



DATE: DECEMBER 2, 2021

TIME: 7:00 PM

PLACE: 415 N. ZARFOSS DRIVE, YORK, PA 17404

PURPOSE: DECEMBER 2021 BOARD MEETING

NOTE: The CDC states if you are not fully vaccinated, you should wear a mask in indoor public places.

A Zoom connection remains an option for convenience and/or personal safety.

REGULAR MONTHLY MEETING

ORDER OF BUSINESS

1. Call to Order
2. Changes or Modifications to the Agenda
3. Public Comment: Accepted in Person or in Writing
4. Approval of Minutes
 - Meeting Minutes of November 4, 2021 (PAGES 3-6)
5. YAMPO Transit Committee
6. Communications
7. Treasurer's Report (Emailed Separately)
 - RESOLUTION 2146 – ACCEPTING ANNUAL REPORT OF AUTHORITY AUDITORS
8. Resolutions
 - RESOLUTION 2137 – AUTHORIZING THE AWARD OF CONTRACT TO SELL BUS, PARATRANSIT VEHICLE, AND BUS SHELTER ADVERTISING (PAGES 7- 8)
 - RESOLUTION 2138 – RATIFYING COLLECTIVE BARGAINING AGREEMENT WITH TEAMSTERS LOCAL 776 COVERING SPECIALIZED TRANSIT OPERATOR EMPLOYEES (PAGES 9 -10)
 - RESOLUTION 2139 – APPROVING MUTUAL COOPERATION AGREEMENT WITH THE SUSQUEHANNA REGIONAL TRANSPORTATION AUTHORITY (SRTA) (PAGES 11 - 14)
 - RESOLUTION 2140 – APPROVING THE REVISING OF THE CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY HIRING AND MAINTENANCE OF ESSENTIAL REQUIREMENTS (RETENTION) AND EMPLOYMENT QUALIFICATIONS/DRIVER POLICY (PAGES 15 - 25)
 - RESOLUTION 2141 – AWARD OF CONTRACT FOR ELYSBURG GENERATOR (PAGES 26 - 27)
 - RESOLUTION 2142 – APPROVING A LEASE AGREEMENT WITH SRTA (PAGES 28 - 44)

- RESOLUTION 2143 – APPROVING A SUBCONTRACT AND SERVICE AGREEMENT WITH SRTA (PAGES 45 - 51)
- RESOLUTION 2144 – ESTABLISHING BOARD MEETING CALENDAR FOR 2022 (PAGE 52)
- RESOLUTION 2145 – APPROVING THE CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY FRAUD, WASTE AND ABUSE POLICY (PAGES 53 - 59)

9. Old Business

10. New Business

11. Future Procurement Activities (PAGE 60)

12. Staff Reports

13. Executive Session

14. Adjournment

Next Meeting: Thursday, January 27, 2022



MINUTES OF BOARD MEETING NOVEMBER 4, 2021

Upon duly given notice, the monthly Board Meeting of the Central Pennsylvania Transportation Authority (CPTA) Board of Directors was held by Zoom on November 4, 2021.

Members Present: Raymond Rosen, Carrie Gray, Annie Strite, Thomas Wilson, Richard Carson, Lisa Moreno-Woodward and Keith Martin

Others Attending: Richard Farr, Executive Director; Bonnie Stine, Controller; Jenna Reedy, Chief of Staff; Jamie Leonard, Director of Human Resources; Trevor Manahan, Chief Operating Officer rabbittransit; Stephen Baldwin, Chief Financial Officer; Tony Mundy, Maintenance Superintendent; and Angela Bednar, Executive Assistant CAT.

Raymond Rosen called the meeting to order at 7:00PM.

CHANGES OR MODIFICATIONS TO THE AGENDA

No changes or modifications to the agenda.

PUBLIC HEARING

FFY 2022 Proposed Program of Projects was presented by Richard Farr. No public comment was received. The FFY 2022 Proposed Program of Projects will stand as presented.

PUBLIC COMMENT:

No public comment.

APPROVAL OF MINUTES:

A motion to approve the minutes from the regular CPTA Board of Directors meeting on October 7, 2021, was moved by Thomas Wilson, seconded by Richard Carson and passed unanimously.

YAMPO TRANSIT COMMITTEE:

RESOLUTION 2132 – SUBMISSION OF THE DRAFT 2023-2026 TRANSIT TIP FOR INCORPORATION INTO THE OVERALL DRAFT 2023-2026 YORK COUNTY TIP



Motion to approve was raised by Richard Carson, seconded by Keith Martin and passed unanimously.

COMMUNICATIONS:

No communications.

TREASURER'S REPORT

Keith Martin asked to draw the Board's attention to page 12 for the start of the September 2021 Treasurer's report. Keith reported that not much has changed over the past few months. Keith provided the Board an update on the audit, which should be ready to be reviewed with the Board at the December Board meeting.

Keith Martin deferred to Stephen Baldwin for additional highlights of the financial statements for the period ending September 30, 2021. Highlights of the financial statement were as follows:

- Ridership reviewed. All divisions with the exception of York Fixed Route and the Maryland Commuter showed an increase in ridership. The average of all divisions was an 8% increase over previous year figures with Paratransit at a 27% increase.
- Operating revenues driven by primary Paratransit was up 11% over budget and 10% YTD.
- Total expenses are 10% better than the budget and 7% under budget YTD. This has allowed finance to save \$409,000, for future use, just in the month of September. YTD savings is equaled to approximately \$1MM.
- Paratransit in all counties, with the exception of York and Adams nets to a positive number with no subsidies. York and Adams paratransit ran at a deficit of \$152,000 for the month of September and \$500,000 YTD.
- There were several significant capital expenditures for the month of September which include the Zarfoss Roof, Transfer Center and Microtransit Vehicles.

Keith Martin concluded the treasurer's report by reviewing the November 2021 Dashboard. Keith also drew the Boards attention to the emergency resolution for award of contract for water line repair, which will be presented later in the meeting.

RESOLUTIONS

RESOLUTION 2133 – ELECTION OF VICE-CHAIRPERSON



As Chairman of the Nominating Committee, Keith Martin nominated Carrie Gray as Vice Chairperson to the Board. No further nominations received from the floor. Raymond Rosen closed nominations. Motion to approve was seconded by Thomas Wilson. Carrie Gray abstained from voting. Motion passed.

RESOLUTION 2134 – HONORING FORMER BOARD OF DIRECTOR MEMBER PHIL ROBBINS FOR HIS YEARS OF SERVICE TO THE AUTHORITY 2017-2021

Motion to approve was raised by Richard Carson, seconded by Keith Martin and passed unanimously.

RESOLUTION 2135 – AWARD OF CONTRACT FOR WATER LINE REPAIR

Motion to approve was raised by Keith Martin, seconded by Richard Carson and passed unanimously.

RESOLUTION 2136 – AWARD OF CONTRACT FOR PROCUREMENT OF MAINTENANCE PARTS

Motion to approve was raised by Keith Martin, seconded by Richard Carson and passed unanimously.

OLD BUSINESS:

No old business.

NEW BUSINESS:

No new business.

FUTURE PROCUREMENT ACTIVITIES:

Future procurements were presented by Richard Farr. Future procurements include:

- Rabbit door operator/rabbit door maintenance contract
- Zarfoss Camera Failure
- Annual Compressor Maintenance
- WIFI at other locations
- Zarfoss Server
- Cameras at other locations
- Rabbit-CAT Tire Lease
- Annual Plumbing Maintenance Contract
- SRTA Audit Contractor



STAFF REPORTS:

Trevor Manahan provided an update on Perry APEX, a subcontractor who provides trips in Cumberland, Franklin and Perry County. This update was provided as a follow up to the conversation that was had at the October Board meeting in regards to utilizing more subcontractors due to the current driver shortages.

Trevor Manahan provided an update on renovations at the Transfer Center.

Richard Farr provided the following staff updates:

- Service changes based on staffing
- Direct mailers at the direction of the Deputy Secretary
- CDL Campaign
- Promoting employment to Veterans
- Update on CAT facility

EXECUTIVE SESSION:

Personnel matters were discussed.

The regular meeting of the Central Pennsylvania Transportation Authority (CPTA) Board of Directors adjourned at 7:45 PM to an executive session.

Next Meeting: Thursday, December 2, 2021

Respectfully Submitted,

Angela Bednar
Executive Assistant
Central Pennsylvania Transportation Authority

Thomas Wilson
Secretary
Central Pennsylvania Transportation Authority

RESOLUTION NO. 2137

**AUTHORIZING THE AWARD OF CONTRACT TO SELL BUS, PARATRANSIT VEHICLE, AND
BUS SHELTER ADVERTISING**

WHEREAS, the Central Pennsylvania Transportation Authority (CPTA) has identified an opportunity to generate revenue using the fixed route buses, paratransit vans, and bus shelters as areas to host advertising; and,

WHEREAS, the Central Pennsylvania Transportation Authority identified that joining with Cumberland-Dauphin-Harrisburg Transit Authority (CAT), the South Central Transit Authority (SCTA), and Lebanon Transit Authority (LTA) to release a Request for Proposals would be the best method to award due to the variability in service and possible revenue; and,

WHEREAS, a Request for Proposals was released September 15, 2021, seeking proposals for advertising agencies to provide the best service to possible advertising clients, the greatest cooperation to the operations department, and the greatest revenue for the Authority; and,

WHEREAS, two (2) responsive proposals were received and were scored according to published criteria by a committee consisting of the Executive Director of LTA, the Director of Planning and Procurement of SCTA, and the Procurement Analyst of the CPTA/CAT; and,

WHEREAS, the firm Vector Media received the highest aggregate scored proposal and provided the greatest forecast revenue generation for the bulk of the group; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Pennsylvania Transportation Authority to award a three year, base contract with two optional years to Vector Media Holding Corporation allowing for the sales of advertising space on buses, paratransit vans, and certain bus shelters.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

attest:

Thomas Wilson
Secretary
Central Pennsylvania Transportation Authority

Raymond Rosen
Chairman
Central Pennsylvania Transportation Authority

RESOLUTION NO. 2137

AUTHORIZING THE AWARD OF CONTRACT TO SELL BUS, PARATRANSIT VEHICLE, AND BUS SHELTER ADVERTISING

- **Bus Shelter Locations**
 - West Manchester Township Loucks Rd Behind W. Manchester Mall, York PA
 - West Manchester Township W Manchester Mall-North Entrance, York PA
 - West Manchester Township W Manchester Mall-North Entrance, York PA
 - York Carlisle Avenue @ Madison Avenue, York PA
 - York W King St Richland W/O Overbrook, York PA
 - York W Market Overbrook Near Giant, York PA
 - York S George St Princess @ McDonald's, York PA
 - York E King Street And S George St, York PA
 - York E Princess St Queen St, York PA
 - York N Duke North St @ Shopping Ctr, York PA
 - York E Market St Broad St @ Apts, York PA
 - York S Broad St King St @ Hi-Rise, York PA
 - York E Market St Sherman @ Bank, York PA
 - York E Philadelphia St Pine, York PA
 - York W Philadelphia St Beaver Market, York PA
 - York Roosevelt Ave W Philadelphia @ Jojoma, York PA
 - York W Philadelphia St Roosevelt Ave, York PA
 - York Roosevelt Avenue 30 @ Transit, York PA
 - York Mt Rose Ave Hill St, York PA
 - York Edgar St Boundary Ave @ Weis, York PA
 - York S George Country Club Rd Opphosp, York PA
 - York 74s Dallastown Cloverhill Rd, York PA
 - York 74s Dallastown Cloverhill Rd, York PA
 - Wrightsville Borough 462 And 5th St, Wrightsville PA
- **Vehicle Information**
 - 53, Fixed Route Vehicles
 - 195, Shared Ride Vehicles
- **Revenue Breakdown**

| VECTOR REVENUE PROPOSAL | | | | | | |
|-------------------------|-----------------------------|---------------------|--------------------|---------|-----------------------------|-------------------------------|
| | | Annual Guarantee | Annual Increase | % Share | Projected Ad Space Sales | Potential Ad Sales Revenue |
| Base Contract | 2022 | \$130,000 | ---- | 60% | \$475,000 | \$285,000 |
| | 2023 | \$136,500 | 5.0% | 60% | \$500,000 | \$300,000 |
| | 2024 | \$143,500 | 5.1% | 60% | \$525,000 | \$315,000 |
| | Base Contract Total | \$410,000 | | | | \$900,000 |
| Option Year 1 | 2025 | \$148,000 | 3.1% | 60% | \$550,000 | \$330,000 |
| Option Year 2 | 2026 | \$152,000 | 2.7% | 60% | \$575,000 | \$345,000 |
| | Option Years Total | \$300,000 | | | | \$675,000 |
| | 5 Year Total Revenue | \$710,000 | | | | \$1,575,000 |

RESOLUTION NO. 2138

**RATIFYING COLLECTIVE BARGAINING AGREEMENT WITH TEAMSTERS LOCAL 776
COVERING SPECIALIZED TRANSIT OPERATOR EMPLOYEES**

WHEREAS, the conditions of employment for Specialized Transit Operator Personnel are governed by an agreement between the Authority and Teamsters Union, Local 776; and,

WHEREAS, the previous agreement expires on December 31, 2021; and,

WHEREAS, an agreement for a new, 1-year agreement has been reached between Management of the Authority and representatives of Teamsters local 776; and,

WHEREAS, this agreement has been ratified by the membership of the collective bargaining unit on November 14, 2021; and,

WHEREAS, the policy manual will be updated to align the suspension discipline to reflect the new collective bargaining agreement language; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Pennsylvania Transportation Authority that a Collective Bargaining Agreement between the Authority and Teamsters Local Union No. 776 covering Specialized Transit Operator Employees be ratified, covering the period January 1, 2022 through December 31, 2022.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson
Secretary
Central Pennsylvania Transportation Authority

attest: _____
Raymond Rosen
Chairman
Central Pennsylvania Transportation Authority

RESOLUTION NO. 2138

RATIFYING COLLECTIVE BARGAINING AGREEMENT WITH TEAMSTERS LOCAL 776 COVERING SPECIALIZED TRANSIT OPERATOR EMPLOYEES

Fact Sheet:

- This is a 1-Year Agreement.
- Overall direction going in was to increase Wages and Leave benefit closer to competitive levels to aid in recruitment and retention.
- Increased Pension from 2% to 6% Authority contribution. This aspect is a reflection of what the workforce was looking for outside the standard wage increase.
- Expands "Special Personal Leave" to include eight (8) additional hours of leave, for a total of 24 hours, if an employee has worked more than 1300 hours in the previous calendar year. Personal leave accrual increased from .0444 to .05.
- Discharge and Suspension language was more clearly defined and reinforced, and, we eliminated the tardy language and moved to six-step progression for Miss-Outs.
- Employee contributions towards Health and Welfare will remain at the 2021 rates unless insurance premiums increase by more than 10%.
- Wages:

| Starting Wage | 2022 | Note |
|---------------|--------------------|------------------|
| CDL | \$17.25 (6.15%) | 2021 was \$16.25 |
| Non-CDL | \$16.05 (6.64%) | 2021 was \$15.05 |
| Express | \$19.05 (5.54%) | 2021 was \$18.05 |
| Wage Increase | 2022 | |
| CDL | \$1.00 | |
| Non-CDL | \$1.00 | |
| Express | \$1.00 | |

- As with other negotiations, we have offered to begin the Wage adjustments with Board adoption of this contract. Wage increases will be effective as of paycheck date December 17, 2021.
- A one-time signing bonus of \$500.00 to employees covered under this agreement if contract is ratified by both parties on or before December 2, 2021.
- Beginning with the January 7, 2022 pay period, each employee covered under this agreement will be provided, in addition to their hourly rate, a weekly lump sum of \$40.00 per week. Payable only if employee received a minimum of sixteen (16) hours of pay for that week consisting of hours worked and/or paid leave.

RESOLUTION NO. 2139

**APPROVING MUTUAL COOPERATION AGREEMENT WITH THE SUSQUEHANNA
REGIONAL TRANSPORTATION AUTHORITY (SRTA)**

WHEREAS, the Counties of Cumberland and Dauphin and the City of Harrisburg have created a new municipal authority to provide regional transportation services; and

WHEREAS, to advance the directive of the funding partners, a cooperative agreement needs to be executed; and

WHEREAS, the Agreement outlines the services and responsibilities that SRTA will be providing on behalf of CPTA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that it approves the Mutual Cooperation Agreement with SRTA.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson
Secretary

attest: _____

Raymond Rosen
Chairman

MUTUAL COOPERATION AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2021, by and between the Central Pennsylvania Transportation Authority, a municipal authority organized under the Municipalities Authorities Act of 1945, with its principal offices located at 415 N. Zarfoss Drive, York, Pennsylvania, (herein referred to as "CPTA"), and the Susquehanna Regional Transportation Authority, a municipal authority organized under the Municipalities Authorities Act of 1945, with its principal offices located at 901 N. Cameron Street, Harrisburg, Pennsylvania, (herein referred to as "SRTA").

WITNESSETH:

WHEREAS, CPTA is a municipal authority engaged in the activity of providing public transit services in Adams, Cumberland, Franklin, Perry, York, Columbia, Indiana, Montour, Northumberland, Snyder and Union Counties; and

WHEREAS, SRTA is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Dauphin, Franklin, Perry, York, Columbia, Indiana, Montour, Northumberland, Snyder and Union Counties; and

WHEREAS, CPTA desires to contract with SRTA to provide executive, management, administrative and support services.

NOW, THEREFORE, intending to be legally bound, the parties hereto agree to set forth below.

1. **SRTA Services.** SRTA agrees to provide all executive, management, administrative and support services to CPTA. This shall include but not limited to services of the executive director, who shall be generally responsible for the overall management and leadership of CPTA, as well as all other necessary management, supervisory, administrative and support services staff, including management and supervisory operations and maintenance staff, financial department services and staff, support and customer service staff, IT department services and staff, and procurement, marketing, and clerical services and staff. SRTA shall also be responsible for all CPTA Board and public relations, developing a supportive relationship with appointed and elected officials, labor relations and maintaining CPTA on sound fiscal basis. SRTA shall establish and maintain goals for the public transportation system and follow the policy guidance established by the CPTA's Board. SRTA shall oversee compliance with all Federal, State, and Local statutory and regulatory requirements, prepare Board meeting agenda and materials and its executive director shall attend Board meetings of CPTA, and represent CPTA at any meetings required to conduct CPTA business. CPTA recognizes and agrees that SRTA shall provide the same services to Cumberland-Dauphin-Harrisburg Transit Authority (CAT) during the same time period.
2. **Authorization.** CPTA authorizes SRTA to take all actions as necessary to efficiently and effectively perform all executive, administrative and support services under this Agreement, including but not limited to: the right to purchase in accordance with procurement policies; to enter into and execute contracts and agreements in accordance with procurement policies; to administer current grant agreements; to hire, fire and discipline and otherwise manage and supervise employees; to sign checks and handle monies and finances.

3. **Payment for services.** CPTA shall pay SRTA the actual costs to deliver the services. Invoicing will occur monthly. Two payments will be made in advance on or before January 1, 2022. Beginning on February 1, 2022, SRTA will invoice CPTA and payments will be made monthly for the services that are rendered. CPTA and SRTA shall review the actual costs of such services and any additional expenses made by SRTA for the operations of CPTA will be paid on a monthly basis.
4. **Other services and costs.** With CPTA's prior approval, CPTA shall reimburse SRTA in the event SRTA assumes additional responsibilities. SRTA shall invoice CPTA promptly and CPTA shall reimburse SRTA within thirty (30) days.
5. **Term.** The management, administrative and support services shall begin on or about January 1, 2022 and shall remain in full force and effect through June 30, 2024. At the conclusion of this initial term, the Agreement may be renewed upon mutual agreement on a month to month basis.
6. **Relationship of the Parties.** The executive, management, administrative, support staff employees and operations and maintenance employees in Adams, Columbia, Cumberland, Franklin, Montour, Northumberland, Perry, Snyder and Union Counties providing any services to CPTA under this Agreement shall be employees of SRTA only and shall not be employees of CPTA. Nothing in this Agreement shall construe SRTA and CPTA to be joint employers under any federal or state law.
7. **Personal Liability.** No officer, director or employee of SRTA or CPTA shall be personally liable for the performance of the terms of this Agreement.
8. **Indemnification.** SRTA shall indemnify, defend, keep and save harmless CPTA, its agents, officials, Board members, servants, and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses, which may accrue against CPTA arising out of or resulting from SRTA's acts or omissions, including acts or omissions of its employees, servants, and agents, as a result, direct or indirect, of the performance by SRTA or any other persons working on SRTA's behalf of its obligations and responsibilities under this Agreement. Likewise, CPTA shall provide the same indemnification to SRTA for any claim, suit or action that may arise from CPTA's acts or omissions to the extent set forth above. Nothing in this paragraph shall be a waiver of either parties' governmental immunity status. SRTA shall be responsible for all compensation, including worker's compensation and other fringe benefits, for all SRTA employees. Similarly, CPTA shall be fully responsible for all compensation including worker's compensation, and other fringe benefits, for all CPTA employees.
9. **Invalidity of Provision.** Should any part of this Agreement be declared unconstitutional, invalid or beyond the authority of either party to enter into or carry out, such declaration will not affect the validity of the remainder of this Agreement, which will continue to be in full force and effect; provided, however, that if any part is declared unconstitutional, invalid or beyond the authority of a party to enter into or carry out, and is, in the judgment of CPTA or SRTA, material to the Agreement, CPTA or SRTA shall have the right on ninety (90) days written notice to the other to terminate this Agreement.
10. **Notices.** All notices required or allowed by this Agreement shall be in writing by certified mail, return receipt requested, addressed to the receiving party as follows:

To SRTA: 901 North Cameron Street
 Harrisburg, PA 17101

To CPTA: 415 North Zarfoss Drive
 York, PA 17404

Or at such other address as either party may designate in writing to the other party as its address for receiving of notices.

11. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby, do hereunto set their hands and officially seals the day and year first above written.

ATTEST:

CENTRAL PENNSYLVANIA
TRANSPORTATION AUTHORITY

Thomas Wilson, Secretary

By: _____
Raymond Rosen, Chairman

ATTEST:

SUSQUEHANNA REGIONAL
TRANSPORTATION AUTHORITY

Richard Kotz, Secretary

By: _____
Raymond Rosen, Chairman

RESOLUTION NO. 2140

APPROVING THE REVISING OF THE CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY HIRING AND MAINTENANCE OF ESSENTIAL REQUIREMENTS (RETENTION) AND EMPLOYMENT QUALIFICATIONS/DRIVER POLICY

WHEREAS, the Central Pennsylvania Transportation Authority wishes to amend guidelines and policies as they support the Authority's values of Safety, Service and Stewardship, and,

WHEREAS, the Central Pennsylvania Transportation Authority has undertaken the review, update, and compilation of employee policies to establish a consistent collection of expectations, and,

WHEREAS, SAFTI requires the Central Pennsylvania Transportation Authority to have a policy stating essential qualifications,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Pennsylvania Transportation Authority, that the revision of the Central Pennsylvania Transportation Authority Hiring and Maintenance of Essential Requirements (Retention) and Employment Qualifications/Driver Policy be adopted and instituted.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson
Secretary

attest: _____
Raymond Rosen
Chairman



Hiring and Maintenance of Essential Requirements (Retention) Policy

Effective Date: December 2, 2021

Revision History: January 8, 2010 revised June 2015, revised January 2018, revised September 2019, revised October 2020

Adopted by Board Resolution Original Board Resolution 092, Board Resolution 1523, Board Resolution 1804, Board Resolution 1912, Board Resolution 2027

Purpose:

Proper selection and training of new employees is a key element in any organization, but it is especially important when selecting new employees in an organization dependent upon staff who are committed to customer service and safety. The following procedures will be followed in the selection of new hires.

Minimum Qualifications

The following are minimum qualifications for employment:

- Prefer High School diploma or GED equivalent, unless otherwise indicated on job description or a governmental regulation;
- Job related experience preferred as designated by the job description;
- U.S Citizen or national, an alien lawfully admitted to permanent residence or an alien authorized to work in the U.S.;
- Must be at least 18 years of age; minimum of 25 years of age for CDL and non-CDL driving positions; unless the following additional criteria are observed:
 - Operators – Minimum age of 23 with additional hiring criteria for ages 23 and 24 as follows:
 - Minimum 3 years licensed (any class).
 - MVR to be reviewed and infractions considered in the best interest of CPTA.
 - Pass a Personality Assessment approved by SAFTI.
 - Maintenance staff (Mechanics & Porters) – Minimum age of 18 with additional hiring criteria as follows:
 - MVR to be reviewed and infractions considered in the best interest of CPTA.

- Age 18-20 can only drive buses on Authority property.
- Age 21-22 can test drive or switch out buses with no customers onboard.
- Must have valid driver's license for at least 3 years or a CDL Driver's License, unless one of the maintenance position exceptions applies;
- For all safety sensitive positions must meet outlined driver qualifications;
- Ideal candidates will preferably have the amount of experience as designated by the job description for the position;
- Must possess basic qualifications for the position which have been established.
- Must be capable to perform the essential job functions and meeting job specifications as described in the job description;
- Must have an acceptable background check as established by the organization and/or required by funding partners;
- Must comply with all other applicable qualifications for employment as established by the organization.

Administrative Hiring:

Central Pennsylvania Transportation Authority (CPTA) is an equal opportunity employer. CPTA seeks to hire administrative and non-bargaining unit employees from a diverse pool of qualified candidates in accordance with its EEO Plan and in conjunction with the needs of the Authority. In the case of all administrative staff, except for the executive director, staff shall hire based upon the minimum qualifications set forth in the job description for a particular job category.

CPTA will perform for non-bargaining unit employees all necessary background checks based upon job titles and responsibilities. Candidates will be notified of the nature of any background checks for their position. Further, on a case by case basis, an application will be supplied for employees that will be in the form of a non-DOT application for completion which will be held by the Authority pursuant to Pennsylvania Record Retention requirements.

Hiring Procedures

The Authority will perform the following procedures when hiring for positions:

Pre-Offer/Pre-Employment

- Advertise/Post position-describing essential job functions, physical requirements and minimum qualifications, etc.
- Must comply with established standard hiring procedures.
- Review applications for job qualifications.
- Must meet minimum established qualifications.
- Interview of selected qualified candidate(s) will be conducted by both phone screens and in person interviews.

- Prior employment must be listed on the application. Reference checks are at the discretion of the Authority.

Offer/Pre-Employment

- Job offers are made, contingent upon successful completion of background checks and testing as established for each position.

Post-Offer/Pre-Employment

- Background check of criminal history, child abuse clearance, credit fitness check for key employee positions where financial responsibility is relevant, and employment history are performed;
- Obtain and review MVR of applicant.

Additional requirements for DOT defined safety sensitive employees:

- Motor Vehicle Driver's Certification of Violation Form must be completed (if not part of the application).
- Safety Performance History Record request must be completed for every employee, which checks for drug and alcohol information for all employers within last two years, and accident history for past three years.
- Require medical qualification through an Authority approved DOT physician
- Required to undergo a pre-employment drug test administered under DOT & FTA regulations with a verified negative result. In the case that a pre-employment test is canceled, the employer will require the covered applicant to take another pre-employment drug screen administered under DOT & FTA regulations. A 'dilute' negative test is unacceptable to the Authority as a negative and the candidate will be instructed to immediately proceed to the collection site for another drug collection. The second test result will be the test of record and should the second test result be reported as 'dilute' the candidate will not be offered employment.

Post-Offer/Post-Employment

- Prepare personnel files (general, medical, etc.)
 - Application;
- Prepare driver qualification files for Drivers/DOT defined safety sensitive employees:
 - Application;
 - Complete background check results that include

- employment reference checks’;
 - Copy of MVR reviewed for hire;
 - Complete Motor Vehicle Driver’s Certification of Violations form (if not part of application)
 - Evidence of negative pre-employment drug screen result, stored in the D&A files;
 - Copy of medical qualification card;
 - Copy of Driver’s License;
 - Receipt of drug and alcohol testing history from previous employer(s), stored in the D&A files.
- Review all applicable employment, job-specific and safety policies and procedures with employee. Obtain evidence of review and understanding of policies and procedures from employee. Provide initial training as follows but not limited to:
 - Pre-trip/post-trip inspection procedures;
 - Basic defensive driving;
 - Accident procedures;
 - Employee policies and training manual;
 - 60 minutes of training on the Substance Abuse Policy as well as 60 minutes of training on the effects and consequences of prohibited drug use;
 - Specific equipment use training;
 - Passenger Assistance and Relations (including Special Needs Passengers, ADA);
 - Customer Service;
 - Specific job duties/tasks

Maintenance of Essential Requirements

The following procedures will be used to insure appropriate and safe behavior by drivers:

- At least an annual review of MVR
- Training as required for job position
- Scheduled background checks

Additional requirements for DOT defined safety sensitive employees:

- Physical re-qualification as required;
- Safety Sensitive participation in drug/alcohol testing program.
- Confirmed positive result or any refusal to have tests administered when specified by management - termination.

- DUI/DWI conviction - termination.

Motor Vehicle Record (MVR) Requirement

It is the Authority Policy and requirement of employment, that every employee position with Authority vehicle driving duties requires a motor vehicle record (MVR) meeting the Authority's requirements. **Any employee who receives a traffic violation or may receive points must notify the Authority within 3 business days or prior to driving an Authority vehicle whichever time frame is earlier, this includes personal vehicles as well as Authority owned vehicles. Any suspension or revocation of license, incidents involving personal injury or vehicles, which are not drivable, must be reported immediately. Employees are personally responsible for payment for all costs associated with tickets for traffic violations.** The Authority reserves the right to review an employee driving record after an incident, accident, violation, or with probable cause at any time.

Annual Motor Vehicle Record Screening

The Authority shall request motor vehicle records (MVR's) at least annually, for every employee who has driving duties. The purpose of this investigation is to ensure that all designated drivers who drive as part of their duties while employed by the Authority maintain an acceptable driving record.

An acceptable driving record is defined as a driving record that would qualify an applicant for employment at the Authority as listed within this policy. If a motor vehicle record is not acceptable, the Authority reserves the right to place the employee on probation for a period of time, and/or revoke driving duties until the employee's MVR qualifies as acceptable, and/or terminate the employee's job. Upon request by the employee, the employee shall receive a copy of their individual MVR after each MVR review.

Child Abuse Clearance

The Authority shall conduct a Pennsylvania Child Abuse History Certification upon hire for any new employee. Prior to expiration of the current clearance, the employee will be required to complete necessary forms to renew their clearance for updated results.

In addition, the employee will be required to satisfy any other requirements as defined by grantors.

Employment Qualifications / Driver Policy

These qualifications apply to both drivers of Authority owned vehicles, as well as, employees using personal vehicles in the course of Authority business.

Classification – NON CDL Passenger Revenue Vehicles

- All applicants must have a current valid driver's license issued by the state in which they reside.

Classification – CDL Passenger Revenue Vehicles – Class C License

- All applicants must have a "P" endorsement on their current valid CDL driver's license issued by the state in which they reside.
- Applicants hired without a CDL and necessary endorsements are hired conditionally and be working towards obtaining the certifications within the 90-day probationary period.

Classification – CDL Passenger Revenue Vehicles – Class A or B License

- All applicants must have a "P" endorsement, air brakes lifted, on their current valid CDL driver's license issued by the state in which they reside.
- Applicants hired without a CDL and necessary endorsements are hired conditionally and be working towards obtaining the certifications within the 90-day introductory period.
- No restrictions that would restrict the driver from driving class of vehicle or necessary commerce.

ALL Vehicle Operators - Safety Sensitive Positions

Applicant must pass a Department of Transportation (DOT) physical examination.

ALL Vehicle Operators – inclusive

Applicant must consent to a pre-employment drug screen immediately following the offer of employment. The Authority must receive a verified negative result.

Applicants must possess only one valid driver's license issued by the resident state of the driver. Operators who have recently transferred from another state must produce a copy of the former license or provide License information for verification from that state. Drivers will need to provide information on all previous held licenses within the past 60-month period.

There shall be NO:

- No DUI or DWI ever on your driving record in a commercial vehicle.
- No DUI or DWI within 10 years in a non-commercial vehicle.
- No Drug convictions, positive screens or refusals.
- No reckless homicide or involuntary manslaughter
- No major infractions, which include, but are not limited to: negligent homicide; manslaughter; or assault involving a motor vehicle; unlawful use of a motor vehicle; racing; reckless driving; careless endangerment; road rage; leaving the scene of an accident; use of a motor vehicle in the commission of a felony; \or attempting to evade a police officer.

All applicants and newly hired employees shall have motor vehicle driving records be examined for a 3-year period (36 months) to have proven:

- No record of a driving license suspension or revocation covering the 36-month period prior to the order date of a Motor Vehicle Record (MVR). A suspension for failure to pay and or failure to appear will be considered provided that there was no conviction for driving while suspended during this time period.

- No operating a vehicle, knowingly or unknowingly, while under suspension or revocation during the 36-month period prior to the order date of a Motor Vehicle Record (MVR).
- No past pattern or record of citations or convictions for more than two motor vehicle accident/violations, (excluding those listed above) during the 36-month period prior to the order date of the Motor Vehicle Record (MVR).
- No past pattern or record of involvement in more than one at-fault traffic accidents while operating a motor vehicle during the 36-month period prior to the order date of the Motor Vehicle Record (MVR).

All current employees of the Authority shall have an Annual Motor Vehicle Record Screening. These records shall be examined to have proven:

- Compliance with current policies and procedures regarding, licensure and any infraction that would violate these qualifications.
- No past pattern or record of citations or convictions for more than two motor vehicle accident/violations, (excluding those listed above) during the 36-month period prior to the order date of the Motor Vehicle Record (MVR).
- No past pattern or record of involvement in more than one at-fault traffic accidents while operating a motor vehicle during the 36-month period prior to the order date of the Motor Vehicle Record (MVR).

The Authority must attempt to receive a negative controlled substance and alcohol result from prior employer(s) for the past two-year period. There may be no prior evidence of controlled substance use.

Applicant must have no instance of refusal to submit to an Alcohol or Controlled Substance test within the past 2-year period including a pre-employment test.

Applicant must have completed application entirely.

Applicant must consent to a ten-year check on work history. Any gap of 30 days or more must be indicated and explained, you may be asked to provide documentation.

Discrepancies may prevent your application from being processed and job offer withdrawn.

Applicants must pass a background check to include felonies, misdemeanors, and child abuse. Criminal records will be evaluated on a case-by-case basis.

Applicant must demonstrate stable work history, good work ethic, dependability, and shares the values and service mindset of the organization and offer return on a training investment.

Applicant must meet the qualifications listed on the job description.

Specific to York Division, applicant must be able to work all bid schedules and be available for force requirements.

You will be an at-will employee throughout your employment with the Authority. Nothing in these guidelines, your application or in the employee handbook guarantees employment for any period of time or is intended to be a contract of employment.

Rules of the Road

General

Authority-owned/leased vehicles are to be used for Authority business only.

Only Authorized employees may drive a vehicle for Authority purposes.

All drivers must abide by all federal, state and local motor vehicle regulations, laws and ordinances.

Pre-trip

Prior to starting a vehicle, drivers must inspect the vehicle exterior and the area around the vehicle. This includes checking tires, leaks, body condition and clearances to other vehicles and objects. Any defects or concerns should be reported immediately.

Drivers must ensure that all required documents (e.g., registration, insurance card, accident report form) are in the vehicle.

On the Road

A driver may not operate a vehicle any time his/her ability is impaired, affected or influenced by alcohol, illegal drugs, medication, illness, fatigue or injury.

No driver may have or permit possession of alcohol or illegal drugs in a vehicle

being used for business purposes.

Drivers are responsible for ensuring that all doors are locked while vehicle is in motion.

Drivers must ensure that the vehicle's headlights are on at all times.

Only approved passengers with a defined business relationship are permitted in the vehicle during the course of business use.

Drivers shall not use a radar detector, laser detector or similar device.

Drivers shall not push or pull another vehicle or tow a trailer without authorization.

Drivers shall not transport flammable liquids and gases unless a DOT- or UL approved container is used, and then only in limited quantities and only when necessary.

Drivers shall not transport or use ignitable or burning flares. Use of reflective triangles is preferred.

Post-Trip

All accidents, vehicle problems or defects must be reported immediately to the driver's immediate supervisor; this involves completing and forwarding all required forms.

Drivers must notify their supervisor of any tickets or other violations received while driving. Notification must be as soon as reasonably possible, but no later than the next scheduled driving duty is performed.

Signature

Date

RESOLUTION NO. 2141

AWARD OF CONTRACT FOR ELYSBURG GENERATOR

WHEREAS, the Central Pennsylvania Transportation Authority (CPTA) site at 61 Tyler Avenue, Elysborg requires a permanently installed generator and disconnect switch; and,

WHEREAS, JMT, an engineering company contracted by the Authority, provided design, consultation, developed an independent cost estimate, and administered the Invitation for Bids (IFB); and

WHEREAS, the IFB was advertised September 22, 2021 with a submission date of October 14, 2021. As of October 11, 2021 there were only two contractors whom had requested bid documents. It was determined by the CPTA Chief Operating Officer and representatives from JMT that it would be best for the Authority to change the submission dates, extending the due date to November 16, 2021; and,

WHEREAS, JMT contacted an additional ten contractors with some accepting bid documents and subsequently not bidding and others having no interest in additional work; and,

WHEREAS, the two contractors who submitted bids were Schauer Electric and Hayden Electric with Schauer entering the lowest bid with a total of One-hundred, Fifty-nine Thousand Dollars, and Zero Cents (\$159,000.00); and,

WHEREAS, JMT provided Five-thousand Dollars and Zero Cents (\$5,000.00) of allowance for Permits and Contingency of Twenty-five Thousand Dollars and Zero Cents (\$25,000) for unforeseen conditions; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Pennsylvania Transportation Authority that a contract be awarded to Schauer Electric for the modifications as designed by JMT, not to exceed One-hundred, Eighty-nine Thousand Dollars, and Zero Cents (\$189,000.00).

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

attest:

Thomas Wilson
Secretary
Central Pennsylvania Transportation Authority

Raymond Rosen
Chairman
Central Pennsylvania Transportation Authority

RESOLUTION NO 2141

AWARD OF CONTRACT FOR ELYSBURG GENERATOR

- This facility is the main paratransit dispatch facility for the CPTA Northern PA counties and does not currently have the ability to utilize a generator.
- In the current configuration when there is a power outage, this dispatch center becomes inoperable.
- After the installation of this generator, the facility will have the ability to function even during times of power outage.
- The generator was provided by IndiGo since it was too small for one of that Authority's facilities.
- The generator represents no cost for CPTA.
- The installation and building electrical modifications are the only cost for CPTA.
- Any unused portions of the \$5,000.00 and \$25,000 allowances will be retained by CPTA and will not be paid to the contractor.

RESOLUTION NO. 2142

APPROVING A LEASE AGREEMENT WITH SRTA

WHEREAS, Susquehanna Regional Transportation Authority (SRTA) is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Columbia, Dauphin, Montour, Northumberland, Perry, Snyder, Union and York; and

WHEREAS, CPTA is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Columbia, Montour, Northumberland, Perry, Snyder, Union and York; and

WHEREAS, SRTA desires to lease from CPTA the rolling stock and facilities to support to provide certain fixed route bus operations, special services paratransit bus operations, maintenance and related support services; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that it approves the lease agreement with SRTA.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson, Secretary

attest: _____

Raymond Rosen, Chairman

LEASE AGREEMENT

SUSQUEHANNA REGIONAL TRANSPORTATION AUTHORITY AND CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

THIS LEASE AGREEMENT ("Lease") is made and entered into on this _____ day _____ of _____, 2021 (the "Effective Date"), by and between Central Pennsylvania Transportation Authority ("CPTA" or "Landlord"), a municipal authority and body corporate and politic which exercises the public powers of the Commonwealth of Pennsylvania as an agency and instrumentality thereof, with its headquarters located at 415 N. Zarfoss Drive, York, PA 17404, and Susquehanna Regional Transportation Authority ("SRTA" or "Tenant"), a municipal authority and body corporate and politic which exercises the public powers of the Commonwealth of Pennsylvania as an agency and instrumentality thereof, with its headquarters located at 901 N. Cameron Street, Harrisburg, Pennsylvania 17101.

BACKGROUND

SRTA is a municipal transit authority which provides public transit services, including fixed route transit services, shared ride and paratransit special transportation services, and other directly related public transportation services, including for example park and Rides, in Adams, Columbia, Cumberland, Franklin, Montour, Northumberland, Perry, Snyder, Union and York Counties in Pennsylvania.

CPTA is a municipal transit authority providing certain fixed route and shared ride paratransit special transportation services to SRTA in York County, and in the past provided other transportation services now being provided by SRTA.

CPTA is the owner of certain tracts or parcels of real estate located at: 1) 415 N. Zarfoss Drive, York, PA, 2) the CPTA Transit Center, King and Pershing Ave, York, Pennsylvania, 3) Park-N-Rides at Board & Church Road, York and Elm Drive, Shrewsbury 4) Gettysburg Operations Facility at 257 R 4th Street and the Transit Center at 103 Carlisle Street Gettysburg, Pennsylvania, 5) Operations Facility at Elysburg, Pennsylvania, 6) various bus shelters throughout the service area, all of which are collectively referred to in this Lease as the "Properties" or "Premises."

CPTA has agreed to lease all of the Properties to SRTA, on the terms and conditions contained in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound, the parties hereto do hereby covenant and agree as follows:

ARTICLE I PREMISES, PRIME LEASE

Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the Properties

currently owned by CPTA, 1) 415 N. Zarfoss Drive, York, PA, 2) the CPTA Transit Center, King and Pershing Ave, York, Pennsylvania, 3) Park-N-Rides at Board & Church Road, York and Elm Drive, Shrewsbury 4) Gettysburg Operations Facility at 257 R 4th Street and the Transit Center at 103 Carlisle Street Gettysburg, Pennsylvania, 5) Operations Facility at Elysburg, Pennsylvania and 6) various shelters throughout the service area.

ARTICLE II TERM

Section 2.1. Initial Term.

The Initial Term shall commence on January 1, 2022, and shall continue through and including December 31, 2027. This lease shall automatically renew for additional five (5) year terms unless notice is provided by any party within ninety (90) days prior to the conclusion of the term.

Section 2.2. Termination.

This Lease shall terminate on the last day of the Initial Term without the necessity of any notice from either Landlord or Tenant to terminate the same, and Tenant hereby waives notice to vacate or quit the Properties and agrees that Landlord shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of the Premises from a Tenant holding over to the same extent as if statutory notice had been given. Tenant hereby agrees that if it fails to surrender the Properties at the end of the Initial Term or any Optional Term, Tenant will be liable to Landlord for any and all damages which the Landlord shall suffer by reason thereof, and Tenant will indemnify Landlord against all claims and demands made by any succeeding tenants against Landlord, founded upon delay by Landlord in delivering possession of the Premises to such succeeding tenant.

Section 2.3. Conditions.

Tenant accepts the Property in its current condition.

ARTICLE III USE

Tenant will occupy the Property only for the Permitted Use of a public transportation authority, and such other uses as are directly related to and further its mission as a public transportation authority, in accordance with applicable state and federal statutes and regulations. If Tenant desires to change the Permitted Use, Tenant must obtain the prior written approval of the Landlord for such change (such approval not to be unreasonably withheld, conditioned or delayed).

ARTICLE IV MAINTENANCE, REPAIRS, OPERATING AND INSURANCE COSTS

SRTA covenants and agrees to pay for all maintenance, repairs, and operating costs for the Properties, except to the extent that any such costs are currently within an existing CPTA federal or state grant. SRTA also agrees to pay for the cost of Landlord's insurance costs for the

Properties. The payment of all such maintenance, repairs, operating and insurance costs 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.

ARTICLE V IMPROVEMENTS

Section 5.1. Improvements.

SRTA may make improvements upon the Properties with CPTA's prior written consent. SRTA shall be responsible for the payment of all such improvements, unless such are within an existing CPTA federal or state grant. SRTA shall fully comply with all applicable federal and state statutes and regulations.

Section 5.2. Mechanic's Liens.

No work performed by Tenant pursuant to this Lease, whether in the nature of erection, construction, alteration or repair, shall be deemed to be for the immediate use and benefit of Landlord so that no mechanic's or other lien shall be allowed against the estate of Landlord or by reason of any consent given by Landlord to Tenant to improve the Properties. Tenant shall place such contractual provisions as Landlord may request in all contracts and subcontracts for Tenant's improvements assuring Landlord that no mechanic's liens will be asserted against Landlord's interest in the Premises or the property of which the Premises are a part. Such contracts and subcontracts shall provide, among other things, the following: notwithstanding anything in such contracts or subcontracts to the contrary, Tenant's contractors, subcontractors, suppliers and material-men (hereinafter collectively referred to as "Contractors") will perform the work and/or furnish the required materials on the sole credit of Tenant; that no lien for labor or materials will be filed or claimed by the Contractors against Landlord's interest in the Premises or the property of which the Premises are a part; that the Contractors will immediately discharge any such lien filed by any of the Contractors' suppliers, laborers, material-men or subcontractors; and that the Contractors will indemnify and save Landlord harmless from any and all costs and expenses, including reasonable attorneys' fees, suffered or incurred as a result of any such lien against Landlord's interest that may be filed or claimed in connection with or arising out of work undertaken by the Contractors. Tenant shall pay promptly all persons furnishing labor or materials with respect to any work performed by Tenant or its Contractors on or about the Premises.

Section 5.3. Tenant's Leasehold Improvements And Trade Fixtures.

All leasehold improvements (as distinguished from trade fixtures and apparatus) installed in the Properties at any time, whether by or on behalf of Tenant or by or on behalf of Landlord, shall not be removed from the Premises at any time, unless such removal is consented to in advance by Landlord, which approval shall not be unreasonably withheld or delayed; and at the expiration of this Lease, all such leasehold improvements shall be deemed to be part of the Premises, shall not be removed by Tenant when it vacates the Premises, and title thereto shall vest solely in Landlord without payment of any nature to Tenant.

Tenant shall have the right to erect, install, maintain and operate on the Premises such trade fixtures, equipment, apparatus and other personal property as Tenant may deem necessary or appropriate, and such trade fixtures, equipment, apparatus and other personal property (as distinguished from leasehold improvements) shall not be deemed to be part of the Premises, shall

remain the property of Tenant and shall be removable by the Tenant at any time, including upon the expiration of this Lease. Tenant shall repair any damage to the Premises caused by the removal of such trade fixtures, equipment, improvements, apparatus and other personal property and shall restore the Premises to substantially the same condition as existed prior to the installation of such trade fixtures, equipment, improvements and apparatus.

ARTICLE VI OPERATIONS

Section 6.1. Hazardous Substances.

Except for such materials as may be used in the ordinary course of Tenant's business in the Premises, Tenant shall not use or allow the Premises to be used for the Release, storage, use, treatment, disposal or other handling of any Hazardous Substance, without the prior consent of Landlord. The term "Release" shall have the same meaning as is ascribed to it in the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §-9601 *et seq.*, as amended ("CERCLA"). The term "Hazardous Substance" means (i) any substance defined as a "hazardous substance" under CERCLA, (ii) petroleum, petroleum products, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas, and (iii) any other substance or material deemed to be hazardous, dangerous, toxic, or a pollutant under any federal, state or local law, code, ordinance or regulation.

Tenant shall: (a) comply with all federal, state, and local laws, codes, ordinances, regulations, permits and licensing conditions governing the Release, discharge, emission, or disposal of any Hazardous Substance and prescribing methods for or other limitations on storing, handling, or otherwise managing Hazardous Substances, (b) at its own, expense, promptly contain and remediate any Release of Hazardous Substances arising from or related to Tenant's Hazardous Substance Activity in or near the Premises or the environment and remediate and pay for any resultant damage to property, persons, and/or the environment, (c) give prompt notice to Landlord, and all appropriate regulatory authorities, of any Release of any Hazardous Substance in or near the Premises or the environment arising from or related to Tenant's Hazardous Substance Activity, which Release is not made pursuant to and in conformance with the terms of any permit or license duly issued by appropriate governmental authorities, any such notice to include a description of measures taken or proposed to be taken by Tenant to contain and remediate the Release and any resultant damage to property, persons, or the environment, (d) at Landlord's request based on a reasonable cause to believe that Hazardous Substances may have been Released in the Premises due to Tenant's Hazardous Substance Activity, which request shall not be more frequent than once per calendar year, retain an independent engineer or other qualified consultant or expert acceptable to Landlord, to conduct, at Tenant's expense, an environmental audit of the Premises and immediate surrounding areas, and the scope of work to be performed by such engineer, consultant or expert shall be approved in advance by Landlord, and all of the engineer's, consultant's, or experts work product shall be made available to Landlord, (e) at Landlord's request from time to time, execute affidavits, representations, and the like concerning Tenant's best knowledge and belief regarding the presence of Hazardous Substances in the Premises, (f) reimburse to Landlord, upon demand, the reasonable cost of any testing for the purpose of ascertaining if there has been any Release of Hazardous Substances in the Premises due to Tenant's Hazardous Substance Activity, if such testing is required by any

governmental agency, and (g) upon expiration or termination of this Lease, surrender the Premises to Landlord free from the presence and contamination of any Hazardous Substance arising from Tenant's Hazardous Substance Activity. As used in this Lease, the term "Hazardous Substance Activity" shall mean the Release, storage, use, treatment or disposal of any Hazardous Substance by the Tenant, its customers, contractors and invitees.

Section 6.2. Trash Removal Service.

Tenant shall contract for trash and recycling service.

Section 6.3. Maintenance.

Tenant shall ensure standard maintenance of the Property including such matters as snow removal, basic cleanliness, and ensure general safety practices are maintained at the Property at current levels of maintenance as performed by the Landlord.

**ARTICLE VII
REPAIRS and ALTERATIONS**

Section 7.1. Repairs To Be Made By Landlord.

Landlord shall not be responsible to make any repairs to the Properties, unless the cost of such is within current CPTA federal or state grants. Otherwise, Tenant shall make all necessary structural repairs to the Properties, including but not limited to, the exterior walls, structural columns, roof penetrations and floors. Landlord shall not be liable for leakage of water or other substances into the Premises, nor any damage caused thereby, unless and only to the extent such damage is covered under any property and casualty insurance or other insurance policy maintained by Landlord, it being acknowledged that Tenant is responsible for maintaining and paying for all such insurance coverage, not Landlord.

Section 7.2. Repairs To Be Made By Tenant.

Throughout the term of this Lease, except as otherwise expressly set forth in this Lease, Tenant at its sole cost and expense, shall keep, repair, and maintain the Premises in reasonably good order and condition, and make all necessary subsequent repairs thereto. Tenant shall keep and maintain all portions of the Premises in a clean and orderly condition, free of dirt, rubbish, and unlawful obstructions. In addition the Tenant shall assume responsibility for monitoring and maintaining smoke detectors located in the Premises.

All repairs to the Premises or any installations, equipment or facilities in or appurtenant to the Premises, other than those repairs to be made by Landlord as set forth above, shall be made by Tenant at its expense. Without limiting the generality of the foregoing, Tenant will keep the interior of the Premises, together with all electrical, plumbing and other mechanical installations in and appurtenant to the Premises and the utility lines and installations located within the interior of the Premises, in good order and repair and will make all replacements from time to time required thereto at its expense. Tenant will surrender the Premises at the expiration of the Term or at such other time as it may vacate the Premises in good condition, excepting depreciation caused by ordinary wear and tear, and damage due to insured Casualty. Any

damage or injury sustained by any person because of mechanical, electrical, plumbing or any other equipment or installations, whose maintenance and repair are the responsibility of Tenant under this Lease, shall be paid for by Tenant, and Tenant hereby agrees to indemnify and hold Landlord harmless from and against all claims, actions, damages and liability in connection therewith, including, but not limited, to attorneys' and fees for other professionals, and any other cost which Landlord might reasonably incur.

Section 7.3. Damage To Premises.

Tenant will repair promptly at its expense any damage to the Premises which is the Tenant's responsibility to repair under this Lease.

ARTICLE VIII UTILITIES

Section 8.1. Water, Electricity, Telephone, HVAC and Sanitary Sewer.

Tenant shall be responsible for the maintenance, repair and operating costs of all utilities, including water, electricity, cooled and heated water, air/heat conditioning, telephone, sanitary sewer service and gas. Tenant shall arrange for the furnishing to the Premises of such utility services as it may require and shall be solely responsible for and shall promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and other utilities used or consumed in the Premises and supplied by a public utility or public authority or any other person, firm or corporation, including Landlord, supplying the same. Tenant shall maintain, repair, and replace, at its own cost and expense, (i) the heating, ventilating and air conditioning systems in and/or serving the Premises, (ii) any elevators in and/or serving the Premises, and (iii) any fire protection suppression systems in the Premises.

Section 8.2. Discontinuance And Interruptions Of Utility Services.

Landlord shall not be liable to Tenant in damages or otherwise (i) if any utility shall become unavailable from any public utility company, public authority or any other person or entity (including Landlord) supplying or distributing such utility, or (ii) for any interruption in any utility service (including, without limitation, any heating, ventilation, air-conditioning or sprinkler) caused by the making of any necessary repairs or improvements or by any cause.

ARTICLE IX INDEMNITY and INSURANCE

Section 9.1. Indemnification.

To the fullest extent permitted by law, Tenant shall and does hereby indemnify Landlord and all of its officers, board members, employees, agents, contractors, servants, licensees and invitees (each, an "Indemnified Party"), and agrees to save all such parties and entities harmless and, at Landlord's option, and with counsel acceptable to Landlord, defend Landlord from and against any and all claims, actions, damages, liabilities and expenses (including, without limitation, attorneys' and fees for other professionals) judgments, settlement payments, and fines paid (collectively, the "Loss") incurred or suffered by any such parties or entities in connection

with loss of life, personal injury and/or damage to property or the environment arising from or out of the occupancy or use by Tenant of the Premises, or any part thereof, the Building, including the Common Areas and the parking garage, or the performance or the breach of this Lease, occasioned wholly or in part by any act or omission of Tenant, its officers, agents, contractors, employees or invitees, or arising, directly or indirectly, wholly or in part, from any conduct, activity, act, omission, or operation of Tenant, its officers, agents, contractors, employees or invitees, including, but not limited to the use, handling, generation, treatment, storage, disposal, other management or Release of any Hazardous Substance in, from or to the Premises, whether or not Tenant may have acted negligently with respect to such Hazardous Substance, excluding, however, any Loss arising from an Indemnified Party's gross negligence or willful misconduct.

Tenant's obligations pursuant to this section shall survive any termination of the Lease with respect to any act, omission or occurrence which took place prior to such termination.

Section 9.2. Landlord Not Responsible For Acts Of Others.

Except as otherwise provided in this Lease, Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage which may be occasioned by or through the acts or omissions of persons occupying space adjoining the Premises or any part of the Building, or otherwise, or for any loss or damage resulting to Tenant, or those claiming by, through or under Tenant, or its or their property, from the breaking, bursting, stoppage or leaking of electrical cable and wires, or water, gas, sewer or steam pipes, except, in each such case, for any loss or damage caused by Landlord's gross negligence or willful misconduct. Except as otherwise provided under this Lease, Tenant agrees to use and occupy the Premises at Tenant's own risk.

Section 9.3. Tenant's Insurance.

At all times after the execution of this Lease, Tenant will carry and maintain, at its expense:

(a) commercial (general) liability insurance policy, including (but not limited to) insurance against assumed or contractual liability under this Lease, with respect to liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, to afford protection with respect to personal injury, death or property damage of not less than One Million Dollars (\$1,000,000) per occurrence combined single limit for general liability and not less than One Million Dollars (\$1,000,000) for automobile liability; and

(b) all-risks property and casualty insurance policy, including theft coverage, written at replacement cost value and with replacement cost endorsement, covering all of Tenant's personal property in the Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Lease) and all leasehold improvements installed in the Premises by or on behalf of Tenant; and

(c) if and to the extent required by law, worker's compensation insurance policy, or similar insurance in form and amounts required by law.

Section 9.4. Tenant's Contractor's Insurance.

Tenant shall require any contractor of Tenant performing work on the Premises to carry and maintain, at no expense to Landlord, a non-deductible:

(a) commercial (general) liability insurance policy, including (but not limited to) contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractors protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than Two Million Dollars (\$2,000,000) per occurrence combined single limit/Two Million Dollars (\$2,000,000) general aggregate (but not less than Two Million Dollars (\$2,000,000) per location aggregate); and

(b) comprehensive automobile liability insurance policy with limits for each occurrence of not less than Two Million Dollars (\$2,000,000) with respect to personal injury or death and property damage; and

(c) worker's compensation insurance policy or similar insurance in form and amounts required by law.

Section 9.5. Policy Requirements.

The company or companies writing any insurance which Tenant is required to carry and maintain or cause to be carried or maintained pursuant to this Lease, as well as the form of such insurance, shall at all times be subject to Landlord's approval, which approval shall not be unreasonably withheld or delayed, and any such company or companies shall be licensed to do business in the state in which the Premises is located, with a financial rating of at least A- as rated in the most recent edition of *Best Insurance Reports*, and in business for at least the past five years. Comprehensive general liability and all-risks property and casualty insurance policies evidencing such insurance shall, with respect to comprehensive commercial liability policies, name Landlord, and/or its designee(s) as additional insured and, with respect to all-risks property and casualty insurance policies, name Landlord and/or its designee(s) as loss payee, shall be primary and noncontributory, and shall also contain a provision by which the insurer agrees that such policy shall not be canceled, materially changed or not renewed without at least thirty days' advance notice to Landlord, or to such other party or address as may be designated by Landlord or its designee. Each such policy or a certificate thereof, shall be deposited with Landlord by Tenant promptly upon commencement of Tenant's obligation to procure the same.

Section 9.6. Increase In Insurance Limits.

Landlord reserves the right to require that the insurance limits set forth above or elsewhere in this Lease be reasonably increased from time to time, provided that Landlord determines, in good faith, that the existing coverage limitations are inadequate to protect Landlord's interest in the Premises.

Section 9.7. Tenant to Pay Cost of Landlord's Insurance.

Tenant shall be responsible to pay for the full cost of Landlord's insurance for the Properties, which shall be part of the consideration and rent for the Properties, as set forth above.

**ARTICLE X
ASSIGNMENTS and SUBLETTING**

Section 10.1. Landlord's Consent Required.

Tenant will not assign this Lease, in whole or in part, or sublet all or any part of the Premises, without first obtaining the consent of Landlord, which consent will not be unreasonably withheld.

Section 10.2. Landlord's Assignment of Existing Leases.

Landlord shall assign all of its existing leases on the Properties to Tenant, effective with the commencement Date of this Lease, or at such other date as the parties may agree.

**ARTICLE XI
NON-DISTURBANCE and ATTORNMENT**

If any person shall succeed to all or part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, the successor to Landlord's interest in the Lease shall not terminate this Lease or disturb Tenant's occupancy of the Premises; provided, however, that if so requested or required by such successor in interest, Tenant shall refer to such successor in interest and shall execute such agreement in confirmation of such non-disturbance and attornment as such successor in interest shall reasonably request.

**ARTICLE XII
NOTICES**

Any notice, request, demand, approval or consent given or required to be given under this Lease shall be in writing and shall be deemed to have been given as follows:

(a) if intended for Landlord, on the third day following the day on which the same shall have been mailed by United States Postal Service registered or certified mail or express mail, return receipt requested, with all postage charges prepaid, addressed to Landlord as follows:

Chairperson of the Board
CPTA
415 N. Zarfoss Drive
York, PA 17404

(b) and if intended for Tenant, on the third day following the day on which the same shall have been mailed by United States Postal Service registered or certified mail or express mail, return receipt requested, with all postage charges prepaid, addressed to Tenant as follows:

Chairperson of the Board
SRTA
901 N. Cameron Street
Harrisburg, PA 17101

Either party may, at any time, change its address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

ARTICLE XIII QUIET ENJOYMENT; LANDLORD'S WARRANTIES.

Section 13.1. Landlord's Authority: Quiet Enjoyment.

Landlord represents and warrants that (a) it has full right and authority to execute this Lease for the term and upon the conditions herein contained, and (b) Tenant, upon performing all of its obligations hereunder, shall not be disturbed in its peaceful and quiet enjoyment of the Premises for the term of this Lease and any renewals thereof by any party claiming by, through or under Landlord, subject to the terms and conditions of this Lease.

Section 13.2. Representations of Landlord.

(a) Landlord represents, warrants and covenants to Tenant as follows:

(1) Landlord has good and marketable fee simple title to the Property, possesses full power and authority to deal therewith in all respects and no other party has any right or option with respect to the Premises or in connection therewith;

(2) There are no pending or, to the knowledge of Landlord, threatened condemnation proceedings or actions affecting the Property;

(3) This Lease and the consummation of the transactions contemplated hereby shall be valid and binding upon Landlord and shall not constitute a default (or an event which with notice or passage of time or both will constitute a default) under any contract to which Landlord is a party or by which it is bound;

(4) Landlord is not subject to any contract, lease or other agreement, written or oral, with respect to the ownership, use, operation or maintenance of the Premises, other than contracts, leases and agreements which have been disclosed to Tenant in writing;

(5) Use of the Premises for the Permitted Use will not violate the terms and provisions of any leases or other restrictions affecting the Property;

(6) Landlord is currently involved in pending litigation involving two of the prime contractors for the construction of the Building and Property ("Construction Project"); Landlord

is aware of claims of numerous subcontractors and suppliers, many of whom have requested copies of the payment bonds for the Construction Project; Landlord anticipates that additional claims and suits may be filed relating to the Construction Project, including but not limited to claims relating to the payment and performance bonds; claims have been filed and Landlord anticipates that additional claims and suits may be filed relating to the collapse of a building adjacent to the Construction Project;

(b) Except as expressly set forth in this Lease, Landlord makes no warranties or representations as to the Premises, or any other conditions or terms of this Lease, and Tenant expressly acknowledges that it has not relied upon any statements made by Landlord or any conditions not expressly set forth in this Lease.

ARTICLE XIV IMMUNITIES AND LIMITATION ON RIGHT OF RECOVERY

Nothing contained in this Lease shall be or be deemed to be a waiver of the immunities and limitations enjoyed by Landlord or Tenant under the provisions of 42 Pa.C.S. §§8501 - 8564 and other law, as applicable.

ARTICLE XV MISCELLANEOUS PROVISIONS

Section 15.1. Estoppel Certificates.

At any time and from time to time, within ten days after Landlord or Tenant shall request the same, the party of whom such request is made will execute, acknowledge and deliver to the requesting party and to such other party as may be designated by the requesting party, a certificate in a form reasonably acceptable to the requesting party certifying, to the best of its knowledge, as to such matters relating to this Lease or to the status of performance of obligations of the parties hereunder as may be reasonably requested by such requesting party.

Section 15.2. Successors And Assigns.

This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord, its successors and assigns, and shall be binding upon Tenant, its successors and assigns and shall inure to the benefit of Tenant and only such assigns and subtenants of Tenant as shall be permitted under this Lease. Upon any sale or other transfer by Landlord of its interest in the Premises and in this Lease, and the assumption by Landlord's transferee of the obligations of Landlord hereunder, Landlord shall be relieved of any obligations under this Lease accruing thereafter.

Section 15.3. Compliance With Laws And Regulations.

Except as otherwise expressly set forth in this Lease, Tenant, at its sole cost and expense, shall comply, and shall cause the Premises to comply with (a) all federal, state, regional, county, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances affecting any part of the Premises, or the use thereof, including, but not limited to, those which require the making of any unforeseen or extraordinary changes, whether or not any such statutes,

laws, rules, orders, regulations of ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same, and (b) all rules, orders and regulations of the National Fire Protection Association, Landlord's casualty insurer(s) and other applicable insurance rating organizations or other bodies exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions which apply to the Premises.

Section 15.4. Captions And Headings.

The captions and headings of articles and sections are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Lease.

Section 15.5. No Discrimination.

All customers, employees, licensees, and invitees of Tenant shall have the opportunity to obtain all the goods, services, accommodations, advantages, facilities and privileges of the Premises without discrimination because of race, creed, color, sex, age, national origin, ancestry, or handicap. Tenant shall not discriminate in the conduct and operation of its business in the Premises against any person or group of persons because of the race, creed, color, sex, age, national origin, ancestry, or handicap of such person or group of persons.

Section 15.6. Landlord Not Liable For Loss Or Damage.

Tenant understands and affirms that Landlord has no duty to provide security in the Premises, the Building or the surrounding area. Nothing herein shall render the Landlord responsible for property losses or bodily injury including death to Tenant, its employees and invitees, caused by or resulting from criminal acts.

Section 15.7. No Joint Venture.

Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed.

Section 15.8. Submission Of Lease.

The submission of this Lease to Tenant shall not constitute an offer to Lease the Premises to Tenant, nor shall it grant or convey to Tenant any rights in or to the Premises. This Lease shall not be effective or shall it bind the parties hereto unless and until a copy of this Lease, fully executed by Landlord, is delivered to Tenant or its agents or representatives.

Section 15.9. No Modification.

The parties hereto intend that this writing be the final expression of their agreement and the complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. No course of prior dealings between the parties or their officers, employees, agents or affiliates shall be relevant or admissible to supplement, explain or vary any of the terms of this Lease. Acceptance of or acquiescence in, a course of performance rendered under this or any prior agreement between the

parties or their affiliates shall not be relevant or admissible to determine the meaning of any of the terms of this Lease. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein. This Lease can be modified only by a writing signed by the party against whom the modification is enforceable.

Section 15.10. Severability.

If any portion of any term or provision of this Lease, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 15.11. Third Party Beneficiary.

Nothing contained in this Lease shall be construed so as to confer upon any other party the rights of a third party beneficiary.

Section 15.12. Applicable Law.

This Lease and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the Commonwealth of Pennsylvania. The parties hereto agree to the exclusive concurrent jurisdiction of the state and federal courts that sit within the City of York, Pennsylvania for the resolution of all disputes arising hereunder.

Section 15.13. Survival.

All representations, warranties, covenants, conditions and agreements contained herein which either are expressed as surviving the expiration or termination of this Lease or, by their nature, are to be performed or observed, in whole or in part, after the termination or expiration of this Lease, shall survive the termination or expiration of this Lease.

Section 15.14. Counterparts; Delivery of Signature Pages.

This Lease may be executed in counterparts, each of which shall constitute an original. Signatures to this Lease delivered by facsimile or e-mail transmission shall be binding against the party delivering such signature.

Section 15.15. Title VI Assurance.

(a) The Tenant for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof does hereby covenant and agree " as a covenant running with the land" that in the event facilities are constructed, maintained, or otherwise operated in or on the Premises described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49 of the Code of Federal

Regulations, Transportation, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally - Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.

In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Lease had never been made or issued.

(b) The Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, "as a covenant running with the land" that (1) no person, on the ground of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of such facilities, (2) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon or therein, no person on the ground of race, color or national origin shall be excluded from participation in, denied the benefits of or otherwise subjected to discrimination, (3) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49 of the Code of Federal Regulations, Transportation, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally - Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.

In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Lease had never been made or issued.

Section 15.16. FEDERAL TRANSIT ADMINISTRATION GRANT REQUIREMENTS:

(a) The Tenant acknowledges that the Landlord is the recipient of Federal grants through the Federal Transit Administration ("FTA"), which funds, in part, the Property. The Tenant further acknowledges that, pursuant to FTA grant requirements, the Landlord must demonstrate and retain satisfactory continuing control over the use of the Property. The Tenant agrees that it will not exercise any right permitted under this Lease in a manner which compromises or otherwise diminishes the Landlord's obligation to retain satisfactory continuing control over the use of the Property.

(b) The Tenant acknowledges the Federal interest in the Property and agrees that it will take no action which compromises or otherwise diminishes such interest.

(c) The Tenant acknowledges that the Landlord must comply with all applicable Federal statutes, regulations, orders, certification and assurances, or other Federal law (collectively referred to as "Federal laws"), including, but not limited to, those set forth in the current Master Agreement governing transit projects supported with Federal assistance awarded through the FTA. The Tenant agrees that it will take no action seeking compliance with non-Federal laws to the extent such laws conflict with applicable Federal laws.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby have executed this Lease as of the day and year first above written.

LANDLORD: Central Pennsylvania
Transportation Authority

BY: _____
Raymond Rosen, Chairperson

DATE: _____

ATTEST: _____
Thomas Wilson, Secretary

TENANT: Susquehanna Regional
Transportation Authority

BY: _____
Raymond Rosen, Chairperson

DATE: _____

ATTEST: _____
Rich Kotz, Secretary

RESOLUTION NO. 2143

APPROVING A SUBCONTRACT AND SERVICE AGREEMENT WITH SRTA

WHEREAS, Susquehanna Regional Transportation Authority (SRTA) is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Columbia, Dauphin, Montour, Northumberland, Perry, Snyder, Union and York; and

WHEREAS, CPTA is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Columbia, Montour, Northumberland, Perry, Snyder, Union and York; and

WHEREAS, SRTA desires to subcontract with CPTA to provide certain fixed route bus operations, special services paratransit bus operations, maintenance and related support services in the County of York; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that it approves the subcontract and services agreement with SRTA.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson, Secretary

attest: _____

Raymond Rosen, Chairman

SUBCONTRACT AND SERVICES AGREEMENT

THIS SUBCONTRACT AND SERVICES AGREEMENT (hereinafter referred to as "Agreement") effective this 1st day of January, 2022 by and between the SUSQUEHANNA REGIONAL TRANSPORTATION AUTHORITY, a municipal authority organized under the Municipalities Authorities Act of 1945, as amended, with its principal offices located at 901 N. Cameron Street, Harrisburg, Pennsylvania, (herein referred to as "SRTA"), and the CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY, a municipal authority organized under the Municipalities Authorities Act of 1945, with its principal offices located at 415 North Zarfoss Drive, York, Pennsylvania (herein referred to as "CPTA").

WITNESSETH:

WHEREAS, SRTA is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Columbia, Dauphin, Montour, Northumberland, Perry, Snyder, Union and York; and

WHEREAS, CPTA is a municipal authority engaged in the activity of providing public transit services within the Counties of Adams, Cumberland, Columbia, Montour, Northumberland, Perry, Snyder, Union and York ("Service Area"); and

WHEREAS, CPTA will provide operators for services (Fixed Route, Paratransit and other public transit services) for York County and maintenance for York County and the service area.

WHEREAS, SRTA desires to subcontract with CPTA to provide certain fixed route bus operations, special services paratransit bus operations, maintenance and related services in the County of York.

NOW, THEREFORE, intending to be legally bound, the parties hereto agree as set forth below.

1. **CPTA Subcontracted Services.** SRTA hereby subcontracts with CPTA and CPTA agrees to provide the following services to SRTA in the County of York:

- 1.1. CPTA shall provide fixed route transportation series in York County, as designated from time to time by SRTA;

- 1.2. CPTA shall provide bus operators for the above fixed route services;

- 1.3.CPTA shall provide certain special services, including but not limited to shared ride and microtransit transportation services, as specified from time to time by SRTA;
- 1.4.CPTA shall provide special services (paratransit) vehicle operators for the above special services routes, as specified from time to time by SRTA.
- 1.5.CPTA shall utilize its existing fixed route vehicles for the above fixed route services, including those ordered but not yet delivered under existing grants;
- 1.6.CPTA shall utilize its existing special services (paratransit) vehicles for the above special services routes services, including those ordered but not yet delivered under existing grants;
- 1.7.CPTA shall provide maintenance employees for the fixed route and certain special services vehicles;
- 1.8.CPTA Shall provide and pay for insurance on all of its fixed route and special services (paratransit) vehicles;
- 1.9.CPTA shall collect passenger fares directly paid to the bus operators and shall remit all such faresto SRTA on a daily basis;
- 1.10. All such services shall be provided primarily for the residents and visitors of York County and/or as directed by the dispatcher;

2. Lease of Buildings and Facilities. CPTA shall lease to SRTA its existing transit facilities. SRTA shall be responsible for the maintenance, repair, and operating costs for all such buildings and facilities, and shall maintain insurance on all such buildings and facilities, except to the extent that such are currently within an existing CPTA federal or state grant. CPTA and SRTA shall enter into a written Lease Agreement in the form attached as Exhibit A.

3. Lease of Certain Vehicles. CPTA shall lease to SRTA its vehicles currently used for administration and support staff. CPTA and SRTA shall enter into a written Vehicle Lease Agreement in the form attached as Exhibit B.

4. SRTA Responsibilities. It is recognized that as of January 1, 2022, SRTA shall be the entity responsible for providing transportation services throughout the Service Area, and that CPTA shall be solely a subcontractor to SRTA. SRTA shall provide the following services:

- 4.1.SRTA may purchase and lease to CPTA new vehicles necessary for the fixed route transportation services for York County, in which case CPTA and SRTA shall enter into a written Vehicle Lease Agreement, in the form attached as Exhibit C;

- 4.2.SRTA may purchase and lease to CPTA new vehicles necessary for the specified special services(paratransit) route transportation services for York County, in which case CPTA and SRTA shall enter into a written Vehicle Lease Agreement, in the form attached as Exhibit C;
- 4.3.SRTA shall provide all necessary materials and supplies to CPTA which CPTA does not currently have, for the operation of the above transportation services and maintenance of vehicles;
- 4.4.SRTA shall be responsible for all support services, including, but not limited to, those related to the fixed route, paratransit, and maintenance operations subcontracted to and provided by CPTA. This shall include but not be limited to services of the executive director, management and supervisory operations staff, management and supervisory maintenance staff, financial department services and staff, administration and human resources services and staff, support and customer service staff, IT department services and staff, and procurement, marketing and clerical services and staff. This shall also include all services subcontracted to other entities.
- 4.5.SRTA shall oversee compliance with all Federal, State, and Local statutory and regulatory requirements, prepare Board meeting agenda and materials and its Executive Director shall attend Board meetings of CPTA, and represent CPTA at any meetings required with local elected officials.
- 4.6.SRTA shall supply special service operators in the portions of the Service Area where CPTA does not have direct employees. Nothing in this Agreement shall be construed to make CPTA and SRTA joint employers and nothing shall entitle SRTA special service operators any status within any union that is certified for CPTA.
5. **Assignment of Contracts.** CPTA shall assign to SRTA its existing lease agreements and such other contracts and agreements as the parties may agree.
6. **Authorization.** CPTA authorizes SRTA to take all actions necessary to efficiently and effectively perform all support services under this Agreement, including but not limited to the right to administer current grant agreements and to sign checks and handle monies and finances.
7. **Revenues.** As the designated public transit agency for the County of York, and as lessee of buildings and facilities, all revenues from passenger fares, parking revenues, and rental and other payments from building leases shall be paid to SRTA, unless the parties specifically agree otherwise.

- 8. Payment for services.** CPTA shall pay for all of its personnel costs directly. SRTA shall reimburse CPTA for the cost of such services that CPTA is not able to pay after utilizing its existing operating funds and revenues. This shall include all personnel and labor costs for wages, fringe benefits, including but not limited to health insurance, life insurance, disability insurance, tool allowance, uniforms, related payroll costs, and other costs required by the collective bargaining agreements to which CPTA is a party. CPTA and SRTA shall review and prepare a full accounting of the actual costs of such services on a regular basis, at least monthly.
- 9. Other services and costs.** The parties may mutually agree to additional services, in writing, and duly approved by the parties' respective Boards of Directors.
- 10. Term.** The subcontracted services shall begin on or about January 1, 2022, and shall remain in full force and effect through June 30, 2024. At the conclusion of this initial term, the Agreement may be renewed upon mutual agreement on a year to year basis. In the event that any party seeks to not renew this Agreement they shall provide written notice not less than 120 days prior to the end of the term.
- 11. Relationship of the Parties.** The executive, management, administrative and support staff employees providing any services to CPTA under this Agreement shall be employees of SRTA only and shall not be employees of CPTA. Similarly, special service operators employed by SRT shall be employees of SRTA only and not employees of CPTA. The bus operators, special services operators, and maintenance employees providing subcontracting services to SRTA under this Agreement shall be employees of CPTA only and shall not be employees of SRTA.
- SRTA shall be responsible for all compensation, including workers compensation and other fringe benefits, for all SRTA employees. CPTA shall be responsible for all compensation, including workers compensation and other fringe benefits, for all CPTA employees.
- 12. Personal Liability.** No officer, director, board member, or employee of SRTA or CPTA shall be personally liable for the performance of the terms of this Agreement.
- 13. Indemnification.** CPTA agrees to defend, indemnify and hold harmless the Federal Transit Administration, the Commonwealth of Pennsylvania, all counties and municipalities with the service area and SRTA, their board members, officers, agents, servants and employees from any against any and all liability, costs and expenses, including court costs and reasonable counsel fees, whether or not arising out of any claim, suit or action at law, in equity, or otherwise, of any kind or nature whatsoever, which may be brought against SRTA and/or any of the aforementioned on account of any loss to property or injury to any person or persons (including death), including

CPTA's and its subcontractors' officers, agents, servants or employees, to the extent such Damages result from the negligent or willful acts or omissions of CPTA or its subcontractors and/or their officers, agents, servants or employees in the performance of its obligations hereunder either during the term of this Agreement, or upon or after completion thereof. SRTA will provide notice promptly after obtaining knowledge of a claim subject to this indemnification and make available all information and assistance that CPTA may reasonably request. SRTA agrees to defend, indemnify and hold harmless CPTA, its board members, officers, agents, servants and employees from any against any and all liability, costs and expenses, including court costs and reasonable counsel fees, whether or not arising out of any claim, suit or action at law, in equity, or otherwise, of any kind or nature whatsoever, which may be brought against CPTA and/or any of the aforementioned on account of any loss to property or injury to any person or persons (including death), including SRTA's officers, agents, servants or employees, to the extent such Damages result from the negligent or willful acts or omissions of SRTA and/or its officers, agents, servants or employees in the performance of its obligations hereunder either during the term of this Agreement, or upon or after completion thereof. CPTA will provide notice promptly after obtaining knowledge of a claim subject to this indemnification and make available all information and assistance that SRTA may reasonably request.

14. Invalidity of Provision. Should any part of this Agreement be declared unconstitutional, invalid or beyond the authority of either party to enter into or carry out, such declaration will not affect the validity of the remainder of this Agreement, which will continue to be in full force and effect; provided, however, that if any part is declared unconstitutional, invalid or beyond the authority of a party to enter into or carry out, and is, in the judgment of CPTA or SRTA, material to the Agreement, CPTA or SRTA shall have the right on ninety (90) days written notice to the other to terminate this Agreement.

15. Notices. All notices required or allowed by this Agreement shall be in writing by certified mail, return receipt requested, addressed to the receiving party as follows:

Chairperson, Board of Directors of SRTA
901 North Cameron Street
Harrisburg, PA 17101

Chairperson, Board of Directors of CPTA
415 North Zarfoss Drive
York, PA 17404

Or at such other address as either party may designate in writing to the other party as its address for

receiving of notices.

16. Governing Law. This Agreement will be governed by and constructed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby, do hereunto se their hands and official seals the day and year first above written.

Attest:

Central Pennsylvania Transportation Authority

BY _____

Thomas Wilson, Secretary

Raymond Rosen, Chairperson

Attest:

Susquehanna Regional Transportation Authority

BY _____

Rich Kotz, Secretary

Raymond Rosen, Chairperson

RESOLUTION NO. 2144

ESTABLISHING BOARD MEETING CALENDAR FOR 2022

WHEREAS, the Board meeting calendar of the Central Pennsylvania Transportation Authority must be established and published annually;

WHEREAS, the Board committee calendar of the Central Pennsylvania Transportation Authority will be published along with the established Board meeting calendar to avoid any conflicts with existing laws and requirements;

WHEREAS, in any month a board meeting may be canceled, a management report along with financial statements will be mailed to board members;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Central Pennsylvania Transportation Authority that they shall meet according to the following calendar –all Board meetings commencing at 9:45 a.m., except as otherwise noted, at the office of rabbittransit, 415 N. Zarfoss Drive, York, PA:

January 27, 2022
February 24, 2022
March 31, 2022
April 28, 2022
May 26, 2022
June 30, 2022
July 28, 2022
August 25, 2022
September 29, 2022
October 27, 2022
November 17, 2022
December 22, 2022

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson
Secretary

attest: _____
Raymond Rosen
Chairman

RESOLUTION NO. 2145

**APPROVING THE CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY FRAUD,
WASTE AND ABUSE POLICY**

WHEREAS, the Central Pennsylvania Transportation Authority wishes to adopt a policy to support the Authority's commitment to the safeguarding of public assets and preventing fraud, waste and abuse, and,

WHEREAS, the Central Pennsylvania Transportation Authority establishes and maintains a fair, ethical, and honest business environment for all employees, customers, suppliers and anyone else with whom the Authority has a relationship, and,

WHEREAS, the Central Pennsylvania Transportation Authority wishes to establish guidelines for reporting unethical behavior, and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Pennsylvania Transportation Authority, that the adoption of the Central Pennsylvania Transportation Authority Fraud, Waste and Abuse Policy be adopted and instituted.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson
Secretary
Central Pennsylvania Transportation Authority

attest: _____
Raymond Rosen
Chairman
Central Pennsylvania Transportation Authority

Fraud, Waste, and Abuse Policy

Overview

Susquehanna Regional Transportation Authority (SRTA, “Authority”) is committed to the safeguarding of public assets and preventing fraud, waste, and abuse. This includes but is not limited to fraud, waste and abuse in any federal or state program including Medicare, Medicaid or any other subsidized trip with the Agency. All Susquehanna Regional Transportation Authority employees, as public stewards, must share in this commitment. SRTA employees, especially supervisors and department heads, must be aware of the circumstances or so-called “red flags” which may potentially lead to fraud, waste, and/or abuse.

Purpose

The purpose of this document is to communicate the Authority’s policy regarding the deterrence and investigation of suspected misconduct and dishonesty by employees, customers and others, and to provide specific instruction regarding appropriate action in case of suspected violations.

Scope

This policy applies to any fraud, waste or abuse or suspected fraud, waste or abuse involving customers, employees, including but not limited to department heads, officials, consultants, vendors, contractors, and any other parties with a business relationship to the Authority.

Goal

The intent of this policy is to establish and maintain a fair, ethical, and honest business environment for all employees, customers, suppliers and anyone else with whom the Authority has a relationship. Fraud, waste and abuse not only involve loss of revenues, but also decreased morale and productivity. This policy involves any state or federally subsidized trips, programs and expenditures.

Definitions

“Abuse” refers to violations and circumventions of departmental or Authority regulations, state regulations and/or federal regulations which impair the effective and efficient execution of operations. Examples of abuse include, but are not limited to:

- Using Authority equipment or suppliers to conduct non-Authority business
- An employee using confidential information for the benefit of his/her outside business
- Improper handling or reporting of money or financial transaction
- Profiting by self or others as a result of inside knowledge
- Destruction or intentional disappearance of records, furniture, fixtures, or equipment
- Accepting or seeking anything of material value from vendors or persons providing services or material to the Authority for personal benefit
- Unauthorized use of Authority resources for non-Authority purposes
- Misuse of purchase order authority, such as false travel or expense reports
- Accepting or seeking anything of material value from vendors or persons providing services or materials to the Authority
- Seeking or accepting trips for an improper purpose
- Use of information gained as an Authority employee for personal gain

“Fraud” encompasses an array of irregularities and illegal acts characterized by internal or external deception. It can be perpetrated for the benefit of or to the detriment of the Authority, and it can be perpetrated by persons outside as well as inside the Authority and may impact programs of the Authority. Examples of fraud include, but are not limited to:

- Theft or misappropriation of funds, supplies, etc.
- Forgery or unauthorized alteration of any document
- Intentional misrepresentation by Authority personnel regarding payroll records
- Intentional misrepresentation or knowingly misrepresenting a purpose of a trip
- Knowingly making a false entry in or false alteration of a governmental record
- Making, presenting, or using any record, document, or thing with the knowledge that it is false
- Intentional destruction, concealment, removal, or other impairment to the verity, legibility, or availability of a government record
- Processing, selling, or offering to sell a governmental record or a blank governmental record form with the intent that it be used unlawfully or with the knowledge that it was obtained unlawfully.

- Using or claiming to hold an education degree that is fraudulent, fictitious, or has been revoked, with the intent to obtain employment, promotion, or other benefit
- Credit card abuse or falsification of transaction(s)
- Making a false statement to obtain property, credit, or services
- Fraudulent transfer of a motor vehicle
- Securing execution of a document by deception
- Fraudulent use or possession of individual identifying information without that person's consent
- Stealing or receiving an unsigned check with the intent to use it or sell it

“Waste” is defined as harmful or destructive use of property under one's control. Waste may also refer to the unnecessary incurring of costs as the result of inefficient practices, systems, or controls whether internal or external of the Authority that may impact the Authority's programs. Examples of waste include, but are not limited to:

- Damaging, destroying, or ruining materials or equipment
- Improper maintenance or intentional mistreatment of equipment
- Purchase of unneeded supplies or equipment
- Purchase of goods at inflated prices
- Failure to reuse or recycle major resources or reduce waste generation

Deterrence

Deterrence consists of those actions taken to discourage the perpetration of fraud and limit the exposure if fraud does occur. Department heads are responsible for the implementation and maintenance of effective internal controls. The internal audit division is responsible for assisting in the deterrence of fraud by examining and evaluating the adequacy and effectiveness of internal controls.

Reasons for the occurrence of fraud include but are not limited to:

1. Poor internal controls, especially disregarded for set policies and procedures
2. Management override of internal controls
3. Collusion between employees and/or third parties
4. Poor or non-existing ethical standards
5. Lack of supervisory control over staff and internal processes

Red Flags

The most commonly cited red flags of fraud include but are not limited to:

1. Changes in an employee's lifestyle, spending habits, or behavior
2. Poorly written or poorly enforced internal controls, procedures, policies, or security
3. Irregular or unexplained variances in financial information
4. Inventory shortages
5. Vague or unusual trip activity
6. Failure to take action on results of internal/external audits or reviews
7. Unusually high expenses or purchases
8. Frequent complaints from customers
9. Missing files
10. Ignored or overlooked employee comments or concerns regarding possible fraud
11. Refusal by an employee to relinquish custody of records
12. Working excessive overtime and refusing to take vacation time off

Fraud Prevention

The following internal controls should minimize the risk and help prevent fraud:

1. Adherence to all policies and procedures, especially those concerning documentation and authorization of transactions
2. Maintaining physical security and controlled access over assets by performing actions such as locking doors and restricting access to certain areas
3. Proper training of employees
4. Independent review and monitoring of tasks by the department supervisor, such as approval processing of selected items
5. Separation of duties so that no one employee is responsible for a transaction from start to finish
6. Clear lines of authority
7. Conflict of interest statements which are enforced
8. Rotation of duties in positions more susceptible to fraud
9. Ensuring that employees take regular vacations
10. Regular independent audits of areas susceptible to fraud
11. Follow up and monitoring of trip purposes and unusual activity

Reporting Fraud

If an employee, customer or vendor suspects that fraud is being committed within the Authority, then the employee should report it to any of the following:

- Their immediate supervisor

- Their department head
- Authority Auditor
- Human Resources

The supervisor, department head, and human resources personnel should immediately convey any reports of fraud to the Auditor.

At any time, an employee may communicate directly with the Auditor to report fraud, and the employee will have the option to remain anonymous. Every attempt will be made to protect the identity of the reporting individual. The Auditor is committed to protecting the employee's identity and confidentiality.

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Managers should not in any circumstances perform any investigative or other follow-up steps on their own. All relevant matters should be referred immediately to the Auditor.

If members of the public suspect that fraud is being committed within the Authority, they may report it to the Auditor.

Retaliation

An employee who believes that he or she has experienced retaliation for making a report or assisting in an investigation shall report this as soon as possible to the Authority's Human Resources Department.

Reporting Unethical Behavior

Employees are encouraged to seek advice from the Authority's Human Resources Department when faced with uncertain ethical decisions. HR is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as necessary.

Duty to Report

All those who are subject to this policy have a duty to report violations of this policy and cooperate in investigations, inquiries, and hearings conducted by the Authority. However, a person making false reports shall be subject to disciplinary action if he or she reports information which he or she knows to be false or which he or she discloses with reckless disregard for its truth.

Coercion

No Authority official or employee shall directly or indirectly use or threaten to use any official authority or any influence in any manner whatsoever which tends to discourage, restrain, deter, prevent, interfere with, coerce, or discriminate against any person who in good faith reports, discloses, divulges, or provides any facts or information relative to an actual or suspected violation of this policy or other state, federal, or local laws.

Consequences

Authority department heads found to have violated this policy will be subject to discipline, include a written warning or reprimand, suspension, or termination in accordance with the procedures under which a department head may otherwise be disciplined.

Authority employees found to have violated this policy will be subject to discipline by their department head or elected official regarding violations of this policy, including a written warning or reprimand, suspension, or termination in accordance with the procedures under which the employee may otherwise be disciplined.

Parties doing business with the Authority, including vendors, consultants, contractors, customers or their principals and employees, found to have violated this policy will be subject to termination of any business relationship with the Authority and exclusion from further business opportunities with the Authority.

As to all those subject to this policy or otherwise, the Authority may make referral of its findings to the appropriate law enforcement authority.

FUTURE PROCUREMENT ACTIVITIES

| Name | Type | Released | Questions Due | Bid/ Proposal Due | Contract Start | Value |
|---|-------------|------------|---------------|-------------------------|-------------------|-----------------|
| 20210831 - Bus and Shelter Advertising | RFP | 9/15/2021 | 10/1/2021 | 10/14/2021 | TBD | \$ 300,000.00 |
| 20210903 - CAT RTU Replacement | RFP | 9/27/2021 | 10/15/2021 | 10/22/2021 | 11/23/2021 | \$ 30,000.00 |
| 20211007 Middletown Property Management | RFP | 11/1/2021 | 11/11/2021 | 12/3/2021 | 12/28/2021 | TBD |
| 20211103 - CAT Sonitrol | Small Quote | | | | | |
| 20211105 - CAT Bus Barn Floor Repair | IFB | 11/12/2021 | 11/18/2021 | 11/29/2021 | 12/6/2021 | \$ 2,808,400.00 |
| 20211119 - CAT Tire Extension | Sole Source | 11/19/2021 | NA | NA | NA | |
| rabbit - CAT Tire Lease | IFB | January | | | | |

RESOLUTION NO. 2146

ACCEPTING ANNUAL REPORT OF AUTHORITY AUDITORS

WHEREAS, the Board of Directors of the Central Pennsylvania Transportation Authority engaged the Certified Public Accounting firm of RKL LLP to undertake its financial and compliance audit for the fiscal year ending June 30, 2021 and

WHEREAS, RKL LLP has completed this work, delivered their draft written report for Central Pennsylvania Transportation Authority, and made an oral presentation to the Board of Directors on their findings, and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Central Pennsylvania Transportation Authority accept the draft audit report as final barring no material changes, and that their results be distributed to all necessary parties after final printing.

CERTIFICATION OF OFFICERS

OF

CENTRAL PENNSYLVANIA TRANSPORTATION AUTHORITY

I certify that the foregoing is a sound and true copy of a Resolution adopted at a legally convened meeting of the Central Pennsylvania Transportation Authority Board Members held on December 2, 2021.

Thomas Wilson
Secretary
Central Pennsylvania Transportation Authority

attest:_____
Raymond Rosen
Chairman
Central Pennsylvania Transportation Authority

Financial Statement & Statistical Notes for October 2021

- The financial statements, enclosed with these notes, are as of October 31, 2021. This is the end of the fourth month of fiscal year 2022 and the eighteenth month under the Federal COVID-19 Emergency Proclamation.
 - The presented financial statements reflect the adopted fiscal year 2022 budget.
 - The budget is entered into the statements using 1/12 of the total budget monthly.
 - A column has been added to the income statement with the previous fiscal year to date information. This column has been shaded in grey to identify it is for comparative purposes and not part of the normal income statement.
- This month continues to reflect the ongoing impact of the COVID-19 pandemic on our operating performance.
 - The fixed route performance measurement charts include the new PA DOT targets. We are showing one of the PA DOT targets met for this month – Operating Cost per Revenue Hour. Interpreting all four targets together, the primary performance is due to low ridership.
 - A look at year to date ridership as of November 30, 2021 compared to year to date ridership as of November 30, 2020 appears to continue the fiscal year on a mixed message:
 - 28% increase for paratransit
 - 57% increase for microtransit
 - Virtually the same ridership for fixed route
 - 3% decrease for York fixed route
 - 59% increase for Hanover fixed route
 - 42% increase for Gettysburg fixed route
 - This was expected, as the park service was not open and operating last year.
 - 47% increase for commuter express
 - Both Harrisburg commuter routes are seeing healthy increases in ridership with the State workers returning, at least part-time, to the office
 - The Maryland commuter route is seeing declining numbers; however, there was an increase in trips experienced in November over October
- Total revenue is 11% under budget.
 - Operating revenues – 12% over budget
 - Grant income – 31% under budget
 - Paratransit divisional losses are evaluated for subsidy at the close of the fiscal year. The recording of this for the end of fiscal year 2022 audit preparation will change the grant income variance closer to budget values.
- Total expenses are 7% under budget
 - The Parts expense category is over budget by 69% for October and 14% over budget YTD.

- After normalizing in September, there was greater than normal parts expense for October for various vehicle repairs.
- The Fuel expense category is over budget by 23% for October; 25% over budget YTD
 - The outlying divisions purchase fuel “at the pump” and have seen increasing rates.

- Paratransit Division Performance

| Division | REE/EER* | Amount | Estimated Subsidy | Adjusted REE/EER | Variance Adjusted to Budget |
|--------------------------|----------|---------------|-------------------|------------------|-----------------------------|
| York/Adams | EER | (\$676,761)** | \$429,092 | (\$247,669) | (\$184,836) |
| Perry | EER | (\$20,198) | | (\$20,198) | \$14,341 |
| Montour | REE | \$21,417 | | \$21,417 | \$29,219 |
| Union/Snyder | EER | (\$25,003) | | (\$25,003) | \$110,439 |
| Columbia | REE | \$55,845 | | \$55,845 | (\$91,199) |
| Cumberland | REE | \$44,058 | | \$44,058 | \$51,437 |
| Northumberland | REE | \$182,647 | | \$182,647 | \$71,107 |
| Franklin | EER | (\$11,097) | | (\$11,097) | (\$508) |
| All Paratransit Services | | (\$429,092) | \$429,092 | \$ - | \$- |

*REE=Revenue in Excess of Expenses (“Profit”); EER=Expenses in Excess of Revenue (“Loss”)

**The York/Adams actual EER is the unfunded amount as the process to fund the EER happens at the end of the fiscal year. New columns have been added to estimate the paratransit subsidy and adjust the REE/EER.

- There have been no draws on the ACNB line of credit.
- Capital expenditures for the month were:
 - Zarfoss Waterline Retrofits - \$2,950
 - Transfer Center Rehab - \$32,374
 - Emigsville P&R Light Fixture Replacement - \$6,508
 - Microtransit Vehicles - \$1,963
 - Paratransit Vehicles - \$925
 - Call Center Reporting Software - \$1,630
 - Maintenance Software - \$40,808

Central Pennsylvania Transportation Authority
Income Statement

For The Period Ended October 31, 2021

| | | Period To Date | | Year To Date | | Budget Variance | Year To Date October 31, 2020 |
|---------------------------------------|-------------------------------|-----------------|-----------------|-----------------|------------------|-------------------|----------------------------------|
| | | Actual | Current Budget | Actual | Current Budget | | |
| REVENUE | | | | | | | |
| | Operating Revenue | \$ 1,467,589.77 | \$ 1,226,143.33 | \$ 5,496,918.64 | \$ 4,904,573.33 | \$ 592,345.31 | \$ 4,581,059.96 |
| | Grant/Contract Income | \$ 1,005,670.17 | \$ 1,414,046.50 | \$ 3,925,658.71 | \$ 5,656,186.00 | \$ (1,730,527.29) | \$ 3,738,319.22 |
| TOTAL REVENUE | | \$ 2,473,259.94 | \$ 2,640,189.83 | \$ 9,422,577.35 | \$ 10,560,759.33 | \$ (1,138,181.98) | \$ 8,319,379.18 |
| EXPENSES | | | | | | | |
| | Wages | \$ 1,052,628.69 | \$ 1,189,624.33 | \$ 4,495,738.75 | \$ 4,758,497.33 | \$ 262,758.58 | \$ 4,005,367.32 |
| | Benefits | \$ 588,090.43 | \$ 763,424.25 | \$ 2,441,504.62 | \$ 3,053,697.00 | \$ 612,192.38 | \$ 2,323,057.77 |
| | Services | \$ 140,904.22 | \$ 143,500.00 | \$ 445,836.68 | \$ 574,000.00 | \$ 128,163.32 | \$ 391,164.60 |
| | Fuel | \$ 221,987.48 | \$ 180,131.25 | \$ 903,503.10 | \$ 720,525.00 | \$ (182,978.10) | \$ 629,570.05 |
| | Tires | \$ 14,438.93 | \$ 14,593.75 | \$ 54,882.78 | \$ 58,375.00 | \$ 3,492.22 | \$ 52,751.38 |
| | Parts | \$ 65,039.73 | \$ 38,416.67 | \$ 175,434.55 | \$ 153,666.67 | \$ (21,767.88) | \$ 132,340.22 |
| | Materials and Supplies | \$ 33,864.19 | \$ 20,787.50 | \$ 73,689.69 | \$ 83,150.00 | \$ 9,460.31 | \$ 105,089.12 |
| | Utilities | \$ 56,097.95 | \$ 55,656.25 | \$ 212,502.03 | \$ 222,625.00 | \$ 10,122.97 | \$ 188,358.89 |
| | Casualty and Liability Costs | \$ 54,481.08 | \$ 77,443.42 | \$ 294,601.86 | \$ 309,773.67 | \$ 15,171.81 | \$ 274,644.99 |
| | Purchased Transportation | \$ 135,472.99 | \$ 86,908.33 | \$ 450,677.85 | \$ 347,633.33 | \$ (103,044.52) | \$ 260,723.53 |
| | Miscellaneous Expenses | \$ 26,492.02 | \$ 20,254.17 | \$ 74,328.86 | \$ 81,016.67 | \$ 6,687.81 | \$ 80,431.70 |
| | Leases and Rentals | \$ 11,095.50 | \$ 11,200.00 | \$ 44,074.40 | \$ 44,800.00 | \$ 725.60 | \$ 43,932.65 |
| | Passed Through Expenses | \$ 30,851.88 | \$ 25,000.00 | \$ 96,385.36 | \$ 100,000.00 | \$ 3,614.64 | \$ 80,023.48 |
| TOTAL EXPENSES | | \$ 2,431,445.09 | \$ 2,626,939.92 | \$ 9,763,160.53 | \$ 10,507,759.67 | \$ 744,599.14 | \$ 8,567,455.70 |
| TOTAL NON OPERATING GRANT INCOME ** | | \$ 46,238.40 | \$ - | \$ 163,605.10 | \$ - | \$ (163,605.10) | \$ 96,413.82 |
| TOTAL NON OPERATING GRANT EXPENSES ** | | \$ 46,238.40 | \$ - | \$ 163,605.10 | \$ - | \$ (163,605.10) | \$ 96,413.82 |
| REE/(EER) | | \$ 41,814.85 | \$ 13,249.92 | \$ (340,583.18) | \$ 52,999.67 | \$ (393,582.85) | \$ (248,076.52) |
| CAPITAL REVENUES AND EXPENSES | | | | | | | |
| | Capital Grant Income/(Refund) | \$ 87,158.33 | \$ - | \$ 1,185,418.53 | \$ - | | \$ 385,577.83 |
| TOTAL CAPITAL REVENUES AND EXPENSES | | \$ 87,158.33 | \$ - | \$ 1,185,418.53 | \$ - | | \$ 385,577.83 |
| REE/(EER) | | \$ 128,973.18 | \$ 13,249.92 | \$ 844,835.35 | \$ 52,999.67 | | \$ 137,501.31 |
| NET REE/(EER) | | \$ 128,973.18 | \$ 13,249.92 | \$ 844,835.35 | \$ 52,999.67 | | \$ 137,501.31 |

**FindMyRide, CAT TA

Central Pennsylvania Transportation Authority
Balance Sheet

As of October 31, 2021

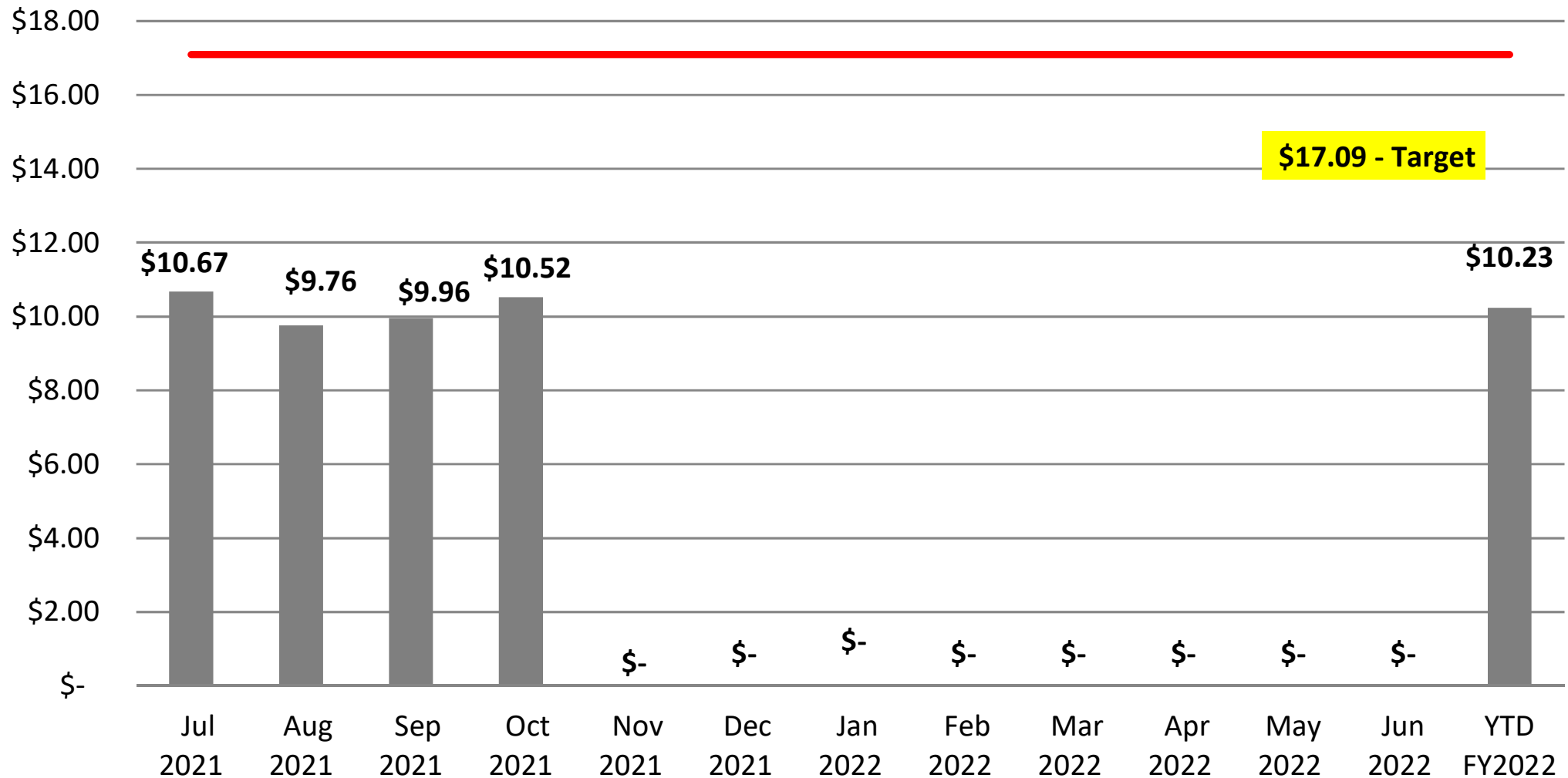
ASSETS

| | | | |
|--------------------------|----------------------------------|----|-------------------------|
| CURRENT ASSETS | | | |
| | Unrestricted Cash | \$ | 3,480,584.03 |
| | Restricted Cash | \$ | 214,069.72 |
| | Reserved Cash - Capital Projects | \$ | - |
| | Accounts Receivable | \$ | 17,828,144.69 |
| | Materials & Supplies Inventory | \$ | 338,109.95 |
| | Prepaid Expenses | \$ | 472,405.71 |
| | Other Current Assets | \$ | - |
| TOTAL CURRENT ASSETS | | | \$ 22,333,314.10 |
| FIXED ASSETS | | | |
| | Buildings and Improvements | \$ | 38,946,369.98 |
| | Revenue Equipment | \$ | 40,090,801.88 |
| | Tools and Equipment | \$ | 2,965,529.00 |
| | Accumulated Depreciation | \$ | (33,770,060.20) |
| TOTAL FIXED ASSETS (NET) | | | \$ 48,232,640.66 |
| TOTAL ASSETS | | | <u>\$ 70,565,954.76</u> |

LIABILITIES AND NET ASSETS

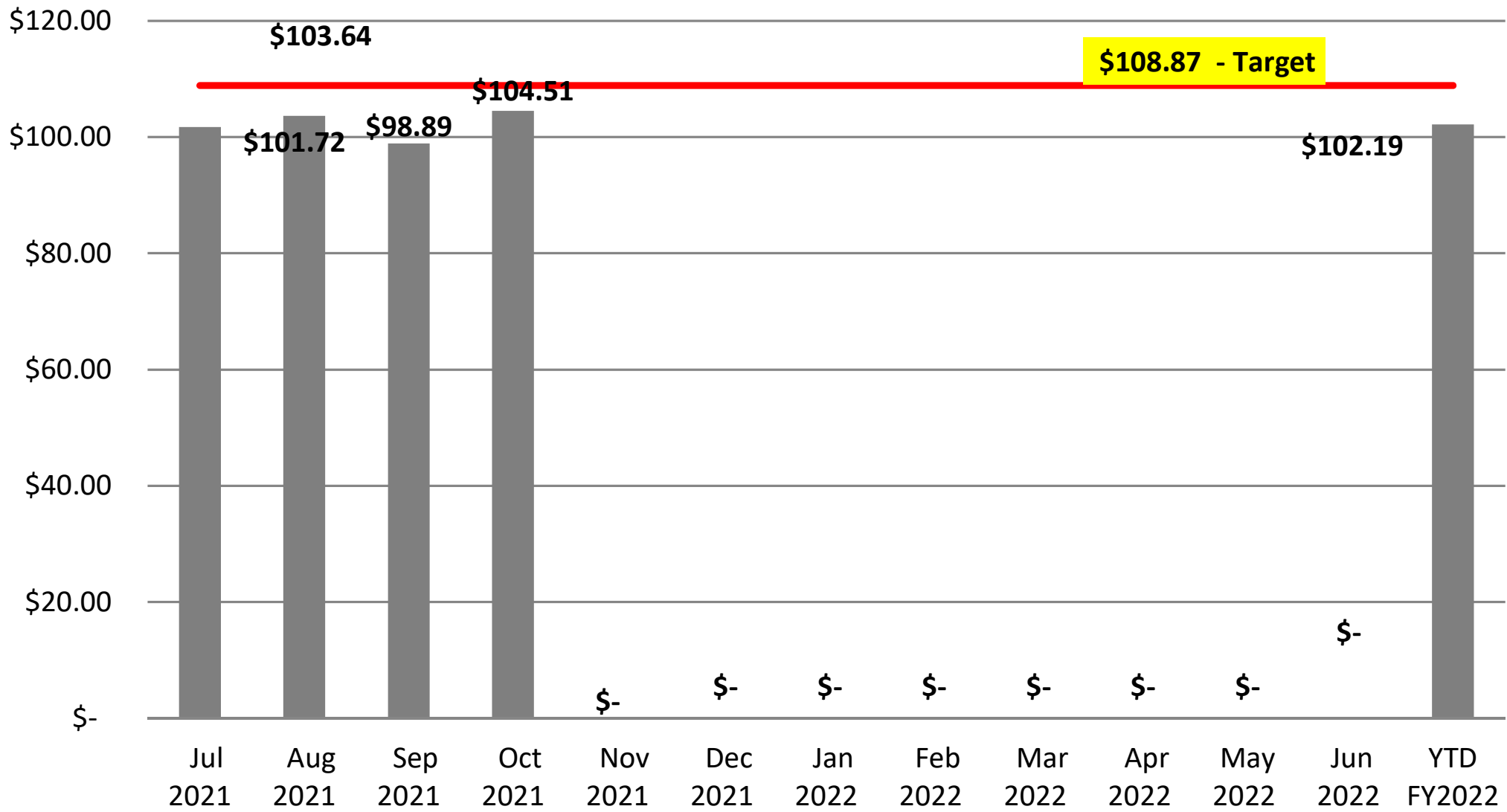
| | | | |
|----------------------------------|-----------------------------|----|-------------------------|
| CURRENT LIABILITIES | | | |
| | Accounts Payable | \$ | 1,799,235.33 |
| | Accrued Leave and Payroll | \$ | 790,161.29 |
| | Accrued Expenses | \$ | 85,319.03 |
| TOTAL CURRENT LIABILITIES | | | \$ 2,674,715.65 |
| DEFERRED REVENUE | | | |
| | Revenue Received in Advance | \$ | 17,127,270.62 |
| TOTAL DEFERRED REVENUE | | | \$ 17,127,270.62 |
| OTHER LIABILITIES | | | |
| | Capital Lease Obligation | \$ | - |
| | Current Notes Payable | \$ | - |
| | Consortium Buses | \$ | - |
| TOTAL OTHER LIABILITIES | | | \$ - |
| NET ASSETS | | | |
| | Unrestricted Equity | \$ | 38,940,120.71 |
| | Restricted Equity | \$ | 15,519.99 |
| | Capital Grants | \$ | 11,808,327.79 |
| TOTAL NET ASSETS | | | \$ 50,763,968.49 |
| TOTAL LIABILITIES AND NET ASSETS | | | <u>\$ 70,565,954.76</u> |

Operating Revenue/Revenue Hour



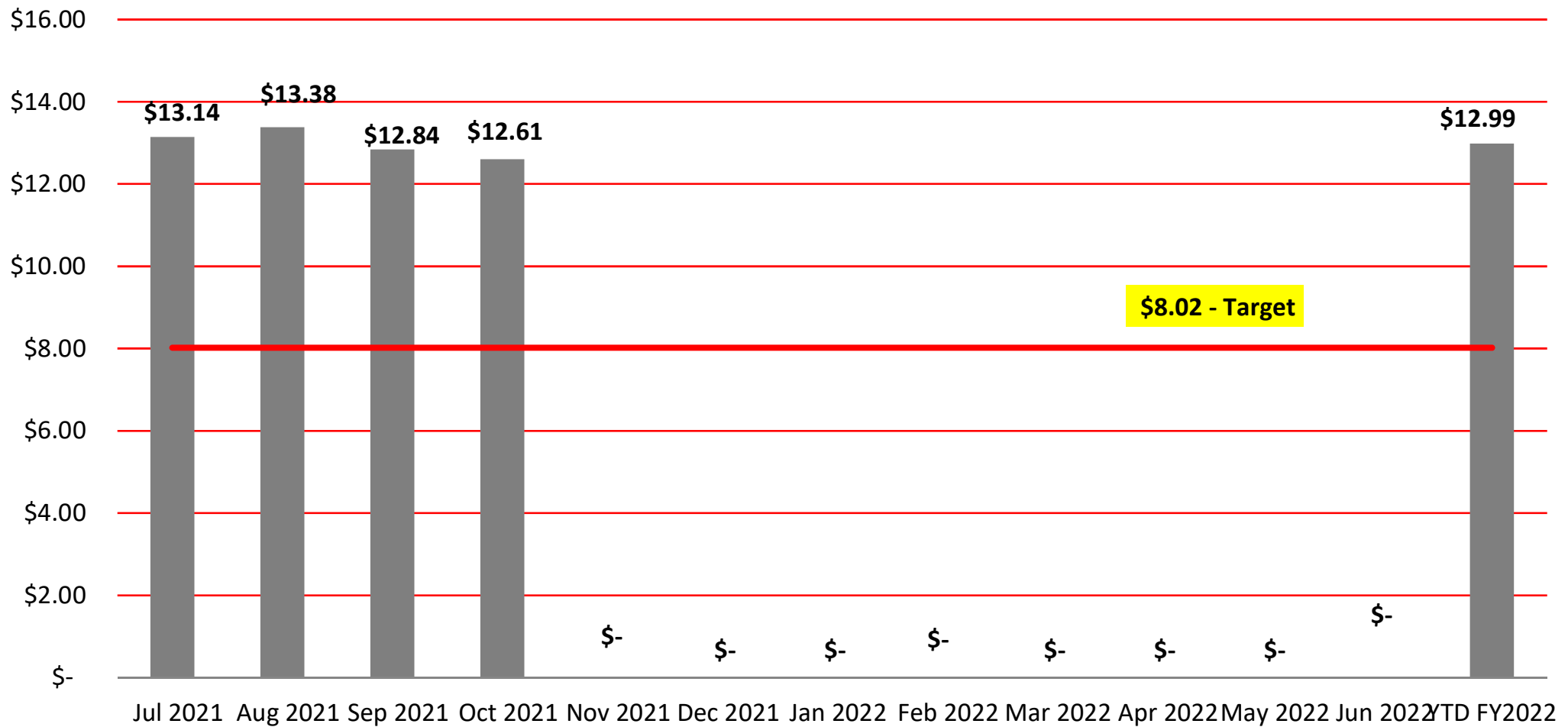
**FY2022 PA DOT target assigned for operating revenue /revenue hour is \$17.09. Actual performance should be higher than or equal to this target.

Operating Cost/Revenue Hour



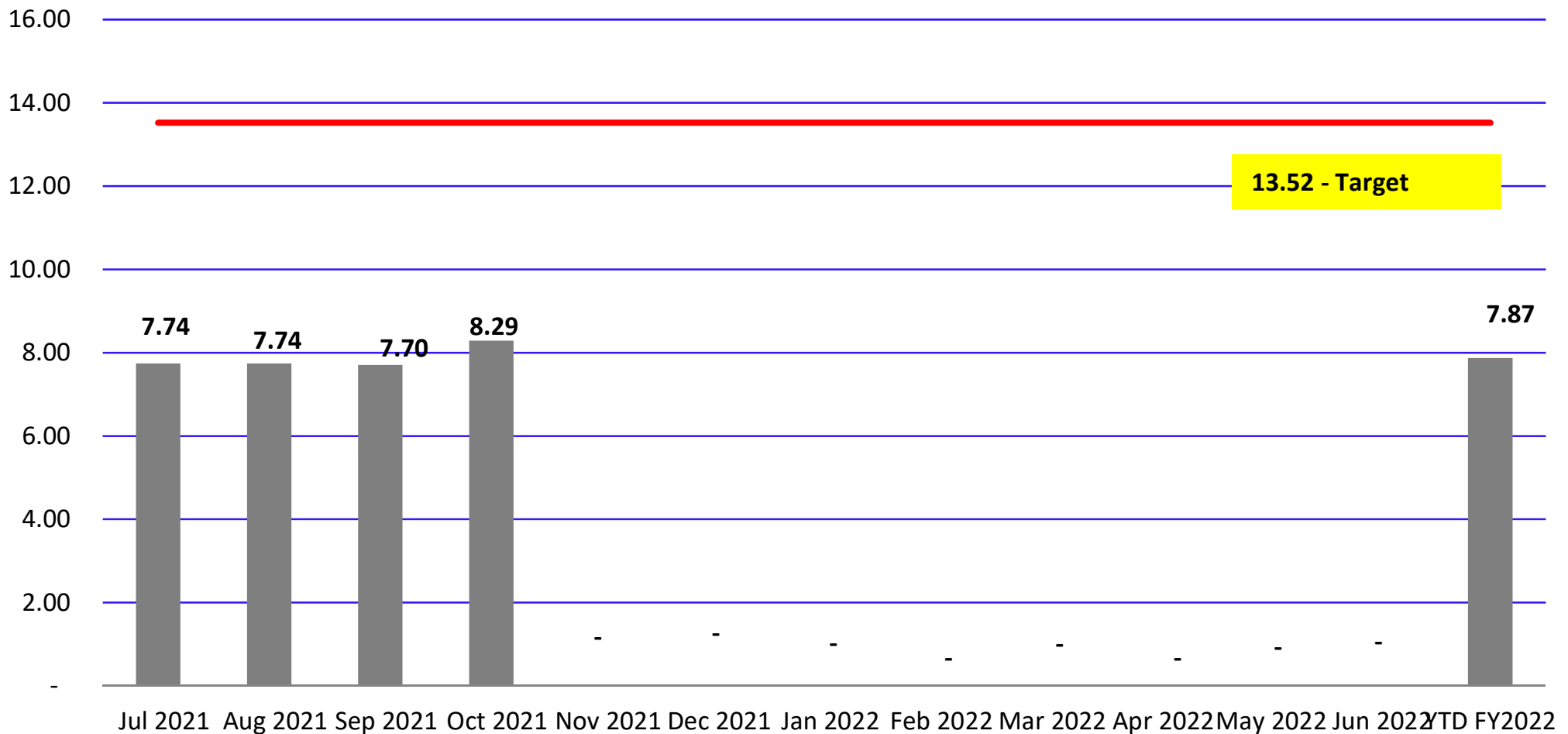
**FY2022 PA DOT target assigned for operating cost/revenue hour is \$108.87. Actual performance should be less than or equal to this target.

Operating Cost/Passenger



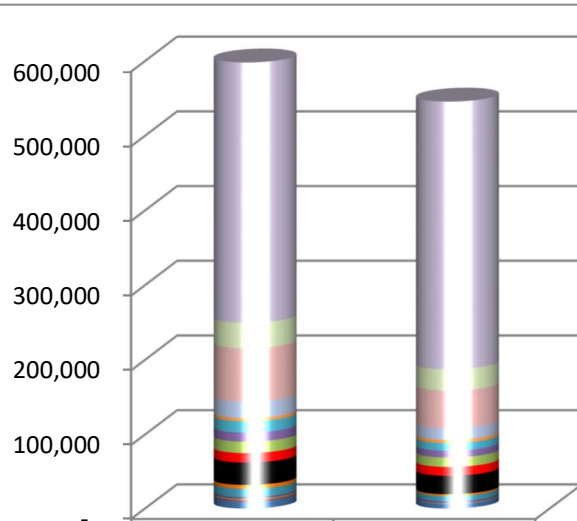
**FY2022 PA DOT target assigned for operating cost/passenger is \$8.02. Actual performance should be less than or equal to this target.

Passengers/Revenue Hour



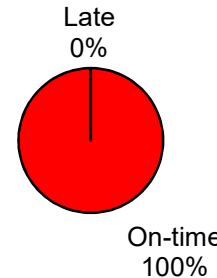
**FY2022 PA DOT target assigned for passengers/revenue hour is 13.52. Actual performance should exceed this target.

OPERATIONS – November



| | YTD FY2022 | YTD FY2021 |
|-------------------|---------------|---------------|
| FR York | 348,387 | 358,183 |
| Cumberland | 34,054 | 28,713 |
| York/Adams | 71,531 | 50,355 |
| FR Gettysburg | 22,087 | 15,607 |
| Montour | 4,083 | 4,413 |
| Union/Snyder | 15,268 | 10,237 |
| Perry | 12,287 | 9,215 |
| Franklin | 15,416 | 12,762 |
| Columbia | 12,848 | 11,979 |
| Northumberland | 30,214 | 24,917 |
| Express North | 5,174 | 2,499 |
| FR Hanover | 11,095 | 6,990 |
| Express South | 2,654 | 2,853 |
| Express 15 North | 1,491 | 972 |
| Gett/Han Connect* | 2,021 | - |
| Microtransit | 9,548 | 6,074 |

MAINTENANCE – November Preventative Maintenance

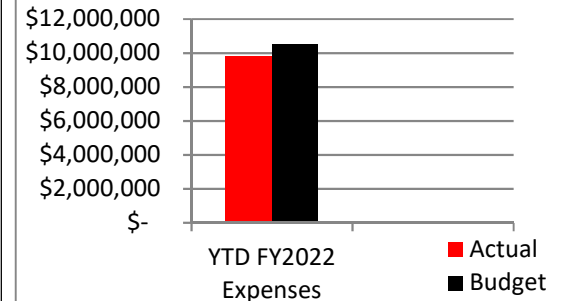


121 PMs Complete ; 0 Overdue
 York –56 Completed; 0 Overdue
 Adams – 17 Completed; 0 Overdue
 Cumberland – 16 Completed; 0 Overdue
 Northumberland – 8 Completed; 0 Overdue
 Franklin – 2 Completed; 0 Overdue
 Columbia – 4 Completed; 0 Overdue
 Montour – 2 Completed; 0 Overdue
 Union/Snyder –9 Completed; 0 Overdue
 Perry – 7 Completed; 0 Overdue

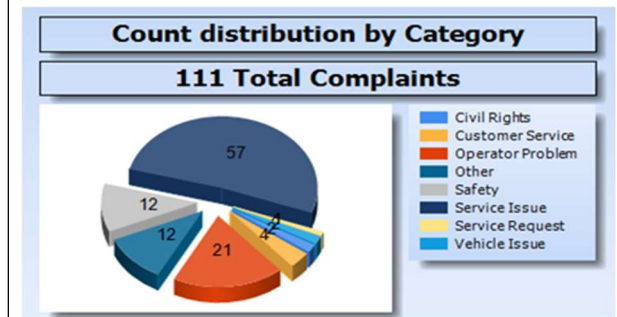
Road Calls:

| | Nov 2021 | YTD FY2022 | Nov 2020 | YTD FY2021 |
|------------|-------------|---------------|-------------|---------------|
| Mechanical | 17 | 64 | 7 | 53 |
| Non-Mech. | 5 | 85 | 18 | 109 |

FINANCE – October



CUSTOMER COMPLAINTS – November



| | Nov 2021 | YTD FY2022 | Nov 2020 | YTD FY2021 |
|------------------|-------------|---------------|-------------|---------------|
| Total Complaints | 111 | 526 | 34 | 333 |

SAFETY – November

| | Nov 2021 | YTD FY2022 | Nov 2020 | YTD FY2021 |
|------------------|-------------|---------------|-------------|---------------|
| Preventable | 7 | 43 | 6 | 36 |
| Non-Preventable | 6 | 19 | 7 | 22 |
| Passenger Injury | 2 | 6 | 3 | 9 |
| Employee Injury | 1 | 5 | 1 | 7 |

MARKETING – November

| | Nov 2021 | YTD FY2022 | Nov 2020 | YTD FY2021 |
|------------------|-------------|---------------|-------------|---------------|
| PR Exposures | 3 | 32 | 2 | 13 |
| Outreaches | 6 | 28 | 1 | 1 |
| Pageviews | 53,666 | 290,001 | 39,836 | 228,773 |
| Unique Pageviews | 42,673 | 228,327 | 30,639 | 173,356 |
| Bikes | 673 | 4,028 | 631 | 3,988 |

Central Pennsylvania Transportation Authority
Pennsylvania Department of Human Services
Agreed-Upon Procedures
Reconciliation Between SEFA and Pennsylvania
Audit Confirmation Reply
June 30, 2021

Table of Contents

Year Ended June 30, 2021

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES**

1 and 2

FINANCIAL SCHEDULE

Schedule I: Reconciliation Between SEFA and Revenue Confirmation Reply

3

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Central Pennsylvania Transportation Authority
York, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and the Central Pennsylvania Transportation Authority, to assist you with respect to the financial schedules and exhibit required by the DHS, *Single Audit Supplement*. Central Pennsylvania Transportation Authority is responsible for the preparation and fair presentation of this schedule.

Central Pennsylvania Transportation Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of preparation of this schedule. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Agreed the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited SEFA. See attached Schedule I.
2. Agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the Audit Confirmation Reply from Pennsylvania" column to the subrecipient federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
3. Recalculated the amounts listed under the "Difference" column (E) and the "% Difference" column (F). See attached Schedule I.
4. Agreed the amounts listed under the "Difference" column (E) to the audited books and records of the Central Pennsylvania Transportation Authority.
5. Agreed the "Detailed Explanation of the Differences" column to the audited books and records of the Central Pennsylvania Transportation Authority.
6. Based on the procedures detailed in paragraphs (1) through (5) above, disclosed any adjustments and/or findings that have not been reflected on the corresponding schedule. No adjustments or findings were noted.

We were engaged by Central Pennsylvania Transportation Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the preparation of this schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Central Pennsylvania Transportation Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the Department of Human Services and is not intended to be, and should not be, used by anyone other than these specified parties.

_____, 2021
Lancaster, Pennsylvania

Schedule I: Reconciliation Between SEFA and Revenue Confirmation Reply
Year Ended June 30, 2021

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services

Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

| (A) CFDA Name | (B) Federal CFDA Number | (C) Federal Expenditures per the SEFA | (D) Federal Awards Received per the Audit Confirmation Reply from Pennsylvania | (E) Difference (C-D) | (F) % Difference (E/D) | Detailed Explanation of the Differences |
|----------------------------|----------------------------------|--|---|----------------------------|---------------------------------|--|
| Medical Assistance Program | 93.778 | \$ 3,698,773 | \$ 3,032,723 | \$ 666,050 | 21.96% | Difference relates to the Authority's application of accrual method of accounting. Expenditures for the year ended June 30, 2021 were recognized on the Authority's SEFA, but not included in the Pennsylvania Audit Confirmation Reply. |

To the Board of Directors
Central Pennsylvania Transportation Authority
York, Pennsylvania

This letter is to inform the Board of Directors of the Central Pennsylvania Transportation Authority (the Authority) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2021, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

The Respective Responsibilities of the Auditor and Management

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, has been described to you in our arrangement letter dated June 10, 2021. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication, dated June 10, 2021, regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Significant Accounting Practices, Including Policies, Estimates, and Disclosures

The following is a list of our views about the qualitative aspects of the Central Pennsylvania Transportation Authority's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures:

- Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances management has selected the preferable accounting practice.
- Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority's accounting policies and their application have remained consistent with prior reporting periods.

Significant Accounting Practices, Including Policies, Estimates, and Disclosures (continued)

- Summary information about the process used by management in formulating particularly sensitive accounting estimates is as follows:
 - Estimated useful lives of capital assets: Depreciation of capital assets is based on the Authority's fixed asset policies. Management reviews the estimated useful lives of capital assets annually and makes any required adjustments.
 - Grants receivable: The Authority utilizes the accrual method. The Authority recognizes grants as a receivable and records the related revenues when management is reasonably certain (a) the Authority will comply with any conditions attached to them and (b) the grants will be received.

Audit Adjustments

Professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The adjustments made to the original trial balance provided to us to begin our audit are attached.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Consultation with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Central Pennsylvania Transportation Authority.

This report is intended solely for the information and use of the Board of Directors and is not intended to be, and should not be, used by anyone other than this specified party.

_____, 2021
Lancaster, Pennsylvania

Central Pennsylvania Transportation Authority

Year End: June 30, 2021

Journal Entries: Adjusting

Date: 7/1/2020 To 6/30/2021

| Number | Date | Name | Account No | Debit | Credit |
|--------|-----------|--|-----------------|--------------|--------------|
| AJE 01 | 6/30/2021 | Accumulated Depreciation | 181-00-000 GF01 | | 4,492,819.00 |
| AJE 01 | 6/30/2021 | Depreciation | 630-11-000 GF01 | 4,492,819.00 | |
| | | To record current year depreciation expense | | | |
| AJE 02 | 6/30/2021 | Revenue Equipment | 160-00-000 GF01 | | 1,431,241.00 |
| AJE 02 | 6/30/2021 | Revenue Equipment - Para | 160-20-000 GF01 | | 73,352.00 |
| AJE 02 | 6/30/2021 | Revenue Equipment - NCo | 160-28-000 GF01 | | 13,279.00 |
| AJE 02 | 6/30/2021 | Revenue Equipment - Para - Adams | 160-72-000 GF01 | | 58,796.00 |
| AJE 02 | 6/30/2021 | Vehicle Equipment - Adams | 164-70-000 GF01 | | 272,215.00 |
| AJE 02 | 6/30/2021 | Non-Revenue Vehicles | 166-00-000 GF01 | | 25,708.00 |
| AJE 02 | 6/30/2021 | Tools and Equipment - Adams | 170-70-000 GF01 | | 180.00 |
| AJE 02 | 6/30/2021 | Accumulated Depreciation | 181-00-000 GF01 | 1,858,214.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - FR | 261-00-011 GF01 | 5,845.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - Para | 261-00-020 GF01 | 6,388.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - PCo | 261-00-021 GF01 | 14,218.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - USCo | 261-00-024 GF01 | 12,741.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - CCo | 261-00-027 GF01 | 76,529.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - NCo | 261-00-028 GF01 | 13,298.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - FCo | 261-00-029 GF01 | 3,385.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - Freedom | 261-00-071 GF01 | 1,000.00 | |
| AJE 02 | 6/30/2021 | Deferred Funds from Sale of Fixed Assets - Ops | 261-00-098 GF01 | 3,746.00 | |
| AJE 02 | 6/30/2021 | (Loss)/Gain on disposal | 614-00-000 GF01 | 16,557.00 | |
| AJE 02 | 6/30/2021 | (Loss)/Gain on disposal | 614-00-000 GF01 | | 137,150.00 |
| | | To record capital asset disposals | | | |
| PBC 01 | 6/30/2021 | Accounts Receivable - Federal Grants | 120-10-000 GF01 | 129,968.00 | |
| PBC 01 | 6/30/2021 | Accounts Receivable - Federal Grants | 120-10-000 GF01 | | 129,968.00 |
| PBC 01 | 6/30/2021 | DEFFERED ACT 44 FUNDS - URBAN | 264-00-001 GF01 | 2,238,095.00 | |
| PBC 01 | 6/30/2021 | Federal Operating CARES - Paratransit | 440-20-001 GF01 | | 129,968.00 |
| PBC 01 | 6/30/2021 | Federal Operating CARES - ADA Urban | 440-22-001 GF01 | 129,968.00 | |
| PBC 01 | 6/30/2021 | State Operating Grant - Act 44 Urban | 450-20-003 GF01 | | 2,238,095.00 |
| PBC 01 | 6/30/2021 | Cost Allocation Transfer | 669-20-000 GF01 | 129,968.00 | |
| PBC 01 | 6/30/2021 | Cost Allocation Transfer - ADA Urban | 669-22-000 GF01 | | 129,968.00 |
| | | Client Entry: Final Operating Deficit Funding | | | |
| | | | | 9,132,739.00 | 9,132,739.00 |

Central Pennsylvania Transportation Authority



**Financial Statements and
Supplementary Information**

June 30, 2021 and 2020

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June 30, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors
Central Pennsylvania Transportation Authority
York, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Central Pennsylvania Transportation Authority (the Authority) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Pennsylvania Transportation Authority as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents 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 _____, 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.

_____, 2021
Lancaster, Pennsylvania

Management's Discussion and Analysis
June 30, 2021 and 2020

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

Authority Activities and Highlights

- During the year ended June 30, 2021, the Authority's net position increased by approximately \$2,558,000 or 5.4%. The increase was the result of capital grant funding approximating \$5,900,000. Excluding the capital grant funding, the Authority had a decrease in net position approximating \$3,354,000.
- During the year ended June 30, 2020, the Authority's net position increased by approximately \$2,454,000 or 5.5%. The increase was the result of a significant increase in investment in capital assets from the previous fiscal year. Excluding the capital grant funding, the Authority had a decrease in net position approximating \$4,552,000.
- The Authority's operating revenues approximated \$13,826,000, \$15,698,000, and \$16,268,000 for the years ended June 30, 2021, 2020, and 2019, respectively. Operating expenses approximated \$31,400,000, \$33,279,000, and \$33,063,000 for the years ended June 30, 2021, 2020, and 2019, respectively.

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.

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

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

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

Overview of the Financial Statements (continued)

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

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

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 exceed liabilities by approximately \$49,919,000, \$47,361,000, and \$44,907,000 as of June 30, 2021, 2020, and 2019, respectively.

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> |
|-------------------------------------|----------------------|----------------------|----------------------|
| Assets | | | |
| Current assets | \$ 23,444,949 | \$ 15,716,133 | \$ 12,938,681 |
| Capital assets, net | <u>46,954,551</u> | <u>45,498,696</u> | <u>43,482,565</u> |
| Total Assets | <u>70,399,500</u> | <u>61,214,829</u> | <u>56,421,246</u> |
| Current Liabilities | <u>20,480,297</u> | <u>13,854,109</u> | <u>11,514,031</u> |
| Net Position | | | |
| Investment in capital assets | 46,954,551 | 45,498,696 | 43,482,565 |
| Restricted disposition proceeds | 1,682,492 | 1,545,342 | 1,526,751 |
| Unrestricted net position (deficit) | <u>1,282,160</u> | <u>316,682</u> | <u>(102,101)</u> |
| Total Net Position | <u>\$ 49,919,203</u> | <u>\$ 47,360,720</u> | <u>\$ 44,907,215</u> |

As the largest component of net position, the Authority's investment in capital assets (e.g., land, buildings, and revenue vehicles and equipment) totaled \$46,954,551, \$45,498,696, and \$43,482,565 as of June 30, 2021, 2020, and 2019, respectively. 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.

An additional amount of the Authority's net position, \$1,682,492, \$1,545,342, and \$1,526,751, for the years ended June 30, 2021, 2020, and 2019, respectively, represents resources that are subject to external restrictions on how they may be used. The net position of \$1,282,160, \$316,682, and \$(102,101) as of June 30, 2021, 2020, and 2019, respectively, is unrestricted.

Financial Analysis (continued)

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

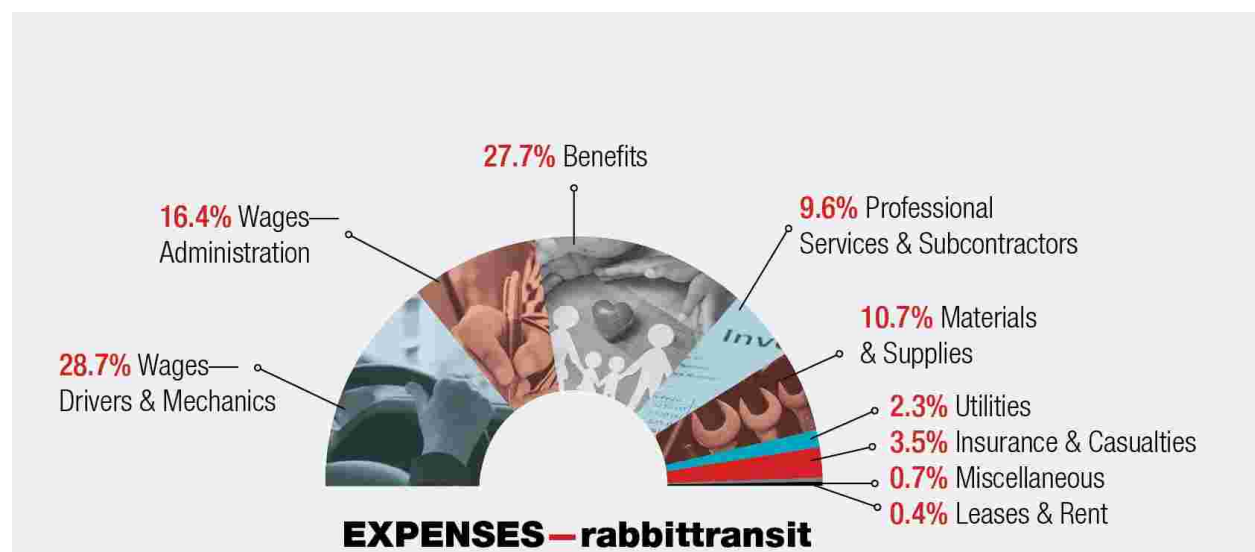
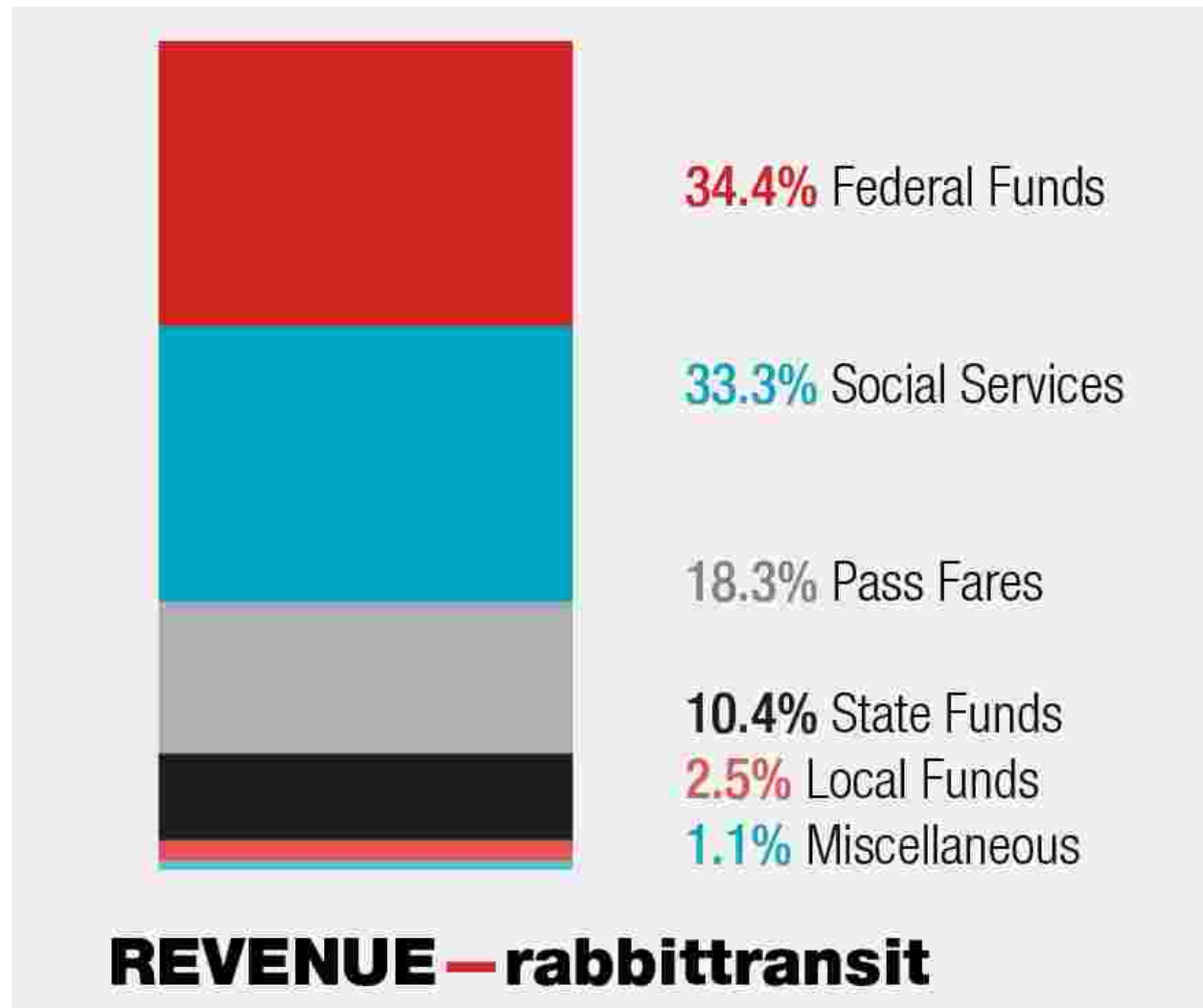
| | 2021 | 2020 | 2019 |
|---|---------------------|---------------------|---------------------|
| Operating Revenues | | | |
| Passenger fares | \$ 1,792,026 | \$ 2,631,057 | \$ 3,191,077 |
| State Medical Assistance Transportation Program | 7,397,546 | 6,338,694 | 5,011,420 |
| State Shared Ride Program | 2,292,514 | 3,202,407 | 3,766,609 |
| State Persons with Disabilities Program | 820,329 | 1,049,600 | 1,139,340 |
| Area Agency on Aging | 321,093 | 440,940 | 567,014 |
| Mental Health/Intellectual & Developmental Disabilities | 717,508 | 1,741,835 | 2,302,897 |
| Special transit fares | 182,034 | 222,466 | 199,722 |
| Advertising | 272,260 | 37,531 | 88,278 |
| Miscellaneous income | 31,111 | 33,699 | 1,263 |
| Total Operating Revenues | 13,826,421 | 15,698,229 | 16,267,620 |
| Operating Expenses | | | |
| Salaries and wages | 12,074,812 | 12,610,585 | 12,347,831 |
| Fringe benefits | 7,389,300 | 7,408,630 | 6,747,059 |
| Services | 1,435,002 | 1,332,528 | 1,758,895 |
| Fuel and lubricants | 1,982,524 | 2,066,429 | 2,416,870 |
| Tires and tubes | 158,350 | 177,602 | 225,589 |
| Other materials and supplies | 728,434 | 887,794 | 943,411 |
| Utilities | 605,836 | 675,644 | 656,279 |
| Casualty and liability | 924,614 | 845,443 | 818,643 |
| Purchased transportation | 866,928 | 1,698,889 | 1,955,681 |
| Leases and rentals | 147,869 | 148,023 | 126,571 |
| Miscellaneous | 593,780 | 507,243 | 471,556 |
| Depreciation | 4,492,819 | 4,919,947 | 4,594,606 |
| Total Operating Expenses | 31,400,268 | 33,278,757 | 33,062,991 |
| Loss from Operations | (17,573,847) | (17,580,528) | (16,795,371) |

Management's Discussion and Analysis
June 30, 2021 and 2020

Financial Analysis (continued)

| | 2021 | 2020 | 2019 |
|--|----------------------|----------------------|----------------------|
| Nonoperating Revenues (Expenses) | | | |
| Operating grants | | | |
| Federal government | \$ 9,280,069 | \$ 8,750,458 | \$ 3,420,462 |
| Commonwealth of Pennsylvania | | | |
| Act 44 funds | 3,760,581 | 3,372,894 | 6,842,415 |
| Local governments Act 44 matching funds | 649,327 | 619,938 | 591,060 |
| Other Commonwealth and local operating funds | 409,656 | 336,073 | 806,334 |
| Total Government Subsidies for Operations | 14,099,633 | 13,079,363 | 11,660,271 |
| Gain (loss) on disposal of capital assets | 120,593 | (51,300) | (28,126) |
| Total Nonoperating Revenues | 14,220,226 | 13,028,063 | 11,632,145 |
| Loss Before Capital Grant Funding | (3,353,621) | (4,552,465) | (5,163,226) |
| Capital Grant Funding | | | |
| Federal government | 2,587,246 | 5,385,750 | 1,034,662 |
| State government | 3,293,002 | 1,603,077 | 2,782,789 |
| Local governments | 31,856 | 17,143 | 52,276 |
| Total Capital Grant Funding | 5,912,104 | 7,005,970 | 3,869,727 |
| Increase (Decrease) in Net Position | 2,558,483 | 2,453,505 | (1,293,499) |
| Net Position at Beginning of Year | 47,370,720 | 44,907,215 | 46,200,714 |
| Net Position at End of Year | \$ 49,919,203 | \$ 47,360,720 | \$ 44,907,215 |

Financial Analysis (continued)



* Percentages calculated excluding depreciation expense.

Management's Discussion and Analysis

June 30, 2021 and 2020

Financial Analysis (continued)

The Authority recovered approximately 44% of its operating expenses with operating revenue for the year ended June 30, 2021. The remaining operating expense balance is funded with federal, state and local grants. A substantial portion of the Authority's support is received from these grants. Therefore, a significant reduction in the level of this support would have a major effect on the Authority's operations. The related grant agreements detail the specific allowable expenditures under the agreement. Unspent operating and capital grant funds as of the end of the year are reported as unearned revenue.

The Authority's major expenses are salaries, wages and fringe benefits, which comprised 62.0% and 60.2% of operating expenses for the years ended June 30, 2021 and 2020, respectively.

Capital Asset and Debt Administration**Capital Assets**

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

The Authority's investment in capital assets as of June 30, 2021, 2020, and 2019, net of accumulated depreciation, amounted to \$46,954,551, \$45,498,696, and \$43,482,565, respectively.

| | 2021 | 2020 | 2019 |
|--------------------------------|----------------------|----------------------|----------------------|
| Land | \$ 2,464,061 | \$ 2,464,061 | \$ 2,464,061 |
| Construction in progress | 1,734,935 | 673,247 | 746,686 |
| Buildings and improvements | 24,649,899 | 25,589,640 | 26,571,699 |
| Revenue vehicles and equipment | 17,484,386 | 16,420,286 | 13,374,368 |
| Shop and garage equipment | 261,850 | 159,323 | 159,247 |
| Furniture and office equipment | 389,420 | 192,139 | 166,504 |
| | \$ 46,954,551 | \$ 45,498,696 | \$ 43,482,565 |

The Authority incurred capital acquisition costs approximating \$5,972,000, \$7,006,000, and \$3,870,000 on capital activities during the years ended June 30, 2021, 2020, and 2019, respectively. Major capital acquisitions over the past several years included the development of a new operations and maintenance facility, procurement of vehicles, construction of a transfer center in Adams County, an ITS/parking system, and security enhancements. These additions were funded by capital grants received by the Authority for the purchase of these assets.

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

Debt Administration

Line of Credit. The Authority has a \$1,500,000 line of credit with a tax-free interest rate of the Wall Street Journal lending rate less 0.50%. As of June 30, 2021, 2020, and 2019, no amount was outstanding against the line of credit.

Additional information can be found in Note 19 to the financial statements.

Economic Factors**COVID-19**

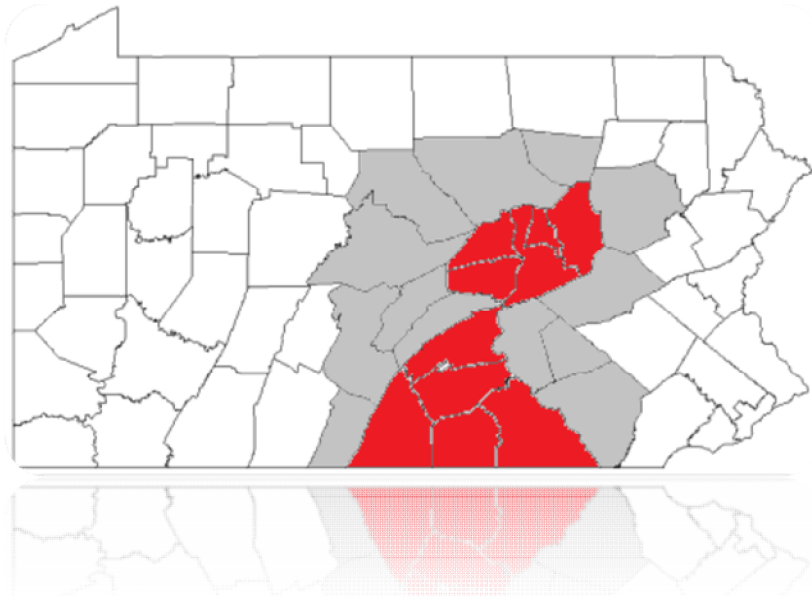
The onset of COVID-19 has been a significant disrupter in the transit industry. In March 2020, the Pennsylvania Governor implemented a stay at home order to prevent the spread of the virus. The transit authority, to support the Governor's mandate, implemented a life sustaining only service - transportation for work, healthcare, and access to food. Ridership decreased by 70% between March and July of 2020. In spite of the lifting of many of the COVID-19 restrictions the challenges to ridership has continued. In recent months, ridership has begun to grow slowly: but, with many of the commuting employees continuing to work from home, passenger levels remain well below pre-COVID-19 levels.

The Coronavirus Aid Relief and Economic Security (CARES) and Corona Response and Relief Supplemental Appropriations Act (CRRSSA) Acts provided CPTA with \$12.6 million in emergency funding during fiscal years 2020 and 2021. The amount of CPTA's operating subsidy funded by federal funds increased from 29% in fiscal year 2019 to 67% and 66% in FY 2020 and 2021, respectively. The American Rescue Plan Act will add an additional \$7.9 million in future years to continue to support CPTA's effort to mitigate the impact of COVID-19 on Public transit in CPTA's service area.

In 2007, PennDOT conducted a Human Service Transportation Coordination Study. The study evaluated means to make transportation financially sustainable. One of the recommendations stated that "regional consolidation of management and service delivery offers the greatest opportunity for improved efficiencies and cost savings." In 2011, the York County Transportation Authority (d/b/a rabbittransit) merged with the Adams County Transit Authority. Also in 2011, rabbittransit became the coordinator of shared ride service for Northumberland County. On July 1, 2015, Cumberland County voted to merge its shared ride program with rabbittransit. In July 2015, Columbia County Commissioners voted to approve rabbittransit as its shared ride coordinator starting on January 1, 2016. On December 1, 2015, the Columbia County Commissioners approved CPTA as its shared ride coordinator. On April 1, 2016, the Franklin County Commissioner approved CPTA as its shared ride coordinator. In January 2016, the York Adams Transportation Authority became the Central Pennsylvania Transportation Authority with Cumberland County joining York and Adams Counties. In fiscal year 2017, Montour, Snyder, Union, and Perry Counties officially joined CPTA. In January 2017, Perry and Franklin Counties joined CPTA making a five-county authority. The mobility reach continued with a management agreement with Cumberland-Dauphin-Harrisburg Transit Authority (CAT), where CPTA is providing senior leadership to CAT through a two-year contract. On November 18, 2021, the Susquehanna Regional Transit Authority was founded at the inaugural meeting of its Board as an additional step toward regional consolidation of management and service delivery. In years to come rabbittransit (CPTA) and CAT will engage with SRTA to create seamless public transportation in the geographic area previously served by both rabbittransit and CAT.

Economic Factors (continued)

The counties CPTA serves are noted in red. CPTA provides its residents with out-of-county service to any contiguous county of the passenger home.

**Job Market**

In fiscal year 2020, and 2021 the well-documented post COVID-19 reduction in the size of the workforce has had a major impact on the Authority's ability to adequately staff the organization. By the end of Fiscal year 2021, the Authority was short 46 operators, which is equal to nearly 16% of the total driving workforce. This has required the Authority to launch a major campaign to attract a workforce to meet the demands of our daily operations. A campaign that to date has not yet successfully mitigated the challenge.

Many other employers are also struggling to find employees. In fiscal year 2020, and continuing throughout fiscal year 2021, rabbitransit has regularly been contacted by numerous large employers seeking transportation or expanded transportation for its workforce. The Authority continues to meet with employers to determine what transportation services can be implemented within the confines of its own employee challenges.

In recent times the Authority's most significant and creative efforts to assist employers and meet other transportation needs have included

1. A partnership with ES3 to expand service along its fixed route corridor between the City of York and the industrial park area. Given that transportation is a huge barrier for those seeking employment, the partnership makes it possible to provide additional service as ES3 helps contribute to the cost of operating assistance. Shortly after the launch of the ES3 shuttle, the service expanded to include FedEx Ground. rabbitransit expanded fixed route bus service (Route 33) between the City of York and the industrial park area located along the northern section of Susquehanna Trail to connect to the FedEx site.

2. A microtransit service, launched as a pilot project to test an on-demand service model called The Stop Hopper. After downloading the Microtransit app, riders choose pick-up and drop-off locations within a specific zone. Zoned areas include East York, Red Lion, and parts of Dallastown. After feedback from the community, The Stop Hopper extended hours from 7:00AM to 7:00PM and offered registered seniors 65+ free rides. rabbittransit continues to monitor service performance to determine how it can be further rolled out in other parts of the community.
3. Geisinger Healthcare selected rabbittransit as a transportation provider in a research study related to the social determinants of healthcare. Their goal was to determine ways to decrease no shows and hospital readmissions and to increase positive healthcare outcomes, specifically through transportation. Cooperatively, we worked with Geisinger utilizing an effort titled 4Ride led by rabbittransit. Under this structure, rabbittransit provides mobility management services by interfacing between Geisinger Healthcare and seven transit providers and several for-profit operators in the northern Geisinger region.



Funding Outlook

The funding of public transit is in a transitional period. In the short run, COVID-19 related funding has helped weather transit through the effects of significant ridership reduction while in Pennsylvania the stability of long-term funding has become more tentative. CPTA will continue to be a leader in Pennsylvania, working with PennDot and other Transit authorities to make public transit more cost effective and strive to find a more sustainable funding structure.

Contacting the Authority's Financial Management

This financial report is designed to provide our customers, creditors, and funding agencies with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If there are any questions about this report, or if additional financial information is required, please contact the Authority's Controller at Central Pennsylvania Transportation Authority, 415 N. Zarfoss Drive, York, Pennsylvania 17404.

Statement of Net Position

| | June 30, | |
|---|---------------------|---------------------|
| | 2021 | 2020 |
| Assets | | |
| Current Assets | | |
| Restricted cash | \$ 5,690,605 | \$ 6,314,356 |
| Accounts receivable | 3,009,169 | 5,032,137 |
| Inventory | 359,284 | 375,674 |
| Prepaid expenses | 421,935 | 497,136 |
| Operating assistance and planning grants receivable | 9,320,455 | 1,208,905 |
| Capital grants receivable | 4,643,501 | 2,287,925 |
| Total Current Assets | 23,444,949 | 15,716,133 |
| Capital Assets | | |
| Capital assets not being depreciated | | |
| Land | 2,464,061 | 2,464,061 |
| Construction in progress | 1,734,935 | 673,247 |
| | 4,198,996 | 3,137,308 |
| Capital assets being depreciated | | |
| Buildings and improvements | 32,622,371 | 32,514,394 |
| Revenue vehicles and equipment | 40,997,688 | 38,563,865 |
| Shop and garage equipment | 639,968 | 505,062 |
| Furniture and office equipment | 2,265,588 | 1,913,522 |
| | 76,525,615 | 73,496,843 |
| Accumulated depreciation | (33,770,060) | (31,135,455) |
| | 42,755,555 | 42,361,388 |
| Capital Assets, Net | 46,954,551 | 45,498,696 |
| Total Assets | 70,399,500 | 61,214,829 |

Statement of Net Position (continued)

| | June 30, | |
|---|----------------------|----------------------|
| | 2021 | 2020 |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable | \$ 1,021,644 | \$ 632,041 |
| Accounts payable, capital | 2,386,234 | 68,355 |
| Accrued expenses | | |
| Wages | 417,483 | 386,842 |
| Vacation wages | 564,583 | 585,248 |
| Other | 135,070 | 174,395 |
| Unearned local capital and operating assistance | 668,358 | 679,352 |
| Unearned revenue - other | 1,632,043 | 1,548,417 |
| Unearned revenue - Act 44/89 urban funds | 13,654,882 | 9,779,459 |
| Total Liabilities | 20,480,297 | 13,854,109 |
| Net Position | | |
| Net Position | | |
| Investment in capital assets | 46,954,551 | 45,498,696 |
| Restricted disposition proceeds | 1,682,492 | 1,545,342 |
| Unrestricted net position | 1,282,160 | 316,682 |
| Total Net Position | \$ 49,919,203 | \$ 47,360,720 |

Statement of Revenues, Expenses, and Changes in Net Position

| | Years Ended June 30, | |
|---|----------------------|---------------------|
| | 2021 | 2020 |
| Operating Revenues | | |
| Passenger fares | \$ 1,792,026 | \$ 2,631,057 |
| State Medical Assistance Transportation Program | 7,397,546 | 6,338,694 |
| State Shared Ride Program | 2,292,514 | 3,202,407 |
| State Persons with Disabilities Program | 820,329 | 1,049,600 |
| Area Agency on Aging | 321,093 | 440,940 |
| Mental Health/Intellectual & Developmental Disabilities | 717,508 | 1,741,835 |
| Special transit fares | 182,034 | 222,466 |
| Advertising | 272,260 | 37,531 |
| Miscellaneous income | 31,111 | 33,699 |
| Total Operating Revenues | 13,826,421 | 15,698,229 |
| Operating Expenses | | |
| Salaries and wages | 12,074,812 | 12,610,585 |
| Fringe benefits | 7,389,300 | 7,408,630 |
| Services | 1,435,002 | 1,332,528 |
| Fuel and lubricants | 1,982,524 | 2,066,429 |
| Tires and tubes | 158,350 | 177,602 |
| Other materials and supplies | 728,434 | 887,794 |
| Utilities | 605,836 | 675,644 |
| Casualty and liability | 924,614 | 845,443 |
| Purchased transportation | 866,928 | 1,698,889 |
| Leases and rentals | 147,869 | 148,023 |
| Miscellaneous | 593,780 | 507,243 |
| Depreciation | 4,492,819 | 4,919,947 |
| Total Operating Expenses | 31,400,268 | 33,278,757 |
| Loss from Operations | (17,573,847) | (17,580,528) |
| Nonoperating Revenues (Expenses) | | |
| Operating grants | | |
| Federal government | 9,280,069 | 8,750,458 |
| Commonwealth of Pennsylvania Act 44 funds | 3,760,581 | 3,372,894 |
| Local governments Act 44 matching funds | 649,327 | 619,938 |
| Other Commonwealth and local operating funds | 409,656 | 336,073 |
| Total Government Subsidies for Operations | 14,099,633 | 13,079,363 |
| Gain (loss) on disposal of capital assets | 120,593 | (51,300) |
| Total Nonoperating Revenues | 14,220,226 | 13,028,063 |
| Loss Before Capital Grant Funding | (3,353,621) | (4,552,465) |

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

| | Years Ended June 30, | |
|--|----------------------|----------------------|
| | 2021 | 2020 |
| Capital Grant Funding | | |
| Federal government | \$ 2,587,246 | \$ 5,385,750 |
| State government | 3,293,002 | 1,603,077 |
| Local governments | 31,856 | 17,143 |
| Total Capital Grant Funding | 5,912,104 | 7,005,970 |
| Increase in Net Position | 2,558,483 | 2,453,505 |
| Net Position at Beginning of Year | 47,360,720 | 44,907,215 |
| Net Position at End of Year | \$ 49,919,203 | \$ 47,360,720 |

Statement of Cash Flows

| | Years Ended June 30, | |
|--|------------------------|------------------------|
| | 2021 | 2020 |
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 15,818,278 | \$ 13,692,659 |
| Cash payments to suppliers for goods and services | (14,249,524) | (15,917,796) |
| Cash payments to employees for services | (12,259,207) | (12,442,008) |
| Other operating cash receipts | 31,111 | 33,699 |
| Net Cash Used in Operating Activities | (10,659,342) | (14,633,446) |
| Cash Flows from Noncapital Financing Activities | | |
| Cash receipts from operating and planning grants | 9,936,138 | 16,165,359 |
| Net Cash Provided by Noncapital Financing Activities | 9,936,138 | 16,165,359 |
| Cash Flows from Capital and Related Financing Activities | | |
| Cash receipts from capital grants | 3,556,528 | 8,153,115 |
| Purchase of capital assets | (3,594,225) | (8,627,961) |
| Proceeds from disposition of equipment | 137,150 | 18,591 |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | 99,453 | (456,255) |
| Net Increase (Decrease) in Cash | (623,751) | 1,075,658 |
| Cash at Beginning of Year | 6,314,356 | 5,238,698 |
| Cash at End of Year | \$ 5,690,605 | \$ 6,314,356 |
| Reconciliation of Loss from Operations to Net Cash Used in Operating Activities | | |
| Loss from operations | \$ (17,573,847) | \$ (17,580,528) |
| Adjustments to reconcile loss from operations to net cash used in operating activities | | |
| Depreciation | 4,492,819 | 4,919,947 |
| Change in assets and liabilities | | |
| (Increase) decrease in accounts receivables | 2,022,968 | (1,971,871) |
| Decrease in inventory | 16,390 | 48,928 |
| (Increase) decrease in prepaid expenses | 75,201 | (3,758) |
| Increase (decrease) in accounts payable and accrued expenses | 307,127 | (46,164) |
| Net Cash Used in Operating Activities | \$ (10,659,342) | \$ (14,633,446) |
| Supplementary Schedule of Noncash Capital and Related Financing Activities | | |
| Capital asset purchases in accounts payable | \$ 2,386,234 | \$ 68,355 |

Note 1 - Nature of Activity

The Central Pennsylvania Transportation Authority (the Authority), originally chartered as the York County Transportation Authority on November 1, 1974 by the County of York under the Pennsylvania Municipality Authorities Act and the laws of the Commonwealth of Pennsylvania, provides scheduled bus service on fixed routes and demand response transportation services to the general public and to qualifying elderly individuals and persons with disabilities at special fares. The Authority provides services in York, Adams, Northumberland, Columbia, Cumberland, Franklin, Montour, Snyder, Union, and Perry Counties.

The Authority is funded by a combination of passenger fares, 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 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. Based on the above, there are no agencies or entities that should be presented with the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 grants from the federal, state, and local governments. The principal nonoperating expenses of the Authority are losses on disposal of capital assets.

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

Use of Estimates

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

Assets, Liabilities, Net Position, Revenues, and Expenses**Cash and Investments**

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

The Board of Directors (the Board) is permitted to invest the Authority's funds as defined in the Local Government Unit Debt Act, the Pennsylvania Municipality Authorities Act, and the related resolutions. Authorized types of investments include the following:

- U.S. Treasury bills
- Short-term obligations of the U.S. Government and Federal agencies
- Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
- General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision

Note 2 - Summary of Significant Accounting Policies (continued)**Assets, Liabilities, Net Position, Revenues, and Expenses (continued)****Cash and Investments (continued)**

- Bills of exchange or time drafts drawn on and accepted by a commercial bank not to exceed 180 days
- Short-term, unsecured obligations of corporations or other business entities organized in accordance with federal or state law
- Shares of mutual funds whose investments are restricted to the above categories

When making investments, the Board can join with other political subdivisions and municipal authorities in the purchase of a single investment.

Investments are carried at fair value.

Restricted Assets

Certain proceeds from the Authority's state and local grants are classified as restricted assets on the statement of net position because their use is limited by the grantor.

Accounts Receivable

All accounts receivables are shown net of an allowance for uncollectibles, as applicable. Accounts receivable in excess of 90 days are evaluated for collectibility and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance was \$-0- at June 30, 2021 and 2020.

Inventory and Prepaid Expenses

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

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

Capital Assets

Capital assets are defined by the Authority as assets with a useful life in excess of one year and an initial individual cost of more than \$4,000 and are recorded at historical cost and depreciated utilizing the straight-line method over their estimated useful lives as follows:

| | |
|--------------------------------|----------------|
| Buildings and improvements | 10 to 40 years |
| Revenue vehicles and equipment | 3 to 12 years |
| Shop and garage equipment | 5 to 10 years |
| Furniture and office equipment | 3 to 10 years |

Note 2 - Summary of Significant Accounting Policies (continued)**Assets, Liabilities, Net Position, Revenues, and Expenses (continued)****Capital Assets (continued)**

Maintenance and repairs of capital assets are expensed when incurred. Upon retirement, sale, or other disposition of capital assets, the cost and accumulated depreciation are eliminated 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 which 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 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 has been met, but for which revenue recognition criteria has not been met. Such amounts are measurable, but are not available.

Net Position

Net position is classified into three categories as follows:

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

Restricted net position are amounts that have externally imposed restrictions on how the funds can be spent.

Unrestricted net position are amounts that do not meet the definitions of "investment in capital assets" or "restricted" and are available for Authority operations.

Note 2 - Summary of Significant Accounting Policies (continued)**Revenues and Expenses****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.

Recent Accounting Pronouncements

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

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32*. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This statement also requires that the financial burden criterion in paragraph 7 of GASB Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criterion in paragraph 3 of GASB Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that GASB Statement No. 84, as amended, should be applied to all arrangements organized under Internal Revenue Code Section 457 to determine whether those arrangements should be reported as fiduciary activities and is effective for periods beginning after June 15, 2021. The Authority is currently evaluating what effect the adoption of the statement will have on its financial statements.

Notes to Financial Statements

June 30, 2021 and 2020

Note 3 - Budget Matters

The Authority adopts an annual budget. However, the Pennsylvania Municipality 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 - Cash

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.

As of June 30, 2021 and 2020, the carrying amount of the Authority's cash deposits were \$5,687,695 and \$6,311,446, respectively and the corresponding bank balances were \$6,267,538 and \$6,616,305, respectively, of which \$5,518,781 and \$5,927,346, respectively, was exposed to custodial risk because it was uninsured, but was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name. The Authority also maintained \$2,910 of petty cash as of June 30, 2021 and 2020.

Note 6 - Restricted Cash

Cash whose use is limited to a specific purpose has been classified as "restricted" in the financial statements. Restricted cash consisted of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Commonwealth of Pennsylvania Act 44 funds | <u>\$ 5,690,605</u> | <u>\$ 6,314,356</u> |

At June 30, 2021 and 2020, the Authority utilized \$8,632,635 and \$4,144,455, respectively, of Act 44 and various local funds on operations, which will be returned to the restricted account upon receipt of the federal and state share of those projects, which are in operating assistance and planning grants receivable.

At June 30, 2021 and 2020, all of the Authority's cash was restricted due to the state statutes limiting use of the funds.

Notes to Financial Statements

June 30, 2021 and 2020

Note 7 - Inventory

The classification of inventory is as follows at June 30:

| | <u>2021</u> | <u>2020</u> |
|----------------------|-------------------|-------------------|
| Parts and supplies | \$ 320,442 | \$ 327,573 |
| Fuels and lubricants | <u>38,842</u> | <u>48,101</u> |
| | <u>\$ 359,284</u> | <u>\$ 375,674</u> |

Note 8 - Operating Assistance and Planning Grants Receivable

Operating assistance and planning grants receivable balances are comprised of the following as of June 30:

| | <u>2021</u> | <u>2020</u> |
|------------------------------|---------------------|---------------------|
| Federal government | \$ 2,111,113 | \$ 62,925 |
| Commonwealth of Pennsylvania | <u>7,209,342</u> | <u>1,145,980</u> |
| | <u>\$ 9,320,455</u> | <u>\$ 1,208,905</u> |

Note 9 - Capital Grants Receivable

The following amounts are due from the federal and state governments for various capital projects as of June 30:

| | <u>2021</u> | <u>2020</u> |
|------------------------------|---------------------|---------------------|
| Federal government | \$ 479,272 | \$ 480,331 |
| Commonwealth of Pennsylvania | <u>4,164,229</u> | <u>1,807,594</u> |
| | <u>\$ 4,643,501</u> | <u>\$ 2,287,925</u> |

Notes to Financial Statements

June 30, 2021 and 2020

Note 10 - Capital Assets

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

| | <u>Balance July 1, 2020</u> | <u>Transfers/ Additions</u> | <u>Transfers/ Deletions</u> | <u>Balance June 30, 2021</u> |
|---|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 2,464,061 | \$ - | \$ - | \$ 2,464,061 |
| Construction in progress | 673,247 | 1,061,688 | - | 1,734,935 |
| Total Capital Assets Not Being Depreciated | <u>3,137,308</u> | <u>1,061,688</u> | <u>-</u> | <u>4,198,996</u> |
| Capital Assets Being Depreciated | | | | |
| Buildings and improvements | 32,514,394 | 107,977 | - | 32,622,371 |
| Revenue vehicles and equipment | 38,563,865 | 4,308,414 | 1,874,591 | 40,997,688 |
| Shop and garage equipment | 505,062 | 135,086 | 180 | 639,968 |
| Furniture and office equipment | 1,913,522 | 359,140 | 7,074 | 2,265,588 |
| Total Capital Assets Being Depreciated | <u>73,496,843</u> | <u>4,910,617</u> | <u>1,881,845</u> | <u>76,525,615</u> |
| Accumulated Depreciation | | | | |
| Buildings and improvements | 6,924,754 | 1,047,718 | - | 7,972,472 |
| Revenue vehicles and equipment | 22,143,579 | 3,257,757 | 1,858,034 | 23,543,302 |
| Shop and garage equipment | 345,739 | 32,559 | 180 | 378,118 |
| Furniture and office equipment | 1,721,383 | 154,785 | - | 1,876,168 |
| Accumulated Depreciation | <u>31,135,455</u> | <u>4,492,819</u> | <u>1,858,214</u> | <u>33,770,060</u> |
| Capital Assets Being Depreciated, Net | <u>42,361,388</u> | <u>417,798</u> | <u>23,631</u> | <u>42,755,555</u> |
| Capital Assets, Net | <u>\$ 45,498,696</u> | <u>\$ 1,479,486</u> | <u>\$ 23,631</u> | <u>\$ 46,954,551</u> |

Notes to Financial Statements

June 30, 2021 and 2020

Note 10 - Capital Assets (continued)

| | <u>Balance July 1, 2019</u> | <u>Transfers/ Additions</u> | <u>Transfers/ Deletions</u> | <u>Balance June 30, 2020</u> |
|---|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 2,464,061 | \$ - | \$ - | \$ 2,464,061 |
| Construction in progress | 746,686 | 673,247 | 746,686 | 673,247 |
| Total Capital Assets Not Being Depreciated | <u>3,210,747</u> | <u>673,247</u> | <u>746,686</u> | <u>3,137,308</u> |
| Capital Assets Being Depreciated | | | | |
| Buildings and improvements | 32,438,668 | 47,757 | (27,969) | 32,514,394 |
| Revenue vehicles and equipment | 32,671,841 | 6,057,031 | 165,007 | 38,563,865 |
| Shop and garage equipment | 473,286 | 31,776 | - | 505,062 |
| Furniture and office equipment | 1,684,266 | 196,159 | (33,097) | 1,913,522 |
| Total Capital Assets Being Depreciated | <u>67,268,061</u> | <u>6,332,723</u> | <u>103,941</u> | <u>73,496,843</u> |
| Accumulated Depreciation | | | | |
| Buildings and improvements | 5,866,969 | 1,057,785 | - | 6,924,754 |
| Revenue vehicles and equipment | 19,297,473 | 3,626,841 | 780,735 | 22,143,579 |
| Shop and garage equipment | 314,039 | 31,700 | - | 345,739 |
| Furniture and office equipment | 1,517,762 | 203,621 | - | 1,721,383 |
| Accumulated Depreciation | <u>26,996,243</u> | <u>4,919,947</u> | <u>780,735</u> | <u>31,135,455</u> |
| Capital Assets Being Depreciated, Net | <u>40,271,818</u> | <u>1,412,776</u> | <u>(676,794)</u> | <u>42,361,388</u> |
| Capital Assets, Net | <u>\$ 43,482,565</u> | <u>\$ 2,086,023</u> | <u>\$ 69,892</u> | <u>\$ 45,498,696</u> |

Note 11 - Unearned Local Capital and Operating Assistance

Unearned local capital and operating assistance in the amount of \$668,358 and \$679,352 at June 30, 2021 and 2020, respectively, is funding received from various local government entities. This excess will be used to match future federal and state capital and operating grants.

Note 12 - Unearned Revenue - Other

Unearned revenue - other in the amount of \$1,632,043 and \$1,548,417 as of June 30, 2021 and 2020, respectively, represents funds received from various sources for future transportation services to be provided by the Authority.

Note 13 - Unearned Revenue - Act 3 Base Supplemental Grant Rural Funds

In April 1997, the Pennsylvania legislature passed a dedicated source of funding for public transportation. This legislation, known as Act 3, provides for the transfer of sales taxes to be collected by the Pennsylvania Department of Revenue and passed through the Pennsylvania Department of Transportation to transit authorities for both capital and capital asset maintenance costs. Under regulations promulgated by the Pennsylvania Department of Transportation, Act 3 base supplemental grant rural funds may be used for operating assistance, capital asset maintenance, and preapproved capital projects. Funds not expended in the year of receipt can be carried forward for future operating, asset maintenance, or capital needs. The following transactions occurred in relation to the Act 3 funding for the years ended June 30:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|-------------|-------------|
| Balance at Beginning of Year | \$ - | \$ 45,912 |
| Funds expended | - | 45,912 |
| Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> |

As of July 1, 2007, this funding source was replaced with Act 44 funding.

Note 14 - Unearned Revenue - Act 44/89 Urban Funds

In July 2007, the Pennsylvania legislature enacted Act 44, which provides a dedicated source of funding for public transportation. The funding under Act 44 replaces state operating grants, the State Senior Citizens Program Grant, and dedicated tax revenues under Act 26 and Act 3. Funding under Act 44, as amended by Act 89, is to be used for operating purposes and requires certain levels of local government support. Funds not expended in the year of receipt can be carried forward for future operating expenses. The following transactions occurred in relation to the Act 44/89 funding for the years ended June 30:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|----------------------|---------------------|
| Balance at Beginning of Year | \$ 9,779,459 | \$ 5,816,957 |
| Funds received | 7,619,916 | 7,316,264 |
| Interest earned | 16,088 | 19,132 |
| Total Available | 17,415,463 | 13,152,351 |
| Funds expended | 3,760,581 | 3,372,894 |
| Balance at End of Year | <u>\$ 13,654,882</u> | <u>\$ 9,779,459</u> |

Note 15 - Restricted Disposition Proceeds

The Authority has established a restricted fund for proceeds from the disposition of capital assets. Proceeds that are not required to be returned to the federal, state, and local governments, which initially funded the acquisitions, are recorded in this restricted fund. As of June 30, 2021 and 2020, the Authority has accumulated \$1,682,492 and \$1,545,342, respectively, which is held as restricted net position to be used for future equipment acquisitions.

Note 16 - Pension Plans and Related Expenses

The Authority contributes to the pension plans described below. Total pension expense to the Authority amounted to \$625,101 and \$593,739 for the years ended June 30, 2021 and 2020, respectively.

In addition, the Authority adopted an Internal Revenue Code Section 457 Savings Plan (the Savings Plan). The Savings Plan permits the employee to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination. The Authority does not contribute to the Savings Plan on behalf of employees.

Administrative**Plan Description**

The Authority has a defined contribution pension plan covering substantially all employees not covered by the union plan. Contributions to the plan are discretionary and are determined by the Board, and are administered by a third party. Contributions charged to operations for the years ended June 30, 2021 and 2020 totaled \$363,719 and \$344,664, respectively.

Union Employees**Plan Description**

The Authority has a Simplified Employee Pension (the Plan) for each union employee. Employees are eligible to enter the Plan after a 90-day probationary period commencing on their first day of employment. The funds are held by a third-party custodian on behalf of the employees. The Authority contributed 6% of each eligible employee's gross wages to the Plan for the years ended June 30, 2021 and 2020. Contributions to the Plan for the years ended June 30, 2021 and 2020 totaled \$261,382 and \$249,075, respectively.

Note 17 - Risk Management

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

The Authority has joined together with other transit organizations in the Commonwealth of Pennsylvania to form the State Association for Transportation Insurance (SAFTI) Property & Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program. The Authority pays annual premiums to the SAFTI Property & Liability Pool for its property; general liability; automobile liability; automobile physical damage; crime and 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 contributions 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 \$910,391 and \$794,070, respectively.

The Authority has joined 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 contributions 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 \$695,981 and \$745,263, respectively, which was net of premium refunds in the amounts of \$85,923 and \$88,865, respectively.

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

For the years ended June 30, 2021 and 2020, there has been no significant reduction in insurance coverage from coverage in the prior years. Settled claims have not exceeded the insurance coverage purchased for the years ended June 30, 2021, 2020, and 2019.

Note 18 - 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 \$39,226 and \$68,414, respectively.

Note 19 - Commitments and Contingencies**Commitments****Leases****Bus Tires**

The Authority leases bus tires under the terms of an operating lease that calls for monthly payments based on actual mileage. Mileage rates are determined based on calculations included in the lease agreement.

Other

The Authority leases equipment under various cancelable operating leases. Related rent expense charged to operations totaled \$239,148 and \$245,207 for the years ended June 30, 2021 and 2020, respectively. Since all leases are cancelable, there are no future minimum lease rentals.

Contingencies**Grants**

A significant portion of the Authority's support is received from the 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 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.

Line of Credit

The Authority has a \$1,500,000 unsecured line of credit with a tax-free interest rate of the Wall Street Journal lending rate less 0.50%. As of June 30, 2021, 2020, and 2019, no amount was outstanding against the line of credit.

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.

Note 19 - Commitments and Contingencies (continued)**Contingencies (continued)****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.

Restricted Disposition Proceeds

Restricted disposition proceeds represent the proceeds from the disposal of vehicles and buildings. These funds and interest earnings on them are held in a restricted account to be expended in future years for the purchase of vehicles and buildings under restrictions set forth in the related grant.

Litigation

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

Concentration of Labor

The Authority entered into collective bargaining agreements with the drivers and maintenance employees expiring December 31, 2021 and 2022, respectively. Of the Authority's total workforce, approximately 46% were covered by the agreements as of June 30, 2021 and 2020.

Note 21 - Subsequent Events

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

Central Pennsylvania Transportation Authority



Single Audit Report

June 30, 2021

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Report Distribution List

June 30, 2021

Board of Directors
Central Pennsylvania Transportation
Authority
415 N. Zarfoss Drive
York, PA 17404

U.S. Department of Transportation
Federal Transit Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

U.S. Department of Transportation
Federal Transit Administration
Region 3 Office
1835 Market Street
Suite 1910
Philadelphia, PA 19103-2968

Commonwealth of Pennsylvania
Bureau of Audits
Special Audit Services Division
Forum Place - 8th Floor
555 Walnut Street
Harrisburg, PA 17101

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards* and the Audit
Requirements of the Pennsylvania Department of Transportation**

Independent Auditor's Report

To the Board of Directors
Central Pennsylvania Transportation Authority
York, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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, the financial statements of the Central Pennsylvania Transportation Authority (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Central Pennsylvania Transportation Authority's basic financial statements, and have issued our report thereon dated _____, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Central Pennsylvania Transportation Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Pennsylvania Transportation Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Pennsylvania Transportation Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control over Financial Reporting (continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Central Pennsylvania Transportation Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements of the Pennsylvania Department of Transportation.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2021
Lancaster, Pennsylvania

Report on Compliance for Each Major Federal DHS Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Pennsylvania Department of Human Services

Independent Auditor's Report

To the Board of Directors
Central Pennsylvania Transportation Authority
York, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Central Pennsylvania Transportation Authority's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* (the Supplement) that could have a direct and material effect on each of the Central Pennsylvania Transportation Authority's major federal programs for the year ended June 30, 2021. The Central Pennsylvania Transportation Authority's major federal and DHS programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards and DHS expenditures applicable to its federal and DHS programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Central Pennsylvania Transportation Authority's major federal and DHS programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance and the Supplement). Those standards, the Uniform Guidance, and the Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and DHS program occurred. An audit includes examining, on a test basis, evidence about the Central Pennsylvania

Transportation Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Auditor's Responsibility (continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and DHS program. However, our audit does not provide a legal determination of the Central Pennsylvania Transportation Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Central Pennsylvania Transportation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Central Pennsylvania Transportation Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Pennsylvania Transportation Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and DHS program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and DHS program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Pennsylvania Transportation Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and DHS program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and DHS program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance, with a type of compliance requirement of a federal and DHS program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and DHS. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Expenditures of Federal Awards and DHS Expenditures as
Required by the Uniform Guidance and the Pennsylvania Department of Human Services**

We have audited the financial statements of Central Pennsylvania Transportation Authority as of and for the year ended June 30, 2021, and have issued our report thereon, dated _____, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and DHS expenditures are presented for purposes of additional analysis as required by the Uniform Guidance and DHS and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and DHS expenditures are fairly stated in all material respects in relation to the financial statements as a whole.

_____, 2021
Lancaster, Pennsylvania

Schedule of Expenditures of Federal Awards
June 30, 2021

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|--|--------------------------------|--|----------------------|
| U.S. Department of Transportation, Federal Transit Administration | | | |
| Federal Transit Grants Cluster | | | |
| Federal Transit-Capital Investment Grants | 20.500 | PA-04-X091 | \$ 82,015 |
| Federal Transit-Formula Grants | 20.507 | PA-95-X087 | 9,138 |
| Federal Transit-Formula Grants | 20.507 | PA-90-X924 | 2,169,921 |
| Federal Transit-Formula Grants | 20.507 | PA-XX-XX20 | 463,089 |
| Urbanized Area Formula Grants (CARES Act) | 20.507 | PA-2020-013-00 | 7,028,132 |
| Total Federal Transit Cluster | | | 9,752,295* |
| Transit Services Programs Cluster | | | |
| Passed through the Commonwealth of Pennsylvania Department of Transportation | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | PA-17-X002 | 566 |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | PA-18-X013 | 1,670,203 |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | PA-20-X040 | 372,044 |
| Total Enhanced Mobility of Seniors and Individuals with Disabilities Grants | | | 2,042,813 |
| Job Access and Reverse Commute | 20.516 | PA-37-0051 | 73,437 |
| Total Transit Services Programs Cluster | | | 2,116,250* |
| U.S. Department of Health and Human Services | | | |
| Passed through the Commonwealth of Pennsylvania Department of Human Services | | | |
| Medical Assistance Transportation Program | 93.778 | | 3,698,773* |
| Total Federal Awards Expended | | | \$ 15,567,318 |

* Denotes major programs as defined by the Uniform Guidance.

Schedule of Pennsylvania Department of Human Services Expenditures

June 30, 2021

| Program (As Defined in the Pennsylvania Department of Human Services, Single Audit Supplement) | Combined Federal/State Expenditures for Fiscal Year Ended June 30, 2021* |
|---|---|
| Medical Assistance Transportation Program | <u>\$ 7,397,546*</u> |

* Major Pennsylvania Department of Human Services program. The 2021 threshold for major programs under the federal definition is \$750,000 (the greater of 3% of total federal expenditures or \$750,000). For the year ended June 30, 2021, there were no major Pennsylvania DHS programs.

Notes to Schedule of Expenditures of Federal Awards and Schedule of Pennsylvania
Department of Human Services Expenditures
June 30, 2021

Note 1 - Significant Accounting Policies

The Central Pennsylvania Transportation Authority (the Authority) maintains its accounting records in accordance with accounting principles generally accepted in the United States of America. The financial information contained in the schedule of expenditures of federal awards and the schedule of Pennsylvania DHS expenditures has been prepared on the basis of accounting practices prescribed under the terms of Federal Operating Assistance, Planning, and Capital Grants with the Federal Transit Administration. The practices differ from accounting principles generally accepted in the United States of America as follows:

1. Depreciation is not allowed as a project cost.
2. Certain expenditures that would not normally be included in the determination of net income are either allowable or unallowable for project purposes.

Note 2 - Indirect Cost Rate

Indirect cost of the Authority was based on actual time. The Authority did not elect to utilize the ten percent de minimis indirect cost rate.

Note 3 - Program Clusters

The following program clusters, as defined by the Uniform Guidance, were treated as a single program for determining major programs:

| | <u>CFDA Number</u> | <u>Expenditures</u> |
|-----------------------------------|--------------------|---------------------|
| Federal Transit Cluster | 20.500 | \$ 82,015 |
| | 20.507 | 9,670,280 |
| | | <u>\$ 9,752,295</u> |
| Transit Services Programs Cluster | 20.513 | \$ 2,042,813 |
| | 20.516 | 73,437 |
| | | <u>\$ 2,116,250</u> |
| Medicaid Cluster | 93.778 | <u>\$ 3,698,773</u> |

Section II - Financial Statement Findings

None.

Section III - Federal Awards Findings and Questioned Costs

None.

Schedule of Findings and Questioned Costs
June 30, 2021

Section I - Summary of Auditor's Results**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiency(ies) identified?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No**Federal Awards**

Internal control over major programs

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiency(ies) identified?

☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

☐ Yes ☒ No**Identification of Major Programs**

| CFDA Number(s) | Name of Federal Program | Amount Expended |
|--|-----------------------------------|---|
| 20.500 and 20.507 | Federal Transit Cluster | \$ 9,752,295 |
| 20.513 and 20.516 | Transit Services Programs Cluster | 2,116,250 |
| 93.778 | Medicaid Cluster | 3,698,773 |
| Dollar threshold used to distinguish between Type A and Type B programs: | | \$ 750,000 |
| Auditee qualified as low-risk auditee? | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

Section II - Financial Statement Findings

None.

Section III - Federal Awards Findings and Questioned Costs

None.