ 9,700	\$ 9,809	\$ 12,915	\$ 9,699
Interest cost	5,575	5,513	5,957	4,696	6,008
Differences between expected and actual experience	-	(13,903)	-	28,815	-
Changes in assumptions**	25,093	(6,179)	1,904	(21,938)	21,791
Benefit payments	(6,371)	(22,376)	(23,467)	(15,116)	(4,480)
<b>Net Change in Total Postemployment Benefits Liability</b>	<b>33,493</b>	<b>(27,245)</b>	<b>(5,797)</b>	<b>9,372</b>	<b>33,018</b>
<b>Total Postemployment Benefits Liability at Beginning of Year</b>	<b>160,192</b>	<b>187,437</b>	<b>193,234</b>	<b>183,862</b>	<b>150,844</b>
<b>Total Postemployment Benefits Liability at End of Year</b>	<b>\$ 193,685</b>	<b>\$ 160,192</b>	<b>\$ 187,437</b>	<b>\$ 193,234</b>	<b>\$ 183,862</b>
<b>Covered Employee Payroll</b>	<b>\$ 1,754,966</b>	<b>\$ 1,754,966</b>	<b>\$ 2,218,788</b>	<b>\$ 2,218,788</b>	<b>\$ 2,217,917</b>
<b>Authority's Net Postemployment Benefits Liability as a Percentage of Covered Employee Payroll</b>	<b>11.0%</b>	<b>9.1%</b>	<b>8.4%</b>	<b>8.7%</b>	<b>8.3%</b>

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

\*\* Changes in assumptions include the discount rate change from 3.36% to 1.86%; the trend assumption was updated. The mortality table was changed from the RP-2000 Table to the PubG-2010 mortality table.

No assets have been accumulated for the payment of benefits.

## South Central Transit Authority

### Schedule of Changes in Postemployment Benefits Liability and Related Ratios (continued) Last Ten Fiscal Years

#### Actuarial Methods and Assumptions

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

<b>Actuarial Valuation Date</b>	July 1, 2019
<b>Actuarial Cost Method</b>	Entry age normal
<b>Asset Valuation Method</b>	Market value of assets
<b>Discount Rate</b>	1.86% per annum based on S&P municipal bond 20-year high grade rate index at July 1, 2020
<b>Healthcare Cost Trend Rate</b>	Declining scale from 5.50% in 2020 through 2023. Rates gradually decrease from 5.40% in 2024 to 4.00% in 2075 based on the Society of Actuaries Long-Run Medical Cost Trend Model.
<b>Salary</b>	Assumptions for salary increases is used only for spreading contributions over future pay under entry age normal cost method. For this purpose, salary increases are assumed to be 5.00%.
<b>Mortality</b>	PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated in the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.
<b>Retirement</b>	Latest of age 62, age at the completion of ten years of service, or age on the valuation date
<b>Election of Coverage</b>	25% medical and prescription coverage, 100% receive death benefit
<b>Percent Married at Retirement</b>	15% are assumed married and have a covered spouse at retirement

## South Central Transit Authority

Schedule of LEG - Fixed Route Urban Expenses - FY 20-21  
Year Ended June 30, 2021

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Operators' Paid Absences	-	-	-	-
3. Other Salaries & Wages	685,396	360,670	795,213	1,841,279
4. Other Paid Absences	-	-	289,026	289,026
5. Fringe Benefits	-	-	1,022,641	1,022,641
6. Services	-	996,661	136,398	1,133,059
7. Fuel & Lubricants	1,368,343	-	-	1,368,343
8. Tires & Tubes	-	144,957	-	144,957
9. Other Materials & Supplies	-	1,994,951	73,649	2,068,600
10. Utilities	-	-	476,390	476,390
11. Casualty & Liability Costs	-	-	99,917	99,917
12. Taxes	-	-	-	-
13. Purchased Transportation	12,689,719	2,047,677	-	14,737,396
14. Miscellaneous Expenses	-	-	111,296	111,296
<b>15. Total System Expenses</b>	<b>\$ 14,743,458</b>	<b>\$ 5,544,916</b>	<b>\$ 3,004,530</b>	<b>23,292,904</b>
<b>Applied Reconciling Items</b>				
16. Interest Expenses				-
17. Operating Lease Expenses				-
18. Depreciation (privately funded assets only)				-
19. Amortization of Intangibles				-
20. Capital Leases				-
21. Related Parties Lease Agreement				-
22. Voluntary Non-Exchange Transactions (privately funded assets only)				-
23. Extraordinary and Special Items				-
24. Other Reconciling Items Identify				-
<b>25. Total Applied Reconciling Items</b>				<b>-</b>
<b>26. Total Operating Expenses</b>				<b>23,292,904</b>
<b>Non-Applied Reconciling Items</b>				
27. Depreciation (publicly funded assets only)				3,576,474
28. Other Post Employment Benefits (OPEB)				9,237
29. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
30. Other Reconciling Items Identify: Pension Adj + Capital Disposals				(69,697)
<b>31. Total Non-Applied Reconciling Items</b>				<b>3,516,014</b>
<b>32. Total Operating Expenses per Audit</b>				<b>\$ 26,808,918</b>

## South Central Transit Authority

Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 20-21  
Year Ended June 30, 2021

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Operators' Paid Absences	-	-	-	-
3. Other Salaries & Wages	-	-	46,298	46,298
4. Other Paid Absences	-	-	6,872	6,872
5. Fringe Benefits	-	-	33,109	33,109
6. Services	-	-	12,249	12,249
7. Fuel & Lubricants	39,464	-	-	39,464
8. Tires & Tubes	474	-	-	474
9. Other Materials & Supplies	-	-	8,644	8,644
10. Utilities	-	-	7,266	7,266
11. Casualty & Liability Costs	-	-	1,590	1,590
12. Taxes	-	-	-	-
13. Purchased Transportation	269,885	40,528	75,545	385,958
14. Miscellaneous Expenses	-	-	437	437
<b>15. Total System Expenses</b>	<b>\$ 309,823</b>	<b>\$ 40,528</b>	<b>\$ 192,010</b>	<b>542,361</b>
<b>Applied Reconciling Items</b>				
16. Interest Expenses				-
17. Operating Lease Expenses				-
18. Depreciation (privately funded assets only)				-
19. Amortization of Intangibles				-
20. Capital Leases				-
21. Related Parties Lease Agreement				-
22. Voluntary Non-Exchange Transactions (privately funded assets only)				-
23. Extraordinary and Special Items				-
24. Other Reconciling Items Identify				-
<b>25. Total Applied Reconciling Items</b>				<b>-</b>
<b>26. Total Operating Expenses</b>				<b>542,361</b>
<b>Non-Applied Reconciling Items</b>				
27. Depreciation (publicly funded assets only)				-
28. Other Post Employment Benefits (OPEB)				-
29. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
30. Other Reconciling Items Identify				-
<b>31. Total Non-Applied Reconciling Items</b>				<b>-</b>
<b>32. Total Operating Expenses per Audit</b>				<b>\$ 542,361</b>

## South Central Transit Authority

Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 20-21  
Year Ended June 30, 2021

Operating Expenses	Vehicle Operation	Maintenance	General Admin	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -
2. Operators' Paid Absences	-	-	-	-
3. Other Salaries & Wages	-	-	729,234	729,234
4. Other Paid Absences	-	-	108,234	108,234
5. Fringe Benefits	-	-	521,499	521,499
6. Services	-	-	192,926	192,926
7. Fuel & Lubricants	621,593	-	-	621,593
8. Tires & Tubes	7,464	-	-	7,464
9. Other Materials & Supplies	-	-	136,144	136,144
10. Utilities	-	-	114,445	114,445
11. Casualty & Liability Costs	-	-	25,051	25,051
12. Taxes	-	-	-	-
13. Purchased Transportation	3,759,153	548,779	1,026,010	5,333,942
14. Miscellaneous Expenses	-	-	6,913	6,913
<b>15. Total System Expenses</b>	<b>\$ 4,388,210</b>	<b>\$ 548,779</b>	<b>\$ 2,860,456</b>	<b>7,797,445</b>
<b>Applied Reconciling Items</b>				
16. Interest Expenses				-
17. Operating Lease Expenses				-
18. Depreciation (privately funded assets only)				-
19. Amortization of Intangibles				-
20. Capital Leases				-
21. Related Parties Lease Agreement				-
22. Voluntary Non-Exchange Transactions (privately funded assets only)				-
23. Extraordinary and Special Items				-
24. Other Reconciling Items Identify				-
<b>25. Total Applied Reconciling Items</b>				<b>-</b>
<b>26. Total Operating Expenses</b>				<b>7,797,445</b>
<b>Non-Applied Reconciling Items</b>				
27. Depreciation (publicly funded assets only)				894,118
28. Other Post Employment Benefits (OPEB)				5,535
29. Voluntary Non-Exchange Transactions (publicly funded assets only)				-
30. Other Reconciling Items Identify: RRTA + BARTA SR CoPays + Pension				(300,217)
<b>31. Total Non-Applied Reconciling Items</b>				<b>599,436</b>
<b>32. Total Operating Expenses per Audit</b>				<b>\$ 8,396,881</b>

## South Central Transit Authority

Schedule of LEG - Non-Public Expenses - Other Transportation - FY 20-21  
Year Ended June 30, 2021

Operating Expenses	Non-Shared Ride Paratransit	MATP Non-Shared Ride Paratransit	MATP Mileage Reimbursement	Other (Identify Above)	Totals
1. Operators' Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -
2. Operators' Paid Absences	-	-	-	-	-
3. Other Salaries & Wages	-	36,308	-	28,344	64,652
4. Other Paid Absences	-	5,389	-	4,207	9,596
5. Fringe Benefits	-	25,965	-	20,270	46,235
6. Services	-	9,606	-	7,499	17,105
7. Fuel & Lubricants	-	30,948	-	24,160	55,108
8. Tires & Tubes	-	372	-	290	662
9. Other Materials & Supplies	-	6,778	-	5,292	12,070
10. Utilities	-	5,698	-	4,448	10,146
11. Casualty & Liability Costs	-	1,247	-	974	2,221
12. Taxes	-	-	-	-	-
13. Purchased Transportation	-	186,126	-	313,372	499,498
14. Miscellaneous Expenses	-	344	-	268	612
15. Mileage Reimbursement	-	-	47,621	-	47,621
16. MATP - Non-Public Service Admin Expense	-	-	22,649	-	22,649
<b>17. Total System Expenses</b>	<b>\$ -</b>	<b>\$ 308,781</b>	<b>\$ 70,270</b>	<b>\$ 409,124</b>	<b>788,175</b>
<b>Applied Reconciling Items</b>					
18. Interest Expenses					-
19. Operating Lease Expenses					-
20. Depreciation (privately funded assets only)					-
21. Amortization of Intangibles					-
22. Capital Leases					-
23. Related Parties Lease Agreement					-
24. Voluntary Non-Exchange Transactions (Privately funded assets only)					-
25. Extraordinary and Special Items					-
26. Other Reconciling Items Identify					-
<b>27. Total Applied Reconciling Items</b>					<b>-</b>
<b>28. Total Operating Expenses</b>					<b>788,175</b>
<b>Non-Applied Reconciling Items</b>					
29. Depreciation (publicly funded assets only)					-
30. Other Post Employment Benefits (OPEB)					-
31. Voluntary Non-Exchange Transactions (Publicly funded assets only)					-
32. Other Reconciling Items Identify					-
<b>33. Total Non-Applied Reconciling Items</b>					<b>-</b>
<b>34. Total Operating Expenses per Audit</b>					<b>\$ 788,175</b>

## South Central Transit Authority

Reconciliation of Operating Expenses to Financial Statements Prepared Under Accounting  
Principles Generally Accepted in the United States of America  
Year Ended June 30, 2021

Operating expenses reported on Schedule of LEG - Fixed Route Urban Expenses - FY 20-21	\$ 26,808,918
Operating expenses reported on Schedule of LEG - Non-Fixed Route ADA Paratransit Expenses - Urban - FY 20-21	542,361
Operating expenses reported on Schedule of LEG - Non-Fixed Route Shared Ride Expenses - Urban Standard - FY 20-21	8,396,881
Operating expenses reported on Schedule of LEG - Non-Public Expenses - Other Transportation - FY 20-21	788,175
Reconciling item - rounding	<u>(1)</u>
<b>Total Operating Expenses per Schedules</b>	<b>36,536,334</b>
<b>Per Financial Statements</b>	
Loss on disposal of capital assets	<u>(29)</u>
<b>Operating Expenses Reported on the Statement of Revenues, Expenses, and Changes in Net Position</b>	<b><u>\$ 36,536,305</u></b>

## South Central Transit Authority

Schedule of LEG - Fixed Route Revenues - FY 20-21

Year Ended June 30, 2021

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
<b>Transportation Revenues</b>			
1. Passenger-Paid Fares	\$ 2,365,257	\$ -	\$ 2,365,257
2. Organization-Paid Fares	38,668	-	38,668
3. Advertising	561,343	-	561,343
<b>4. Subtotal Transportation Revenues</b>	<b>2,965,268</b>	<b>-</b>	<b>2,965,268</b>
<b>Other Revenue</b>			
5. Total Recoveries	-	-	-
6. Identify: Concession	2,044	-	2,044
7. Identify: PG Income	353,957	-	353,957
8. Identify: Leased Real Estate	217,089	-	217,089
9. Identify: Other Income	132,447	-	132,447
10. Identify	-	-	-
<b>11. Subtotal Other Revenue</b>	<b>705,537</b>	<b>-</b>	<b>705,537</b>
<b>12. Total Revenue</b>	<b>3,670,805</b>	<b>-</b>	<b>3,670,805</b>
<b>Non-Applied Reconciling Items</b>			
13. Identify	-	-	-
14. Identify	-	-	-
15. Identify	-	-	-
<b>16. Total Non-Applied Reconciling Items</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17. Total Revenue per Audit</b>	<b>\$ 3,670,805</b>	<b>\$ -</b>	<b>\$ 3,670,805</b>

**South Central Transit Authority**

 Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 20-21  
 Year Ended June 30, 2021

	ADA		Shared Ride 65+ Lottery Sponsored		Shared Ride Under 65		Public	Total
	Paratransit	Standard	Standard	DAS*	Standard	DAS*	Vanpool	
<b>Transportation Revenues</b>								
1. Passenger Fares	\$ 74,776	\$ 194,492	\$ -	\$ -	\$ 47,480	\$ -	\$ -	\$ 316,748
2. Pwd Passenger Fare	-	-	-	-	39,652	-	-	39,652
3. Shared-Ride Lottery Trip Reimbursement	-	1,887,404	-	-	-	-	-	1,887,404
4. PwD Trip Reimbursement	-	-	-	-	223,321	-	-	223,321
5. AAA	-	20,231	-	-	8,049	-	-	28,280
6. MH/MR - Shared-Ride Fare Structure	-	391	-	-	11,143	-	-	11,534
7. W2W - Shared-Ride Fare Structure	-	-	-	-	-	-	-	-
8. MATP - Shared-Ride Fare Structure	-	238,369	-	-	2,064,208	-	-	2,302,577
<b>Other Agencies/Third-Party Sponsors</b>								
9. Identify: All Other Agencies	-	2,738	-	-	118,858	-	-	121,596
10. Identify	-	-	-	-	-	-	-	-
<b>11. Subtotal Transportation Revenue</b>	<b>74,776</b>	<b>2,343,625</b>	<b>-</b>	<b>-</b>	<b>2,512,711</b>	<b>-</b>	<b>-</b>	<b>4,931,112</b>
<b>Other Revenue</b>								
12. Advertising	-	-	-	-	142,362	-	-	142,362
13. Total Recoveries	-	-	-	-	-	-	-	-
<b>Other (i.e. Block Grant)</b>								
14. Identify	-	-	-	-	-	-	-	-
15. Identify	-	-	-	-	-	-	-	-
16. Identify	-	-	-	-	-	-	-	-
17. Interest/Investment Income	-	-	-	-	-	-	-	-
<b>18. Total Revenue</b>	<b>74,776</b>	<b>2,343,625</b>	<b>-</b>	<b>-</b>	<b>2,655,073</b>	<b>-</b>	<b>-</b>	<b>5,073,474</b>
<b>Non-Applied Reconciling Items</b>								
19. Identify: Shared Ride Co-pays netted	-	-	-	-	(251,764)	-	-	(251,764)
20. Identify	-	-	-	-	-	-	-	-
<b>21. Total Non-Applied Reconciling Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(251,764)</b>	<b>-</b>	<b>-</b>	<b>(251,764)</b>
<b>22. Total Revenue per Audit</b>	<b>\$ 74,776</b>	<b>\$ 2,343,625</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,403,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,821,710</b>

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

## South Central Transit Authority

Schedule of LEG - Non-Public Revenues - Other Transportation - FY 20-21  
Year Ended June 30, 2021

### Contract Revenue - Non-Shared-Ride Paratransit

1. Identify	\$	-
2. Identify		-
3. Identify		-

### MATP Revenue

4. MATP - Fixed Route Bus Pas Revenue		16,991
5. MATP - Contract Rate Paratransit		361,301
6. MATP - Mileage Reimbursement		66,718
7. MATP - Admin Reimbursement		-
8. MATP - Offset		(75,052)

### W2W Revenue

9. W2W - Contract Rate Paratransit		509,677
10. W2W - Other (i.e. vehicle purchase/repair, fixed-route fares)		2,665
11. W2W - Admin/Case Management		-

### W2W Revenue

12. Identify: Other Agency FR Bus Pass		55,376
13. Interest/Investment Income		-

### 14. Total Revenue

937,676

### Non-Applied Reconciling Items

15. Identify		-
16. Identify		-

### 17. Total Non-Applied Reconciling Items

-

### 18. Total Revenue per Audit

\$ 937,676

## **South Central Transit Authority**

Reconciliation of Operating Revenues to Financial Statements Prepared Under Accounting  
Principles Generally Accepted in the United States of America  
Year Ended June 30, 2021

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Operating revenues reported on Schedule of LEG - Fixed Route Revenues - FY 20-21	<b>\$ 3,670,805</b>
Operating revenues reported on Schedule of LEG - Non-Fixed Route Revenues - Urban - FY 20-21	<b>4,821,710</b>
Operating revenues reported on Schedule of LEG - Non-Public Revenues - Other Transportation - FY 20-21	<b><u>937,676</u></b>
 <b>Operating Revenues Reported on the Statement of Revenues, Expenses, and Changes in Net Position</b>	 <b><u><u>\$ 9,430,191</u></u></b>

## South Central Transit Authority

Schedule of LEG - Fixed Route Subsidies - FY 20-21  
Year Ended June 30, 2021

	Fixed Route Urban	Fixed Route Rural	Total
1. Federal Operating Grant	\$ 16,667,666	\$ -	\$ 16,667,666
2. Federal Capital Grant to Fund Preventive Maintenance Costs	-	-	-
3. Federal Capital Grant to Fund Capital Costs of Contracting	-	-	-
4. Federal Capital Grant to Fund Associated Capital Maintenance Costs	-	-	-
5. Other Federal Grants for Operating Costs Identify	-	-	-
<b>6. Subtotal Federal Subsidy</b>	<b>16,667,666</b>	<b>-</b>	<b>16,667,666</b>
7. Act 44 Section 1513 Operating Grant Amount Charged - State Share (Prior Years)	2,152,985	-	2,152,985
8. Act 44 Section 1513 Operating Grant Amount Charged - State Share (Current Year)	-	-	-
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>2,152,985</b>	<b>-</b>	<b>2,152,985</b>
13. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Prior Years) - Municipal Source *	-	-	-
14. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Current Year) - Municipal Source	801,448	-	801,448
15. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Current Year) - Advertising Source **	-	-	-
16. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Current Year) - 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>801,448</b>	<b>-</b>	<b>801,448</b>
<b>21. Grand Total Subsidy</b>	<b>19,622,099</b>	<b>-</b>	<b>19,622,099</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. Grand Total Subsidy per Audit</b>	<b>\$ 19,622,099</b>	<b>\$ -</b>	<b>\$ 19,622,099</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.

**South Central Transit Authority**

Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 20-21  
 Year Ended June 30, 2021

	ADA	Shared Ride		Public	Total
	Paratransit	Standard	DAS*	Vanpool	
1. Federal Operating Grant	\$ 442,302	\$ 2,196,956	\$ -	\$ -	\$ 2,639,258
2. Federal Capital Grant to Fund Preventive Maintenance Costs	-	-	-	-	-
3. Federal Capital Grant to Fund Capital Costs of Contracting	-	-	-	-	-
4. Federal Capital Grant to Fund Associated Capital Maintenance Costs	-	-	-	-	-
5. Other Federal Grants for Operating Costs Identify	-	-	-	-	-
6. Federal Shared Ride Subsidy Identify	-	-	-	-	-
<b>7. Subtotal Federal Subsidy</b>	<b>442,302</b>	<b>2,196,956</b>	<b>-</b>	<b>-</b>	<b>2,639,258</b>
8. Act 44 Section 1513 Operating Grant Amount Charged - State Share (Prior Years)	10,394	-	-	-	10,394
9. Act 44 Section 1513 Operating Grant Amount Charged - State Share (Current Year)	-	-	-	-	-
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>10,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,394</b>
15. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Prior Years) - Municipal Source **	-	-	-	-	-
16. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Current Year) - Municipal Source	18,412	-	-	-	18,412
17. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Current Year) - Advertising Source ***	-	-	-	-	-
18. Act 44 Section 1513 Operating Grant Amount Charged - Local Share (Current Year) - 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>18,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,412</b>
<b>24. Grand Total Subsidy</b>	<b>471,108</b>	<b>2,196,956</b>	<b>-</b>	<b>-</b>	<b>2,668,064</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 Subsidy per Audit</b>	<b>\$ 471,108</b>	<b>\$ 2,196,956</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,668,064</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.

## South Central Transit Authority

Reconciliation of Reported Subsidies to Financial Statements Prepared Under Accounting  
Principles Generally Accepted in the United States of America  
Year Ended June 30, 2021

Subsidies Reported on Schedule of LEG - Fixed Route Subsidies - FY 20-21	\$ 19,622,099
Subsidies Reported on Schedule of LEG - Non-Fixed Route Subsidies - Urban - FY 20-21	<u>2,668,064</u>
<b>Total Subsidies per Schedules</b>	<b><u>\$ 22,290,163</u></b>
<b>Per Financial Statements</b>	
Capital funds used for operating assistance and planning grants - Federal government	\$ 16,667,666
Operating grants - Federal government	2,639,258
Operating grants - State government	2,163,379
Operating grants - Local governments	<u>819,860</u>
<b>Subsidies Reported on the Statement of Revenues, Expenses, and Changes in Net Position</b>	<b><u>\$ 22,290,163</u></b>

**South Central Transit Authority**

Schedule of LEG - Budget Summary - FY 20-21  
 Year Ended June 30, 2021

	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	\$ 23,292,904	\$ -	\$ 542,361	\$ -	\$ 7,797,445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788,175	\$ 32,420,885
2. Total Revenue	3,670,805	-	74,776	-	4,998,698	-	-	-	-	-	-	937,676	9,681,955
<b>3. Operating Balance</b>	(19,622,099)	-	(467,585)	-	(2,798,747)	-	-	-	-	-	-	149,501	(22,738,930)
4. Grand Total Subsidy	19,622,099	-	471,108	-	2,196,956	-	-	-	-	-	-	-	22,290,163
<b>5. Applied Operating Result **</b>	-	-	3,523	-	(601,791)	-	-	-	-	-	-	149,501	(448,767)
<b>Non-Applied Reconciling Items</b>													
6. Total Non-Applied Reconciling Expense Items	3,516,014	-	-	-	599,436	-	-	-	-	-	-	-	4,115,450
7. Total Non-Applied Reconciling Revenue Items	-	-	-	-	(251,764)	-	-	-	-	-	-	-	(251,764)
8. Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>9. Operating Result per Audit</b>	<u>\$ (3,516,014)</u>	<u>\$ -</u>	<u>\$ 3,523</u>	<u>\$ -</u>	<u>\$ (1,452,991)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,501</u>	<u>\$ (4,815,981)</u>

\* 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.

Unfunded shared ride operating loss to be recovered via future rate adjustments.

**South Central Transit Authority**

Schedule S5 - Section 1513 Program Carryover - FY 20-21  
Year Ended June 30, 2021

	State Grant	Local Match	Total
<b>A. FY 2020-21 Section 1513 URBAN Grant Agreement</b>	<b>\$ 17,665,076</b>	<b>\$ 819,860</b>	<b>\$ 18,484,936</b>
<b>Urban Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2021</b>			
1. Section 1513 fund balance as of June 30, 2020	\$ 24,485,773	\$ -	\$ 24,485,773
2. Section 1513 funds received for FY 2020-21	17,665,076	819,860	18,484,936
3. PTAF Section 1513 funds received for FY 2020-21 (applicable to SEPTA and PAAC)	-	-	-
4. Total Section 1513 funds received for FY 2020-21 (Line 2+3, must agree with A above)	17,665,076	819,860	18,484,936
5. Interest income earned on Section 1513 funds in FY 2020-21	13,535	-	13,535
6. Total Section 1513 funds available in FY 2020-21 (Line 1+4+5)	42,164,384	819,860	42,984,244
7. Section 1513 funds used for Urban fixed route operating expenses in FY 2020-21	2,551,377	801,448	3,352,825
8. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2020-21	10,394	18,412	28,806
9. Section 1513 funds used for Rural fixed route operating expenses in FY 2020-21	-	-	-
10. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2020-21	-	-	-
11. Section 1513 funds used for Urban capital costs in FY 2020-21 (waiver required)	-	-	-
12. Section 1513 funds used for Rural capital costs in FY 2020-21 (waiver required)	-	-	-
13. Total Section 513 used in FY 2020-21 (Line 7+8+9+10+11+12)	2,561,771	819,860	3,381,631
14. Section 1513 Fund Balance as of June 30, 2021 (Line 6-13)	\$ 39,602,613	\$ -	\$ 39,602,613
<b>B. FY 2020-21 Section 1513 RURAL Grant Agreement</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Rural Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2021</b>			
15. Section 1513 fund balance as of June 30, 2020	\$ -	\$ -	\$ -
16. Section 1513 funds received for FY 2020-21 (must agree with B above)	-	-	-
17. Interest income earned on Section 1513 funds in FY 2020-21	-	-	-
18. Total Section 1513 funds available in FY 2020-21 (Line 15+16+17)	-	-	-
19. Section 1513 funds used for Rural fixed route operating expenses in FY 2020-21	-	-	-
20. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2020-21	-	-	-
21. Section 1513 funds used for Urban fixed route operating expenses in FY 2020-21	-	-	-
22. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2020-21	-	-	-
23. Section 1513 funds used for Rural capital costs in FY 2020-21 (waiver required)	-	-	-
24. Section 1513 funds used for Urban capital costs in FY 2020-21 (waiver required)	-	-	-
25. Total Section 513 used in FY 2020-21 (Line 19+20+21+22+23+24)	-	-	-
26. Section 1513 Fund Balance as of June 30, 2021 (Line 18-25)	\$ -	\$ -	\$ -
<b>C. Total Agency Section 1513 Grant Utilization for Fiscal Year Ended June 30, 2021</b>			
27. Section 1513 fund balance as of June 30, 2020	\$ 24,485,773	\$ -	\$ 24,485,773
28. Section 1513 funds received for FY 2020-21	17,665,076	819,860	18,484,936
29. PTAF Section 1513 funds received for FY 2020-21 (applicable to SEPTA and PAAC)	-	-	-
30. Total Section 1513 funds received for FY 2020-21 (Line 28+29)	17,665,076	819,860	18,484,936
31. Interest income earned on Section 1513 funds in FY 2020-21	\$ 13,535	\$ -	13,535
32. Total Section 1513 funds available for FY 2020-21 (Line 27+30+31)	42,164,384	819,860	42,984,244
33. Section 1513 funds used for Urban fixed route operating expenses in FY 2020-21	2,551,377	801,448	3,352,825
34. Section 1513 funds used for Urban non-fixed route operating expenses in FY 2020-21	10,394	18,412	28,806
35. Section 1513 funds used for Rural fixed route operating expenses in FY 2020-21	-	-	-
36. Section 1513 funds used for Rural non-fixed route operating expenses in FY 2020-21	-	-	-
37. Section 1513 funds used for Urban capital costs in FY 2020-21 (waiver required)	-	-	-
38. Section 1513 funds used for Rural capital costs in FY 2020-21 (waiver required)	-	-	-
<b>39. Total Section 1513 Used in FY 2020-21 (Line 33+34+35+36+37+38)</b>	<b>2,561,771</b>	<b>819,860</b>	<b>3,381,631</b>
<b>40. Section 1513 Fund Balance as of June 30, 2021 (Line 32-39)</b>	<b>\$ 39,602,613</b>	<b>\$ -</b>	<b>\$ 39,602,613</b>

## South Central Transit Authority

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### Shared Ride Retained Earnings

Year Ended June 30, 2021

1.	Shared Ride service Retained Earnings Balance as of June 30, 2020	\$ 2,868,198
2.	Shared Ride service passenger revenue and grant funds received for FY 2020-21	8,427,451
3.	Other funds/transfers received	-
4.	Interest income earned for FY 2020-21	<u>-</u>
5.	Total funds available for Shared Ride service in FY 2020-21	11,295,649
6.	Shared Ride operating expenses in FY 2020-21	<u>8,876,219</u>
7.	Shared Ride service Retained Earnings balance as of June 30, 2021	<u><u>\$ 2,419,430</u></u>

**South Central Transit Authority**

Capital Report #1 - Fiscal Year and Inception-to-Date Capital Project Spending  
Year Ended June 30, 2021

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q=SUM (A:P)	R	S=R-Q	
1	Computer Hardware	Fixed Route Revenue Equipment	BTC Upgrades	Misc & Maint Equipment	Computer Software	Office Furniture & Equipment	Transit Enhancements	Communications Equipment	Time & Attendance Software	Shared Ride Revenue Equipment	Point of Sale System	QSS I Rehabilitation	Reading Bus Storage Expansion	Consulting Services	Erick Road Renovations	Erick Road Solar Field	Total Spent	Total Granted Funds	Granted Funds Less Amt Spent	
2	Expenditures Through the End of the Prior Fiscal Year	\$ 226,270	\$ 33,079,980	\$ 2,754,636	\$ 801,554	\$ 468,914	\$ 23,584	\$ 99,840	\$ 301,479	\$ 70,000	\$ 3,947,434	\$ 19,008	\$ 2,160,528	\$ 5,130,772	\$ 638	\$ -	\$ 49,084,637	\$ 49,084,637	\$ -	
	<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	23,895	1,777,596	840,536	48,000	133,450	13,928	84,101	8,287	1,010,857		86,198			30,046	37,005	4,093,877	4,093,877		
5	Federal Capital - 5309 - FTA Fixed Guideway																			
6	Federal Capital - 5309 - FTA Bus/Bus Facility																			
7	Federal Capital - 5309 - FTA New/Small Start																			
8	Federal Capital - 5310 - FTA Senior and PWC																			
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 - 5333																			
16	State - 1513 - Waiver to Use for Capita																			
17	State Capital - 1514 - PA Bond Program																			
18	State Capital - 1514 - Discretionary	5,778	435,082	202,108	35,741	32,275	13,718	13,835	2,000			6,755	515,367		7,269		1,269,928	1,269,928		
19	State Capital - 1515 - New Initiative																			
20	State Capital - 1516 - CTC											583,031					583,031	583,031		
21	State Capital - 1516 - Other																			
22	State Capital - 1517 - Capital Improvement Program			1,276				17,171									18,447	18,447		
23	State Capital - PTAF																			
24	State Capital - All Sources Used for Debt Serv																			
25	State Capital - ASG/BSG																			
26	State Capital - Other - 5310 Pass Thru									658,647							658,647	658,647		
27	Local Match - 1513 - Waiver to Use for Capita																			
28	Local Match Capital - 1514 - PA Bond Program																			
29	Local Match Capital - 1514 - Discretionary																			
30	Local Match Capital - 1515 - New Initiative																			
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 Serv																			
35	Local Match Capital - ASG/BSG																			
36	Local Match Other																			
37	Local Contribution																			
38	Proceeds from Agency Issued Bond:																			
39	Agency Loan Proceeds																			
40	Other Financing Transaction Proceeds																			
41	Internal Working Capital																			
42	Proceeds from Disposition of Asset:	(1,178)															(1,178)	(1,178)		
43	Foundations and Non-Profits																			
44	Private																			
45	Other																			
46	<b>Total Sources of Funds Spent in the Current F</b>	<b>28,495</b>	<b>2,212,678</b>	<b>1,043,920</b>	<b>83,741</b>	<b>165,725</b>	<b>27,646</b>	<b>115,107</b>	<b>10,267</b>	<b>2,252,335</b>	<b>92,951</b>	<b>515,367</b>	<b>37,315</b>	<b>37,005</b>	<b>6,622,552</b>	<b>6,622,552</b>	<b>6,622,552</b>	<b>6,622,552</b>	<b>-</b>	
47	<b>Total Sources of Funds Spent Inception-to-Dat</b>	<b>254,765</b>	<b>35,292,658</b>	<b>3,798,556</b>	<b>885,295</b>	<b>634,639</b>	<b>51,230</b>	<b>214,947</b>	<b>311,746</b>	<b>70,000</b>	<b>6,199,769</b>	<b>19,008</b>	<b>2,253,479</b>	<b>5,646,139</b>	<b>638</b>	<b>37,315</b>	<b>37,005</b>	<b>55,707,189</b>	<b>55,707,189</b>	<b>-</b>
48	<b>Total Granted Sources of Funds Inception-to-Dat</b>	<b>254,765</b>	<b>35,292,658</b>	<b>3,798,556</b>	<b>885,295</b>	<b>634,639</b>	<b>51,230</b>	<b>214,947</b>	<b>311,746</b>	<b>70,000</b>	<b>6,199,769</b>	<b>19,008</b>	<b>2,253,479</b>	<b>5,646,139</b>	<b>638</b>	<b>37,315</b>	<b>37,005</b>	<b>55,707,189</b>	<b>55,707,189</b>	<b>-</b>
49	<b>Granted Sources Less Amount Spent Inception-to-Dat</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>