



Rochester Genesee Regional  
Transportation Authority

**RGRTA**

(A Component Unit of the State of New York)

CAFR  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR  
ENDED  
MARCH 31, 2014

**Rochester Genesee Regional  
Transportation Authority  
Rochester, New York**

**(A component unit of the State of New York)**

**Comprehensive  
Annual Financial Report  
For the Year Ended March 31, 2014**

**James H. Redmond  
Chairman  
Board of Commissioners**

**Bill Carpenter  
Chief Executive Officer**

**Prepared By:  
Department of Finance**

**Scott M. Adair, CPA  
Chief Financial Officer**

**Christopher D. Dobson  
Vice President of Finance**

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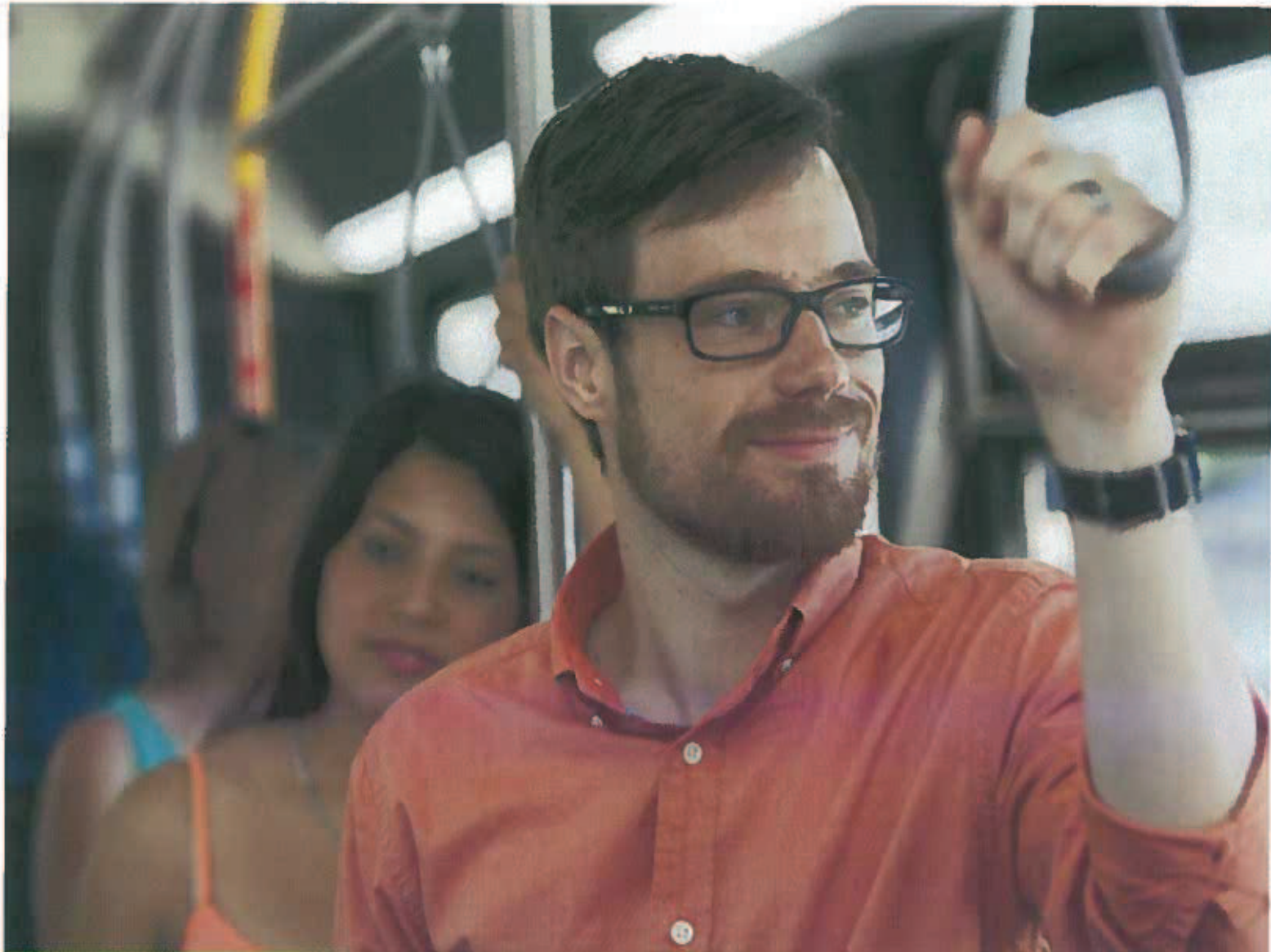
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September 30, 2014

#### Commissioners

Monroe County  
Stephen J. Carl  
Robert J. Fischer  
James H. Redmond  
Chairman

City of Rochester  
Thomas R. Argust  
Barbara J. Jones  
Karen C. Pryor

Genesee County  
Paul J. Battaglia  
Vice Chairman

Livingston County  
Milo I. Turner

Ontario County  
Pending

Orleans County  
Henry Smith, Jr.

Seneca County  
Edward W. White  
Secretary

Wayne County  
Michael P. Jankowski  
Treasurer

Wyoming County  
Frank Vitagliano, Jr.

Mr. James H. Redmond, Chairman  
Members Board of Commissioners  
Rochester-Genesee Regional Transportation Authority  
1372 East Main Street  
Rochester, NY 14609

Dear Chairman Redmond, Commissioners, Citizens and Stakeholders:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rochester-Genesee Regional Transportation Authority (the "Authority") for the fiscal year ended March 31, 2014.

This report has been compiled and prepared by the Authority's Management, which assumes full responsibility for the completeness and accuracy of the financial data contained herein. The information presented in this report fairly portrays the Authority's financial position and results of operations for the fiscal year ended March 31, 2014. The Authority's Management is also responsible for establishing and maintaining effective internal control over financial reporting. The Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of any material statements.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section consists of this letter of transmittal, which provides an overview of the Authority's reporting entity, economic environment, financial performance and other pertinent financial information. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes thereto, required supplementary information other than MD&A for the fiscal year ended March 31, 2014. The Statistical Section sets forth financial trends, revenue capacity, demographic and economic information, and operating information.

The basic financial statements of the Authority are audited each year by an independent Certified Public Accounting firm. Bonadio & Co., LLP has completed the independent audit using auditing standards generally accepted in the United States of America. The audited financial statements are included in the Financial Section of this report in its entirety and without edit.

The Authority is also required to undergo an annual audit in conformance with the provisions of the Federal Single Audit Act (as amended) and the United States Office of Management and Budget's Circular A-133: Audits of States, Local Governments, and

**Non-Profit Organizations.** Information related to this audit (including the schedule of expenditures of federal awards; summary of findings and questioned costs; the Independent Auditor's Report on internal controls over financial reporting, based on an audit of financial statements performed in accordance with Government Auditing Standards; and a report on compliance with applicable laws, regulations, contracts and grants applicable to major federal programs; and internal controls over such compliance) is not provided in this report. This information is presented as a separate report along with the Independent Auditor's Report on compliance and internal controls over financial reporting.

#### **Authority Structure and Reporting Entity**

The Authority is a public benefit corporation and a component unit of the State of New York. Created in 1969 by an act of the State Legislature, the Authority is charged with the continuance, further development and improvement of public transportation, and other related services within the Genesee/Finger Lakes region of the state.

In 1969, Monroe County was the sole member of the Authority. Since that time, membership in the Authority has grown to seven counties with a total land area of 3,698 square miles and population of approximately 1.1 million. Current member counties include Monroe, Genesee, Livingston, Orleans, Seneca, Wayne, and Wyoming. The Authority has separate legal standing from each of the member counties.

The Authority includes the accounts of Rochester-Genesee Regional Transportation Authority, and its nine blended component units. The Authority's nine blended component units and their respective functions are below:

1. **Regional Transit Service, Inc. (RTS)** - Fixed route operations serving the urbanized areas of the City of Rochester and surrounding areas in Monroe County. RTS is by far the largest business unit representing over 80% of all operating expenses.
2. **Lift Line, Inc. (LL)** - Paratransit services which complement RTS fixed route services, in accordance with the Americans with Disabilities Act.
3. **Batavia Bus Service, Inc. (BBS)** – Fixed and flexible route operations for Genesee County.
4. **Livingston Area Transportation Service, Inc. (LATS)** – Fixed and flexible route operations for Livingston County.
5. **Orleans Transit Service, Inc. (OTS)** – Fixed and flexible route operations for Orleans County.

6. Seneca Transit Service, Inc. (STS) – Fixed and flexible route operations for Seneca County.
7. Wayne Area Transportation Service, Inc. (WATS) – Fixed and flexible route operations for Wayne County.
8. Wyoming Transit Service, Inc. (WYTS) – Fixed and flexible route operations for Wyoming County.
9. Genesee Transportation Council Staff, Inc. (GTCS) - Administrative host agency for Genesee Transportation Council.

A thirteen-member Board of Commissioners (Board) establishes policy and sets direction for the management of the Authority. The Commissioners are representative of the various member counties of the Authority and are appointed by the Governor of New York State and confirmed by the New York State Senate. Board membership is apportioned among the member counties based on population.

Current Board membership is as follows: Monroe County, four (4); City of Rochester, three (3); and one (1) member each from Genesee, Livingston, Orleans, Seneca, Wayne, and Wyoming counties.

The Authority will be adding an additional County member effective August 1, 2014. Ontario County will join the Authority as a legally separate organization like the other current members. Information regarding this addition is contained in Note 16 of the financial statements.

Responsibility for the administration of the Authority rests with the Chief Executive Officer, subject to the policies and oversight of the Board of Commissioners. An organizational chart follows in this introductory section.

#### **Economic Profile**

Department of Labor employment level statistics within the service area of the Authority indicate that the jobless rate has improved .8% over the past year. The total civilian work force over the same period decreased from 534,565 to 526,614. The combined total of retail, service, and government employment has increased slightly from 76.3% to 76.6% of the total work force composition. Combined manufacturing and construction employment has decreased slightly from 15.8% to 15.5%, while all other types (finance, insurance, etc.) represent 7.9%.

The total population of the Authority's service area has increased by .3% over the past ten years, to slightly less than 1.1 million. The population of the City of Rochester has

declined overall by .9% since 2004, while the population of Monroe County outside of the City has grown 2.0% over the same period.

As of December 31 <sup>st</sup>	Monroe		Genesee	Livingston	Orleans	Seneca	Wayne	Wyoming	Total
	Rochester	Suburbs							
2004	212,297	528,778	60,224	65,484	43,682	35,312	93,860	42,852	1,082,489
2013	210,358	539,248	59,454	64,705	42,235	35,409	92,473	41,531	1,085,413
% Change	-0.9%	2.0%	-1.3%	-1.2%	-3.3%	0.3%	-1.5%	-3.1%	0.3%

### Financial Profile

Each fiscal year the Authority's Board of Commissioners adopts a Comprehensive Plan (the "Plan") that encompasses a strategic plan, operational initiatives, and a financial plan. The strategic plan identifies the strategies which support the Authority's vision and mission. The operational initiatives identify the tactics to be undertaken to achieve the strategic plan. The financial plan includes the fiscal year operating budget and capital investment plan necessary to accomplish the operational initiatives; and, a multi-year operating budget projection covering the next three fiscal years.

The Authority's fiscal year operating budget identifies the total planned operating expenditures along with revenues for the fiscal year to support the current operational initiatives and the overall strategic plan.

The Authority's annual Six Year Capital Improvement Plan (CIP) identifies all proposed capital investments needed to support and enhance the Authority's infrastructure including replacement of revenue vehicles and other equipment; improvements to facilities; and investments in technology.

The Multi-Year Budget Forecast is a component of the sound fiscal management practices of the Authority. Using historical data, trends, known and estimated operating revenue and expense factors for all subsidiary companies, the Multi-Year Budget Forecast projects future annual net income or deficits, for 3 subsequent budget periods. Twice annually, the forecast is updated with the latest information to ensure that the forecast retains its relevancy. The Multi-Year Forecast enables management and the Board of Commissioners to proactively address future challenges.

The Authority uses a comprehensive performance measurement system to measure success in the achievement of clearly established metrics. This system, known as TOPS (Transit Organization Performance Scorecard), provides a comprehensive report on achievement versus goal for the critical metrics that are tied to the Authority's strategic goals. The TOPS score is reported to the Board and community on a quarterly basis to provide complete transparency of the Authority's performance. TOPS has proven to be a highly effective management tool.

## Other Information

**Independent Audit** The goal of the independent audit was to provide a reasonable assurance that the financial statements of the Authority for the fiscal year ended March 31, 2014, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended March 31, 2014, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as part of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found on page 4 of this document, immediately following the report of the independent auditors.

**Awards** We proudly note that for the ninth consecutive year, the Government Finance Officers Association (GFOA) has awarded the Authority with a Certificate of Achievement for Excellence in Financial Reporting for its CAFR inclusive of fiscal year ended March 31, 2013. The Certificate of Achievement is valid for a period of one year. We believe that the current CAFR continues to meet the requirements for the Certificate of Achievement and will submit it to the GFOA review panel for determination of eligibility for another certificate.

**Acknowledgements** The publication of this report is a reflection of the level of excellence and professionalism of the Authority's management and staff. This report significantly improves the accountability of the Authority to other governmental entities that provide financial assistance to the Authority and, of course, to the taxpayers who ultimately support all levels of public service. We would like to express our appreciation to the staff of the Finance Department who contributed to the preparation of this report.

  
Bill Carpenter  
Chief Executive Officer

  
Scott M. Adair  
Chief Financial Officer



**Government Finance Officers Association**

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

**Presented to**

**Rochester Genesee**

**Regional Transportation Authority**

**New York**

**For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended**

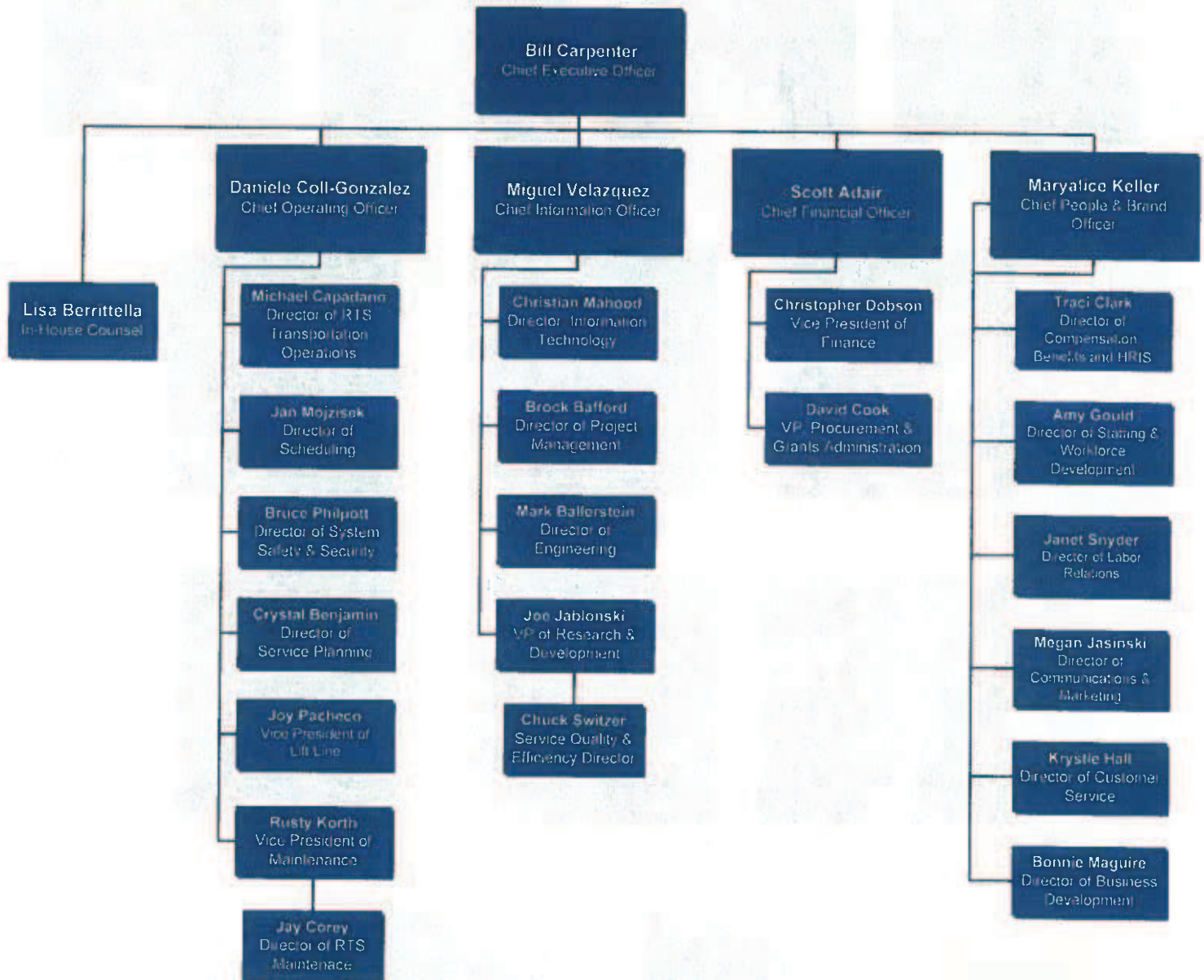
**March 31, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

**Executive Director/CEO**

# RGRTA ORGANIZATIONAL CHART

AS OF MARCH 31, 2014



# RGRTA Board of Commissioners

AS OF MARCH 31, 2014



James H. Redmond  
Chairman



Paul J. Battaglia, CPA  
Vice Chairman



Edward W. White  
Secretary



Michael P. Jankowski  
Treasurer



Thomas R. Argust



Stephen J. Carl



Robert J. Fischer



Barbara J. Jones



Karen C. Pryor



Henry Smith, Jr.



Milo I. Turner



Frank Vitagliano, Jr.

# RGRTA LEADERSHIP TEAM

AS OF MARCH 31, 2014

Chief Executive Officer	Bill Carpenter
Chief Financial Officer	Scott Adair
Chief Information Officer	Miguel Velazquez
Chief People & Brand Officer	Maryalice Keller
Chief Operating Officer	Daniele Coll-Gonzalez
In-House Counsel	Lisa Berrittella
VP of Finance	Chris Dobson
VP of Maintenance	Rusty Korth
VP of Lift Line	Joy Pacheco
VP of Procurement & Grants Administration	David Cook
VP of Research & Development	Joe Jablonski
Director of Transportation Operations	Mike Capadano
Director of Business Development	Bonnie Maguire
Director of Communications & Marketing	Megan Jasinski
Director of Compensation, Benefits and HRIS	Traci Clark
Director of Customer Service	Krystle Hall
Director of Engineering	Mark Ballerstein
Director of Information Technology	Christian Mahood
Director of Project Management	Brock Bafford
Director of RTS Maintenance	Jay Corey
Director of Service Planning	Crystal Benjamin
Director of Staffing & Workforce Development	Amy Gould
Director of Labor Relations	Janet Snyder
Service Quality & Efficiency Director	Charles Switzer

## RGRTA MEMBER COUNTIES





## FINANCIAL SECTION

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**INDEPENDENT AUDITOR'S REPORT**

June 24, 2014

To the Commissioners of  
Rochester-Genesee Regional Transportation Authority:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Rochester-Genesee Regional Transportation Authority (the "Authority," a New York State public benefit corporation, which is a component unit of the State of New York) as of and for the years ended March 31, 2014 and 2013, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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Pittsford, New York 14534  
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www.bonadio.com

(Continued)

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of March 31, 2014 and 2013, and the changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining blended component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining blended component unit financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining blended component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014, 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* in considering Authority's internal control over financial reporting and compliance.

*Bonadio & Co., LLP*

**ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the State of New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AS OF AND FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

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This Management's Discussion and Analysis (MD&A) of the Rochester-Genesee Regional Transportation Authority (Authority) financial statements provides an overview of the Authority's financial activity for the years ended March 31, 2014 and 2013. Please read this MD&A in conjunction with the Authority's basic financial statements and footnotes, which follow this section.

The Authority's basic financial statements consist of a statement of net position; a statement of revenue, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements. The statement of net position provides a snapshot of the Authority's financial condition at March 31, 2014 and 2013. The statement of revenues, expenses, and changes in net position report the results of the Authority's operations and activities for years ended March 31, 2014 and 2013. Finally, the statement of cash flows reports the Authority's sources and uses of cash from operations, non-capital financing, capital and related financing, and investing activities for the years ended March 31, 2014 and 2013.

**FINANCIAL HIGHLIGHTS**

- The 2014 fiscal year ended with an increase to net position of approximately \$35.7 million compared to \$19.6 million in 2013 and \$9.7 million in 2012. The primary cause of this increase in each of these fiscal years was due to the additional federal and state capital contributions received by the Authority primarily due to the construction of the new downtown transit center, scheduled to open on November 28, 2014, and the campus wide improvement project.
- The Authority's single most significant asset classification is capital assets. The Authority reports capital assets, net of depreciation, totaling approximately \$156.4 million for the fiscal year ended 2014, \$112.1 million for the fiscal year ended 2013 and \$87.3 million for the fiscal year ended 2012. The Authority's construction of the new downtown transit center in between Clinton Avenue and St. Paul Boulevard in the City of Rochester added capital assets of approximately \$23.1 million during fiscal year 2014 compared to \$12.9 million in 2013 and building and improving the Authority's main campus located on Main Street in the City of Rochester added capital assets of approximately \$1.4 million during fiscal 2014 compared to \$6.5 million during fiscal year 2013.
- The Authority's single most significant liability classification is Other Postemployment Benefits (OPEB). The Authority's Net OPEB obligation was \$33.9 million, \$29.3 million and \$24.8 million for the fiscal years ended 2014, 2013 and 2012, respectively. The Authority in compliance with GASB Statement No. 45 is using the allowed, 30 year amortization period for accruing the unfunded actuarial accrued liability.
- The Authority's unrestricted net position has decreased from the fiscal year 2013 by approximately \$8.6 million and from the fiscal year 2012 by approximately \$5.1 million. The Authority's unrestricted net position was \$9.1 million, \$17.7 million and \$22.8 million for the fiscal years ended 2014, 2013 and 2012, respectively.

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE**  
**Condensed Schedule of Net Position (in millions)**

The condensed schedule of net position below provides a snapshot of the financial condition of the Authority as of March 31;

	2014	2013	2012
<b>Assets:</b>			
<b>Current and other</b>	\$ 60.4	\$ 69.6	\$ 65.8
<b>Capital, net of accumulated depreciation</b>	156.4	112.1	87.3
<b>Total assets</b>	<b>216.8</b>	<b>181.7</b>	<b>153.1</b>
<b>Liabilities:</b>			
<b>Current</b>	16.0	21.8	17.8
<b>Long Term</b>	35.3	30.0	25.2
<b>Total liabilities</b>	<b>51.3</b>	<b>51.8</b>	<b>43.0</b>
<b>Deferred inflows</b>	0.1	0.2	0.0
<b>Net Position:</b>			
<b>Net investment in capital assets</b>	156.3	112.0	87.3
<b>Unrestricted</b>	9.1	17.7	22.8
<b>Total net position</b>	<b>\$ 165.4</b>	<b>\$ 129.7</b>	<b>\$ 110.1</b>

The condensed statement of net position for the years ended March 31, 2014, 2013 and 2012 demonstrates the Authority's investment into infrastructure and an overall increase in net position based on this investment. The projects that the Authority is undertaking to create this financial position will assist in the overall goal of financial sustainability by providing better services to our customers and increased efficiencies in operations.

Total assets at March 31, 2014 measured \$216.8 million increasing \$35.1 million from 2013. This increase was primarily in the capital assets category, as noted previously, the investment of the Authority in infrastructure between the downtown transit center and campus improvement projects. In 2013, total assets measured \$181.7 million, representing an increase of \$28.6 million or almost 19% over the prior year. Current and other assets totaled \$60.4 million in 2014, decreasing by \$9.2 million from \$69.6 million in 2013, and increasing \$3.8 million or nearly 6% from the 2012 balance. Capital assets, net of accumulated depreciation, finished the 2014 year at \$156.4 million, 2013 at \$112.1 million, and 2012 at \$87.3 million showing increases of \$44.3 million and \$24.8 million during these periods due to the ongoing investment in infrastructure for the Authority.

Total liabilities at year end, both current and long-term, were \$51.3 million, \$51.8 million, and \$43.0 million for the fiscal years ended March 31, 2014, 2013 and 2012, respectively. In 2014, total liabilities decreased by \$0.5 million from 2013 and in 2013 they increased by \$8.8 million from the previous year end. Current liabilities totaled \$16.0 million for 2014 down \$5.8 million from 2013 and were driven by the accounts payable for infrastructure improvements being reduced due to nearing completeness of the downtown transit center. In 2013, current liabilities of \$21.8 million were up \$4.0 million from the 2012 fiscal year driven by increases in accounts payable due to the investment in infrastructure the Authority has made. The Authority continues to see improvement in its liability

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**  
**Condensed Schedule of Net Position (Continued)**

for workers' compensation with an almost \$0.5 million reduction in 2014 and 2013. Long-term liabilities increased by \$5.3 million and \$4.8 million from the fiscal years ended March 31, 2014 and 2013, respectively, almost exclusively due to the increase to other postemployment benefits highlighted earlier in this MD&A.

The overall net position of the Authority improved for fiscal year 2014 with an increase of \$35.7 million from 2013. 2013 was an increase of \$19.6 million from \$110.1 million for fiscal year 2012. Again, this improvement is shown entirely in the net investment in capital assets and is due to the continuous investment in improved and new infrastructure to make the Authority the "preferred transportation choice".

**Condensed schedule of revenue, expenses, and change in net position (in millions)**

The condensed schedule of revenue, expenses and change in net position below provides a snapshot of the financial activities of the Authority as of March 31;

	2014	2013	2012
<b>Operating revenue:</b>			
Customer fares	\$ 11.6	\$ 11.3	\$ 11.3
Special fares	16.0	15.8	15.7
Other	2.8	2.4	2.6
<b>Total operating revenue</b>	<b>30.4</b>	<b>29.5</b>	<b>29.6</b>
<b>Operating expenses:</b>			
Salaries and benefits	64.9	62.7	59.4
Non-personnel	21.5	21.2	21.1
<b>Total operating expenses</b>	<b>86.4</b>	<b>83.9</b>	<b>80.5</b>
<b>Depreciation</b>	<b>14.0</b>	<b>11.1</b>	<b>11.7</b>
<b>Loss from operations</b>	<b>(70.0)</b>	<b>(65.5)</b>	<b>(62.6)</b>
<b>Nonoperating income (expenses):</b>			
Investment income	0.2	0.3	0.1
Mortgage recording tax	7.2	8.1	6.8
Other	(0.7)	(0.4)	1.5
<b>Total nonoperating income (expenses)</b>	<b>6.7</b>	<b>8.0</b>	<b>8.4</b>
<b>External Operating Assistance</b>	<b>46.5</b>	<b>44.7</b>	<b>42.8</b>
<b>Capital Contributions</b>	<b>52.5</b>	<b>32.4</b>	<b>21.2</b>
<b>Change in net position</b>	<b>35.7</b>	<b>19.6</b>	<b>9.8</b>
Net position, beginning of year	129.7	110.1	100.3
<b>Net position, end of year</b>	<b>\$ 165.4</b>	<b>\$ 129.7</b>	<b>\$ 110.1</b>

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**  
**Condensed schedule of revenue, expenses, and change in net position (Continued)**

The Authority's operating revenue for the 2104 fiscal year totals \$30.4 million , increasing by \$0.9 million from the 2013 fiscal year which totaled \$29.5 million, a decrease of \$0.1 million, from the 2012 fiscal year total of \$29.6 million. Customer fare revenue consists of cash fares paid on the bus and prepaid fare media sales to individual customers and various local agencies that distribute bus passes to their clients. Customer fares revenue in 2014 saw a \$0.3 million increase from 2013 and 2012 primarily driven by increased multi day pass sales. The special fare revenue is one that the Authority is extremely proud of and that its continued growth has assisted us to be less reliant on contributions from both the Federal and New York State governments.

The major components of nonoperating income (expense) are investment earnings, mortgage recording tax and other items such as gains and losses from various financial transactions. The Authority's 2014 fiscal year reported a decrease in this area primarily driven by reduced mortgage recording tax due to a lower number of transactions caused by leveling off of home mortgage interest rates and declining sales volume. The 2013 fiscal year also reported a decrease in nonoperating income (expense) of \$0.4 million from 2012 fiscal year. The reasons for the change from 2012 to 2013 was due primarily to three areas: (1) an increase of \$1.3 million in mortgage recording tax, a nonoperating income item, (2) the loss on impairment of capital assets associated with our College Town project of approximately \$0.3 million, a nonoperating expense item, and (3) a decrease in the realized gain from the fuel swap of approximately \$1.2 million from 2013 to 2012, a nonoperating income item.

The Authority receives external operating assistance subsidies from the Federal Government, the State of New York and each of our county service areas. The federal operating assistance received during the fiscal year 2014 increased by approximately \$1.7 million based on a preventive maintenance allocation, 2013 was essentially flat when compared to the fiscal year 2012. The federal operating assistance is broken into three major categories for the Authority, which are commonly known as Section 5307, Section 5311, and grants for the Genesee Transportation Council. The Section 5307 aid is awarded to public transportation providers across the country based upon congressional appropriations and is allocated using a complex formula combining elements of population, revenue miles, customers, and other factors. Historically, the Authority allocates approximately one-third of the annual Section 5307 funding to offset preventive maintenance costs within the operating budget. The largest single source of external operating assistance is provided by the State of New York in the form of New York State Transit Operating Assistance (STOA). The Authority's 2014 fiscal year saw a small increase in STOA of approximately \$0.1 million, 2013 fiscal year saw an increase in STOA of approximately \$2.1 million to \$32.7 million from the 2012 fiscal year. STOA is provided to the Authority based on a variety of funding formulas and through New York State taxes, primarily the Petroleum Business Tax. Each county in the Authority's service area provides external operating assistance based on New York State Transportation Law Section 18B which requires that each member county of the Authority annually provide a fixed annual operating subsidy for public transportation services provided within their respective jurisdictions. The combined total of these annual subsidies is \$3.7 million for the 2014, 2013 and 2012 fiscal years.

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**  
**Condensed schedule of revenue, expenses, and change in net position (Continued)**

The last component of Authority revenue is provided for capital purchases and labeled capital contribution. The capital contribution is received from the Federal Government, New York State and the Authority. The standard share allocation is 80% Federal, 10% New York State, and 10% from the Authority. The capital contribution for the 2014 fiscal year increased by \$20.1 million over 2013, to \$52.5 million, 2013 fiscal year increased by approximately \$11.2 million, to \$32.4 million, these increases are a direct result of the aforementioned investment in infrastructure and the purchase of revenue vehicles. The following chart shows the use of the capital contributions for the fiscal years ended March 31:

	2014	2013	2012
<b>Capital contribution for:</b>			
Land	\$ -	\$ 1.3	\$ -
Building and structures	22.8	16.3	10.1
Vehicles	27.4	9.4	9.6
Maintenance equip	0.5	0.1	0.2
Other equipment	0.6	5.1	1.1
Computer equip	1.2	0.2	0.2
<b>Total capital contribution</b>	<b>\$ 52.5</b>	<b>\$ 32.4</b>	<b>\$ 21.2</b>

The Authority's operating expenses (excluding depreciation) for fiscal years 2014 were \$86.4 million and 2013 were \$83.9 million, an increase of \$2.5 million or 3.0% from the prior year. The primary reason for the overall increase in operating expense was in the area of salaries and benefits and was due to Union contract settlements, including a retroactive wage increase, and the increase in the actuarially determined liability for other postemployment benefits. The non-personnel component of operating expenses was essentially flat between fiscal years 2013 and 2012.

**Operating expenses**

The following chart breaks down the Authority's salaries and benefits expense for the fiscal year ended March 31:

	2014	2013	2012
<b>Salaries and benefits:</b>			
Wages	\$ 44.1	\$ 41.6	\$ 40.3
<b>Benefits:</b>			
FICA and Medicare	3.3	3.1	3.0
Health, Dental and Vision	14.0	14.4	12.3
Pension	1.5	1.2	0.9
Workers' Comp	1.4	1.3	1.8
Other	0.7	1.1	1.1
<b>Total Benefits</b>	<b>20.8</b>	<b>21.1</b>	<b>19.1</b>
<b>Total salaries and benefits</b>	<b>\$ 64.9</b>	<b>\$ 62.7</b>	<b>\$ 59.4</b>

The Authority's wages for the 2014 fiscal year increased by \$2.5 million to \$44.1 million, in 2013 wages increased by \$1.3 million to \$41.6 million from the 2012 fiscal year. The wage increase was driven by two factors (1) a cost of living adjustment for non-union employees and (2) negotiated contracts with all of our Union contracts.

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**  
**Condensed schedule of revenue, expenses, and change in net position (Continued)**

The Authority's employee benefits costs decreased in 2014 by approximately \$0.3 million to \$20.8 million and in 2013 increased by approximately \$2.0 million from fiscal year 2012. The primary reason for this decrease in 2014 was due to changes in Health Insurance based on the Union contract settlements in the prior year offset by the additional expense as part of the actuarial determined liability for other postemployment benefits in our continuing compliance with GASB Statement No. 45 which will continue into the foreseeable future.

The following chart breaks down the Authority's non-personnel expenses for the fiscal year ended March 31:

	2014	2013	2012
<b>Non-personnel:</b>			
Services	\$ 5.2	\$ 5.8	\$ 4.7
Materials and supplies	11.9	12.0	12.0
Utilities	0.9	0.8	0.8
Casualty and Liability Insurance claims	1.7	1.2	2.1
Miscellaneous	1.8	1.4	1.5
<b>Total non-personnel</b>	<b>\$ 21.5</b>	<b>\$ 21.2</b>	<b>\$ 21.1</b>

The Authority's non-personnel expenses include a variety of categories, such as materials and supplies which includes fuel and lubricants, bus parts and shop supplies; contracted services; utilities; casualty and liability insurance cost; and miscellaneous items. The Authority's non-personnel expense of \$21.5 million for the 2014 fiscal year increased by \$0.4 million from 2013 due to one-time expenses mainly associated with a re-branding initiative undertaken by the Authority, in 2013 non-personnel expenses totaled \$21.2 million and increased by \$0.1 million from the 2012 fiscal year.

**CAPITAL ASSETS**

The Authority's capital assets, net of depreciation, are presented in the chart below for the years ended March 31:

	2014	2013	2012
<b>Capital assets, net:</b>			
Land and improvements	\$ 4.3	\$ 4.3	\$ 2.9
Construction in process	45.1	22.4	16.4
Building and structures	16.2	14.3	2.8
Revenue vehicles	70.7	49.5	46.1
Non-revenue vehicles	0.2	0.1	0.2
Maintenance	2.2	2.0	2.1
Other	13.6	15.4	12.3
Leasehold improve.	1.4	1.4	1.5
Computer	2.7	2.7	3.0
<b>Total capital assets, net</b>	<b>\$ 156.5</b>	<b>\$ 112.1</b>	<b>\$ 87.3</b>

## **CAPITAL ASSETS (Continued)**

The Authority highlighted earlier in the MD&A the most significant changes in capital assets. Additional information for the Authority's capital assets may be found in the notes to the basic financial statements as Note 4.

## **FACTORS IMPACTING THE AUTHORITY'S FUTURE**

The Authority as a component of the comprehensive plan develops a multi-year budget projection to alert the Authority's Board of Commissioners, customers, and the community at large of the future challenges and opportunities that may impact the Authority's ability to meet its mission and vision.

The current version of the multi-year budget projection contemplates continued slow economic recovery impacting both revenue and expense projections over the next four years. The multi-year budget projection includes the inherent structural imbalance that public transportation faces with the fiscal challenges of both our federal and state governments along with expense growth required to maintain service levels equal to today.

However, even with these challenges surrounding public transportation funding and the public's need for transportation the Authority's current fiscal strength in the form of unrestricted net position of approximately \$9.1 million allows the Authority to close these gaps through the fiscal year ended March 31, 2017. The Authority's Comprehensive Plan provides greater details on the future budgetary projections as well as the overall strategic plan and can be reviewed by contacting the Authority's Financial Management as noted below.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This MD&A and condensed financial information is designed to provide our customers, taxpayers, citizens of our service area, investors and creditors with a general overview of the Authority's finances and demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report, please contact Scott M. Adair, Chief Financial Officer, Rochester Genesee Regional Transportation Authority, 1372 East Main Street, Rochester, New York 14609 or [sadair@rgta.com](mailto:sadair@rgta.com).

# **Basic Financial Statements**

**For the years ended March 31, 2014 and 2013**

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**ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the State of New York)**

**STATEMENTS OF NET POSITION**  
**MARCH 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and equivalents	\$ 15,691,115	\$ 18,730,686
Current portion of investments	14,585,656	19,953,548
Receivables:		
Trade, net	3,650,348	6,182,928
Mortgage tax	399,655	633,417
Capital grants	5,438,935	8,789,603
Operating assistance	3,002,593	117,530
Interest	122,911	130,605
Materials and supplies inventory, net	430,017	412,140
Prepaid expenses and other current assets	178,316	237,652
Inter-entity receivable	-	-
Total current assets	<u>43,499,546</u>	<u>55,188,109</u>
<b>NONCURRENT ASSETS:</b>		
Capital assets, net	156,405,078	112,120,683
Fixed price fuel swap asset	90,713	194,318
Investments, net of current portion	16,796,764	14,153,932
Investments in consolidated component unit entities	-	-
Total noncurrent assets	<u>173,292,555</u>	<u>126,468,933</u>
<b>TOTAL ASSETS</b>	<u>\$ 216,792,101</u>	<u>\$ 181,657,042</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 6,611,851	\$ 11,660,719
Accrued wages, vacation, pension and payroll taxes	4,404,158	4,029,856
Current portion of soil remediation liability	109,450	132,000
Current portion of capital lease obligation	44,315	44,315
Reserve for litigated and unlitigated claims	1,485,832	2,453,190
Workers' compensation reserve	3,020,000	3,490,002
Deferred revenue	343,311	3,939
Inter-entity payable	-	-
Total current liabilities	<u>16,018,917</u>	<u>21,814,021</u>
<b>LONG-TERM LIABILITIES:</b>		
Other postemployment benefits	33,874,888	29,326,888
Capital lease obligation, net of current portion	44,315	88,631
Soil remediation liability, net of current portion	1,358,611	525,251
Total long-term liabilities	<u>35,277,814</u>	<u>29,940,770</u>
<b>TOTAL LIABILITIES</b>	<u>51,296,731</u>	<u>51,754,791</u>
<b>DEFERRED INFLOWS -</b>		
Accumulated increase in fair value of fixed price fuel swap	90,713	194,318
<b>NET POSITION:</b>		
Net investment in capital assets	156,316,448	111,987,737
Unrestricted	9,088,209	17,720,196
Total net position	<u>165,404,657</u>	<u>129,707,933</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 216,792,101</u>	<u>\$ 181,657,042</u>

The accompanying notes are an integral part of these statements.

**ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY**  
(A Component Unit of the State of New York)

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	2014	2013
<b>OPERATING REVENUE:</b>		
Customer fares	\$ 11,630,129	\$ 11,245,293
Special transit fares	16,027,774	15,827,185
Reimbursement and recovery	1,408,810	1,116,899
Other	1,368,339	1,266,748
Total operating revenue	30,435,052	29,456,125
<b>OPERATING EXPENSES AND DEPRECIATION:</b>		
Operating expenses -		
Salaries and wages	44,134,818	41,588,402
Employee benefits	20,801,837	21,140,171
Inter-entity cost allocations	-	-
Materials and supplies	11,864,828	12,018,527
Services	5,164,946	5,783,379
Utilities	902,817	810,883
Casualty and liability insurance claims	1,671,269	1,202,691
Other	1,868,830	1,369,464
Total operating expenses	86,409,345	83,913,517
Depreciation -		
Locally funded	1,371,523	1,087,951
Grant funded	12,681,481	9,964,813
Total depreciation	14,053,004	11,052,764
Total operating expenses and depreciation	100,462,349	94,966,281
<b>LOSS FROM OPERATIONS</b>	<b>(70,027,297)</b>	<b>(65,510,156)</b>
<b>NONOPERATING INCOME (EXPENSE):</b>		
Investment income, net	175,394	330,034
Mortgage recording tax	7,193,267	8,110,462
Subrecipient grant revenue	110,434	81,022
Subrecipient grant expense	(110,434)	(81,022)
Loss on impairment of capital assets	-	(431,225)
Change in soil remediation liability	(815,317)	(37,978)
Realized gain on fuel swap, net	45,959	32,114
Gain on disposal of capital assets, net	96,944	46,626
Authority subsidies	-	-
Write-off of inter-entity accounts	-	-
Total nonoperating income (expense)	6,696,247	8,050,033
<b>EXTERNAL OPERATING ASSISTANCE SUBSIDIES:</b>		
Federal	9,370,351	7,689,592
State	33,405,263	33,303,235
Local governments	3,726,000	3,726,000
Total external operating assistance subsidies	46,501,614	44,718,827
<b>CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(16,829,436)</b>	<b>(12,741,296)</b>
<b>CAPITAL CONTRIBUTIONS:</b>		
Federal	45,060,946	28,708,099
State	7,465,214	3,673,209
Authority	-	-
Total capital contributions	52,526,160	32,381,308
<b>CHANGE IN NET POSITION</b>	<b>35,696,724</b>	<b>19,640,012</b>
<b>NET POSITION - beginning of year</b>	<b>129,707,933</b>	<b>110,067,921</b>
<b>NET POSITION - end of year</b>	<b>\$ 165,404,657</b>	<b>\$ 129,707,933</b>

The accompanying notes are an integral part of these statements.

**ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the State of New York)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 30,529,857	\$ 25,365,389
Other operating receipts	2,777,149	2,867,126
Payments to vendors and suppliers for goods and services	(13,827,476)	(18,757,558)
Payments to employees for services	(64,562,353)	(58,383,105)
Payments for insurance and risk management	(3,108,629)	(1,740,595)
Other operating payments	(1,868,830)	(1,498,449)
Net cash flow from operating activities	<u>(50,060,282)</u>	<u>(52,147,192)</u>
<b>CASH FLOW FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Mortgage tax receipts	7,427,029	8,051,494
Operating assistance receipts (payments), net	43,616,551	47,589,684
Net cash flow from noncapital and related financing activities	<u>51,043,580</u>	<u>55,641,178</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital contributions	55,876,828	26,809,171
Purchases of capital assets	(62,968,616)	(31,188,740)
Payments of capital lease obligations	(44,315)	(44,315)
Payments for soil remediation	(4,507)	(23,678)
Proceeds from sales of capital assets	96,944	79,498
Net cash flow from capital and related financing activities	<u>(7,043,666)</u>	<u>(4,368,064)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	(5,876,100)	(3,758,474)
Interest earnings	30,235	100,373
Sales or maturities of Investments	8,717,098	2,927,547
Receipts for fixed price fuel swap, net	149,564	164,327
Net cash flow from investing activities	<u>3,020,797</u>	<u>(566,227)</u>
<b>CHANGE IN CASH AND EQUIVALENTS</b>	<u>(3,039,571)</u>	<u>(1,440,305)</u>
<b>CASH AND EQUIVALENTS - beginning of year</b>	<u>18,730,686</u>	<u>20,170,991</u>
<b>CASH AND EQUIVALENTS - end of year</b>	<u>\$ 15,691,115</u>	<u>\$ 18,730,686</u>
<b>SUPPLEMENTAL NON-CASH CAPITAL AND RELATED FINANCING TRANSACTIONS:</b>		
Assets acquired with capital lease obligations	<u>\$ -</u>	<u>\$ 177,261</u>

(Continued)

**ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the State of New York)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

(Continued)

	<u>2014</u>	<u>2013</u>
<b>RECONCILIATION OF CHANGE IN</b>		
<b>NET ASSETS TO NET CASH FLOWS FROM</b>		
<b>OPERATING ACTIVITIES:</b>		
Loss from operations	\$ (70,027,297)	\$ (65,510,156)
Adjustments to reconcile change		
in net assets to net cash flow		
from operating activities:		
Depreciation - locally funded	1,371,523	1,087,952
Depreciation - grant funded	12,681,481	9,964,813
Changes in:		
Trade receivable	2,532,582	(1,224,540)
Materials and supplies inventory	(17,877)	39,207
Prepaid expenses and other current assets	59,336	2,241
Accounts payable	(484,344)	(312,965)
Accrued wages, vacation,		
pension and payroll taxes	374,302	(120,638)
Reserve for litigated and		
unlitigated claims	(967,358)	(90,147)
Workers' compensation reserve	(470,002)	(449,998)
Other postemployment benefits	4,548,000	4,466,106
Inventory reserve	-	-
Deferred revenue	339,372	933
Net cash flow from operating activities	<u>\$ (50,060,282)</u>	<u>\$ (52,147,192)</u>

The accompanying notes are an integral part of these statements.

**ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY**  
**(A Component Unit of the State of New York)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2014 AND 2013**

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**1. THE ORGANIZATION**

The Rochester-Genesee Regional Transportation Authority (the Authority or RGRTA) was created in 1969 by an act of the New York State Legislature to provide for the continuance, further development and improvement of public transportation and other related services within the Genesee-Finger Lakes Region. The Authority is subject to regulation by the Comptroller and Department of Transportation of the State of New York with respect to the maintenance of its accounting records. The Authority is considered a component unit of New York State because of the significance of its operational and financial relationship with New York State. The Authority's 13-member Board of Commissioners is recommended by the respective local governing body, appointed by the governor of New York State, and confirmed by the New York State Senate. Financial support from New York State includes annual appropriations to help meet operating expenditures.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statements**

The financial statements of the Authority include the accounts of RGRTA, and its nine (9) blended component units for which the Authority is financially accountable. The Authority's 13-member Board of Commissioners is comprised of individuals from each member county. The Board of Commissioners oversees public transportation for its member counties: Monroe, Genesee, Livingston, Orleans, Seneca, Wayne and Wyoming Counties. The Authority's Board also serves as the board for Genesee Transportation Council Staff, Inc. (GTCS) an entity which serves as the administrative host agency for the Genesee Transportation Council (GTC), which is the metropolitan transportation planning organization for the Genesee-Finger Lakes Region; GTCS is reported herein as a blended component unit. The nine component units are legally separate organizations and are collectively referred to as "the Organizations."

Based on the foregoing criteria, RGRTA and the following component units are included in the financial statements:

- Regional Transit Service, Inc. (RTS)
- Lift Line, Inc. (Lift Line)
- Batavia Bus Service, Inc. (BBS)
- Livingston Area Transportation Service, Inc. (LATS)
- Orleans Transit Service, Inc. (OTS)
- Seneca Transit Service, Inc. (STS)
- Wayne Area Transportation Service, Inc. (WATS)
- Wyoming Transit Service, Inc. (WYTS)
- Genesee Transportation Council Staff, Inc. (GTCS)

Significant inter-entity accounts and transactions have been eliminated in the accompanying financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Basis of Accounting**

The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board.

### **Recent Accounting Pronouncements**

In June 2012, GASB issued GASB statement No. 67 *"Financial Reporting For Pension Plans – an amendment of GASB Statement No. 25."* The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB No. 67 enhances note disclosures and required supplementary information ("RSI") for both defined benefit and defined contribution pension plans. GASB No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in GASB No. 67 are effective for financial statements for periods beginning after June 15, 2013. The Authority is currently evaluating the impact of this statement.

In June 2012, GASB issued GASB statement No. 68 *"Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27."* This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB No. 68 are effective for fiscal years beginning after June 15, 2014. The Authority is currently evaluating the impact of this statement.

### **Basis of Presentation**

GASB requires the classification of net position into three components – net investment in capital assets; restricted and unrestricted. The Authority has no restricted net position as of March 31, 2014 and 2013. The classifications the Authority has are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Basis of Presentation (Continued)**

- **Unrestricted** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

### **Cash and Equivalents**

Cash and equivalents includes cash on hand, money market accounts, and certificates of deposit with an initial term of three months or less not reserved for a board designated purpose.

### **Accounts Receivable**

Accounts receivable consist primarily of amounts due from customers for services provided and for advertising. Management records an allowance for doubtful accounts based on past collection experience and an analysis of outstanding amounts. When appropriate collection efforts are exhausted, the account is written off. Management has established an allowance for doubtful accounts for the years ended March 31, 2014 and 2013 in the total amount of \$242,011 and \$19,905, respectively. Allowances for doubtful accounts have been recorded in the component units for RTS, BBS, LATS, STS, WATS and WYTS of \$200,000, \$111, \$11, \$451, \$162, and \$41,276, respectively, for the year ended March 31, 2014. For the year ended March 31, 2013 the component units, BBS, LATS, STS, WATS and WYTS, recorded allowances of \$123, \$262, \$515, \$305, and \$18,700, respectively.

### **Mortgage Recording Tax**

The Authority receives a portion of mortgage recording tax equal to \$.25 for every \$100 of borrowings in the form of new mortgages and the refinancing of existing mortgages from the counties in which the component units conduct operations, not including mortgages of tax-exempt organizations. The amounts earned during the year have been recorded as mortgage recording tax in the accompanying statements of revenue, expenses and changes in net position. Any amounts due but not yet collected have been recorded as mortgage tax receivable in the accompanying statements of net position. Management considers the mortgage tax receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

### **Operating Assistance and Capital Grants**

The Authority and the Organizations receives operating and capital assistance subsidies and grants from the U.S. Department of Transportation under operating and capital assistance grant contracts. The Organizations also receive operating and capital assistance from the New York State Department of Transportation and local counties based on legislated awards. The amounts received or contractually receivable under such grants have been recorded as external operating assistance subsidies in the accompanying statements of revenue, expenses and changes in net position. These amounts are obtained on an annual basis. Management considers operating and capital assistance receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Continued operations depend upon receipt of such subsidies in future years.

### **Materials and Supplies Inventory**

Materials and supplies inventory consists primarily of replacement parts for buses and is recorded at the lower of cost determined on a weighted average cost basis or market. An allowance for obsolete inventory is maintained based on historical experience and a review of inventory on hand. Management has recorded an allowance for obsolete inventory, at RTS only, of \$10,172 and \$139,661 at March 31, 2014 and 2013, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Capital Assets

Capital assets are recorded at cost if purchased, or fair value, if donated. The Authority and the Organizations capitalize all expenditures for capital assets in excess of \$5,000 and which have useful lives greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives as follows:

Land improvements	5 - 10 years
Buildings and structures	2 - 40 years
Revenue vehicles	4 - 12 years
Non-revenue vehicles	2 - 5 years
Maintenance equipment	4 - 10 years
Other equipment	2 - 10 years
Computer equipment	3 - 10 years

Leasehold improvements are amortized over the shorter of the remaining lease term or the asset's estimated useful life.

### Investments

Investments in government securities are recorded at their fair value based on quoted market prices and valuations provided by external parties. Unrealized gains or losses on such investments result from differences between the cost and fair value of investments on a specified valuation date. Gains and losses in the fair value are reported in the statements of revenue, expenses and changes in net position. Investment income is recognized on the accrual basis; dividends are recorded on the ex-dividend date.

The Authority has classified certain investments as current assets on the accompanying statement of net position as it is reasonably expected that they will be utilized in the next fiscal year.

### Inter-Entity Cost Allocations

RGRTA, RTS and Lift Line allocate costs to each other and the other Organizations based on estimates of time incurred to reflect the portion of salaries and benefits of RGRTA, RTS, and Lift Line employees who perform administrative functions for RGRTA and the Organizations.

### Authority Subsidies

Annually, RGRTA subsidizes the operations of the Organizations, except for GTCS, based on each respective Organization's operating results. In order to determine the annual subsidy, operating and certain non-operating revenues and external operating subsidies are reduced by operating and certain non-operating expenses and locally funded depreciation. If the result is a deficit, that amount will be recorded as operating subsidy at the respective Organization. Operating surpluses are reflected as negative subsidies or re-allocations, back to RGRTA. No cash is ever transferred to or from the Organizations related to these subsidies. Therefore, each year the value of the receivable/payable recorded at year-end is recorded as a write-off of inter-entity accounts and ultimately eliminated for reporting on the accompanying statements of revenue, expense and changes in net position.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Expenses**

Amounts reported as operating expenses are from providing services in connection with the Authority's and Organizations' ongoing transportation operations. The principal operating expenses of the Authority and the Organizations include salaries, employee benefits, material and supplies, outside services, casualty and insurance claims, utilities and depreciation. All expenses not meeting this definition are reported as nonoperating expenses.

### **Revenues**

Amounts reported as operating revenue are from providing services in connection with the Authority's and the Organizations' ongoing transportation operations. The principal operating revenues of the Organizations include customer fares, special transit fares, advertising, and various other recoveries and reimbursements. All revenues not meeting this definition are reported as nonoperating revenues.

### **Capital Contributions**

The United States Government and New York State provide funds for a significant portion of the cost of capital purchases made by the Organizations. When these capital assets are recorded, the government's portion of the funding is reflected in the accompanying statements of revenue, expenses and changes in net position as federal and state capital contributions.

### **Income Taxes**

The Authority and the Organizations are public benefit corporations and are exempt from federal and state income taxes, as well as state and local property and sales taxes.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Reclassifications**

Certain reclassifications have been made to the 2013 financial statements to conform with the current year presentation.

### 3. CASH AND INVESTMENTS

#### Cash and equivalents

The Authority's cash and equivalents are comprised of the following as of March 31:

	<u>2014</u>		<u>2013</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Bank demand deposits	\$ 1,116,054	\$ 5,928,104	\$ 307,333	\$ 6,886,741
Money market funds	<u>12,481,598</u>	<u>12,481,598</u>	<u>18,421,103</u>	<u>18,421,103</u>
	<u>\$ 13,597,652</u>	<u>18,409,703</u>	<u>\$ 18,728,436</u>	<u>\$ 25,307,844</u>

#### Collateral

As of March 31, 2014 and 2013, the reported amount of the Authority's collateral balance was \$23,690,986 and \$32,330,806, respectively, and the bank balance was \$23,318,240 and \$29,541,462, respectively, which included \$4,908,536 and \$4,233,618, respectively, of money market funds held for investment. As of March 31, 2014 and 2013 the collateral, \$598,730 and \$501,309, respectively, was covered by federal depository insurance and \$23,092,256 and \$31,829,497, respectively, was covered by collateral held by pledging bank or a third-party custodian in the Authority's name. The Authority's investments in government securities are secured by a guarantee from the United States Treasury Department.

#### Inter-Entity Borrowings

Due to the centralized nature of RGRTA and the Organizations' cash management functions, RGRTA and the Organizations periodically advance funds to one another as cash flow needs arise. At March 31, 2014, the following represents amounts due to (from) RGRTA, RTS, GTCS, Lift Line and LATS:

	<u>RGRTA</u>	<u>RTS</u>	<u>GTCS</u>	<u>Lift Line</u>	<u>LATS</u>	<u>Total</u>
RGRTA	\$ -	\$ -	\$ 284,187	\$ 2	\$ 1	\$ 284,190
RTS	-	-	(441,695)	-	-	(441,695)
Lift Line	-	-	-	-	-	-
LATS	-	-	-	-	-	-
GTCS	<u>(284,190)</u>	<u>441,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,505</u>
Net due to (from)	<u>\$ (284,190)</u>	<u>\$ 441,695</u>	<u>\$ (157,508)</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ -</u>

### 3. CASH AND INVESTMENTS (Continued)

#### Inter-Entity Borrowings (Continued)

At March 31, 2013, the following represents amounts due to (from) RGRTA, RTS, BBS, LATS and GTCS:

	<u>RGRTA</u>	<u>RTS</u>	<u>GTCS</u>	<u>BBS</u>	<u>LATS</u>	<u>Total</u>
RGRTA	\$ -	\$ -	\$ 77,634	\$ -	\$ -	\$ 77,634
RTS	-	-	(298,723)	-	-	(298,723)
BBS	-	-	(570)	-	-	(570)
LATS	-	-	(285)	-	-	(285)
GTCS	<u>(77,634)</u>	<u>298,723</u>	<u>-</u>	<u>570</u>	<u>285</u>	<u>221,944</u>

Net due						
to (from)	\$ <u>(77,634)</u>	\$ <u>298,723</u>	\$ <u>(221,944)</u>	\$ <u>570</u>	\$ <u>285</u>	\$ <u>-</u>

In 2014 and 2013, RGRTA and Organizations wrote-off current year inter-entity receivable (payable) balances that were not expected to be paid as well as prior year inter-entity receivable (payable) balances which are set forth in the statements of revenue, expenses and changes in net position as write-off of inter-entity accounts.

### 3. CASH AND INVESTMENTS (Continued)

#### Investments

The Authority's investments are made in compliance with New York Public Authorities Law Sections 2856, 2890, 2925, 122-gg(4) and 1299-II, and Office of the State Comptroller Investment Guidelines for Public Authorities and State Agencies at 2NCYRR Part 201. In accordance with this law and its own Investment Policy, the following is a list of investments the Authority is permitted to invest in:

- Certificates of Deposit with commercial banks or trust companies doing business in New York State and which are also Members of the Federal Deposit Insurance Corporation.
- Time Deposit, Demand Deposit, and Deposits in "Money Market" accounts of commercial banks or trust companies authorized to do business in New York State and which are also members of the Federal Deposit Insurance Corporation.
- Obligations of New York State or the United States Government or obligations that the principal and interest of which are guaranteed by the New York State or the United States Government and which have a liquid market with a readily determinable value equal at all times to the amount of the investment.
- Repurchase Agreements for no more than 90 days involving the purchase and sale of direct obligations of the United States of America. The purchase price shall be the present market value of the securities and not the face value. Securities purchased through a Repurchase Agreement shall be valued to market at least weekly.

As of March 31, 2014, the Authority's investments in government securities consisted of the following:

	Investment Maturities (in Years)			
	Fair Value	Less Than 1	1-5	Greater than 10
New York State Municipal Securities	\$2,324,678	\$ -	\$ 2,324,678	\$ -
United States Treasury Notes	18,229,683	-	18,229,683	-
Government National Mortgage Association	8,009,653	-	-	8,009,653
	<u>\$28,564,014</u>	<u>\$ -</u>	<u>\$ 20,554,361</u>	<u>\$ 8,009,653</u>

### 3. CASH AND INVESTMENTS (Continued)

#### Investments (Continued)

As of March 31, 2013, the Authority's investments in government securities consisted of the following:

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>Greater than 10</u>
New York State Municipal Securities	\$ 2,419,783	\$ 2,419,783	\$ -	\$ -
United States Treasury Notes	16,699,489	-	16,699,489	-
Government National Mortgage Association	<u>10,754,590</u>	<u>-</u>	<u>-</u>	<u>10,754,590</u>
	<u>\$ 29,873,862</u>	<u>\$ 2,419,783</u>	<u>\$ 16,699,489</u>	<u>\$10,754,590</u>

Accrued interest on investments of \$122,911 and \$130,605 is included in interest receivable on the statement of net position for 2014 and 2013, respectively.

#### Increases in Fair Value

The net increase/(decrease) in the fair value of investments during 2014 and 2013 was \$(1,309,123) and \$8,068,786, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized net loss on investments held at March 31, 2014 and 2013 was \$121,453 and \$325,898, respectively.

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned. The Authority's investment policy requires that deposits which exceed the amount insured by the FDIC be collateralized by obligations of the United States, or obligations of Federal Agency's, the principal and interest of which are guaranteed by the United States or obligations of New York State. As of March 31, 2014 and 2013, the Authority's investments in United States Treasury Notes and Government National Mortgage Association bonds were all rated AAA by a nationally recognized rating organization. As of March 31, 2014 and 2013, the Authority's investments in New York State Municipal Securities were all rated AA by a nationally recognized rating organization.

### 3. CASH AND INVESTMENTS (Continued)

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of the Authority's investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Investment Policy states that the Authority is to consider protection of principal, then cash flow requirements, and finally yield requirements. The Authority has the ability to liquidate its investments daily for United States Treasury Notes and New York State Municipal Securities and with up to a twenty day notice for its mortgage backed asset securities. In addition, the Authority looks to invest in securities that have a history of making prepayments of interest prior to maturity to ensure a consistent stream of cash flows.

#### Concentration of Credit Risk

The Investment Policy places no limit on the amount the Authority may invest in any one issuer. As of March 31, 2014 and 2013, all of the Authority's money market funds were held with M&T Bank and JPMorgan Chase. As of March 31, 2014 and 2013, the Authority's investments were 63.9%% and 55.9%, respectively, invested in United States Treasury Notes, 28.0% and 36.0%, respectively, invested in mortgage backed asset securities and 8.1% and 8.1%, respectively, invested in New York State Municipal Securities.

#### Designations

The Authority's money market funds and government securities amounts are reserved by the Board of Commissioners for working capital, self-insurance, capital, other postemployment benefits and para transit. The Authority's money market funds and government securities were reserved as of March 31, 2014 as follows:

	Money Market Funds	Government Securities	Total
Working capital	\$ 12,481,598	\$ 13,955,786	\$ 26,437,384
Self-insurance	256,337	3,377,816	3,634,153
Para transit	225,284	2,865,304	3,090,588
Other postemployment benefits	<u>4,426,916</u>	<u>8,365,108</u>	<u>12,792,024</u>
Total	<u>\$ 17,390,135</u>	<u>\$ 28,564,014</u>	<u>\$ 45,954,149</u>

The Authority's money market funds and government securities were reserved as of March 31, 2013 as follows:

	Money Market Funds	Government Securities	Total
Working capital	\$ 18,421,103	\$ 14,595,909	\$ 33,017,012
Self-insurance	1,503,331	3,533,557	5,036,888
Capital	2,637,640	-	2,637,640
Para transit	92,647	2,997,337	3,089,984
Other postemployment benefits	<u>-</u>	<u>8,747,059</u>	<u>8,747,059</u>
Total	<u>\$ 22,654,721</u>	<u>\$ 29,873,862</u>	<u>\$ 52,528,583</u>

#### 4. CAPITAL ASSETS

Capital assets consisted of the following as of March 31, 2014 and 2013:

	April 1, 2013	Additions	Impairments and Retirements	Transfers	March 31, 2014
Capital assets not being depreciated:					
Land	\$ 4,176,369	\$ -	\$ -	\$ -	\$ 4,176,369
Construction-in-process	22,408,214	54,564,871	(49,635)	(31,837,237)	45,086,213
Total capital assets not being depreciated	26,584,583	54,564,871	(49,635)	(31,837,237)	49,262,582
Capital assets being depreciated:					
Land improvements	3,235,852	1	-	-	3,235,853
Buildings and structures	32,583,352	10,389	(501,193)	2,996,943	35,089,491
Revenue vehicles	105,412,473	3,634,586	(7,233,301)	26,816,195	128,629,953
Non-revenue vehicles	1,469,863	149,524	(52,585)	-	1,566,802
Maintenance equipment	4,550,348	44,719	-	367,795	4,962,862
Other equipment	24,074,582	-	(34,088)	960,431	25,000,925
Computer equipment	6,832,694	-	(17,846)	695,873	7,510,721
Leasehold improvements	2,274,978	-	-	-	2,274,978
Total capital assets being depreciated	180,434,142	3,839,219	(7,839,013)	31,837,237	208,271,585
Accumulated depreciation of capital assets:					
Land improvements	(3,090,868)	(39,435)	-	-	(3,130,303)
Buildings and structures	(18,265,259)	(1,123,183)	501,034	-	(18,887,408)
Revenue vehicles	(55,982,038)	(9,178,156)	7,232,939	-	(57,927,255)
Non-revenue vehicles	(1,344,969)	(90,847)	52,587	-	(1,383,229)
Maintenance equipment	(2,514,694)	(312,231)	(1)	-	(2,826,926)
Other equipment	(8,742,599)	(2,660,828)	34,089	-	(11,369,338)
Computer equipment	(4,109,588)	(587,506)	(2,131)	-	(4,699,225)
Leasehold improvements	(848,027)	(60,818)	3,440	-	(905,405)
Total accumulated depreciation	(94,898,042)	(14,053,004)	7,821,957	-	(101,129,089)
Total capital assets being depreciated, net	85,536,100	(10,213,785)	(17,056)	31,837,237	107,142,496
Total capital assets	\$112,120,683	\$44,351,086	\$ (66,691)	\$ -	\$156,405,078

#### 4. CAPITAL ASSETS (Continued)

	April 1, 2012	Additions	Impairments and Retirements	Transfers	March 31, 2013
Capital assets not being depreciated:					
Land	\$ 2,748,877	\$ 1,450,774	\$ (23,282)	\$ -	\$ 4,176,369
Construction-in-process	<u>16,362,804</u>	<u>33,594,438</u>	<u>(500,957)</u>	<u>(27,048,071)</u>	<u>22,408,214</u>
Total capital assets not being depreciated	<u>19,111,681</u>	<u>35,045,212</u>	<u>(524,239)</u>	<u>(27,048,071)</u>	<u>26,584,583</u>
Capital assets being depreciated:					
Land improvements	3,235,852	-	-	-	3,235,852
Buildings and structures	22,603,613	-	(2,286,614)	12,266,353	32,583,352
Revenue vehicles	96,771,735	1,184,285	(1,911,117)	9,367,570	105,412,473
Non-revenue vehicles	1,496,321	16,333	(42,791)	-	1,469,863
Maintenance equipment	4,345,411	52,643	-	152,294	4,550,348
Other equipment	22,611,810	25,320	(3,511,327)	4,948,779	24,074,582
Computer equipment	6,699,957	197,247	(377,585)	313,075	6,832,694
Leasehold improvements	<u>2,268,988</u>	<u>5,990</u>	<u>-</u>	<u>-</u>	<u>2,274,978</u>
Total capital assets being depreciated	<u>160,033,687</u>	<u>1,481,818</u>	<u>(8,129,434)</u>	<u>27,048,071</u>	<u>180,434,142</u>
Accumulated depreciation of capital assets:					
Land improvements	(3,051,182)	(39,686)	-	-	(3,090,868)
Buildings and structures	(19,803,674)	(747,999)	2,286,414	-	(18,265,259)
Revenue vehicles	(50,644,624)	(7,248,530)	1,911,116	-	(55,982,038)
Non-revenue vehicles	(1,264,807)	(122,954)	42,792	-	(1,344,969)
Maintenance equipment	(2,272,270)	(242,424)	-	-	(2,514,694)
Other equipment	(10,290,017)	(1,921,700)	3,469,118	-	(8,742,599)
Computer equipment	(3,747,046)	(665,731)	303,189	-	(4,109,588)
Leasehold improvements	<u>(784,286)</u>	<u>(63,741)</u>	<u>-</u>	<u>-</u>	<u>(848,027)</u>
Total accumulated depreciation	<u>(91,857,906)</u>	<u>(11,052,765)</u>	<u>8,012,629</u>	<u>-</u>	<u>(94,898,042)</u>
Total capital assets being depreciated, net	<u>68,175,781</u>	<u>(9,570,947)</u>	<u>(116,805)</u>	<u>27,048,071</u>	<u>85,536,100</u>
Total capital assets	<u>\$ 87,287,462</u>	<u>\$ 25,474,265</u>	<u>\$ (641,044)</u>	<u>\$ -</u>	<u>\$ 112,120,683</u>

## 5. INTER-ENTITY COST ALLOCATION

During 2014, RGRTA, RTS, and Lift Line allocated certain administrative personnel costs each other and the other Organizations. The amounts are reported as other operating revenue and as inter-entity cost allocations of the Authority's component units. These amounts are eliminated for presentation of the statement of revenues, expenses and change in net position.

	<u>RGRTA</u>	<u>RTS</u>	<u>Lift Line</u>	<u>Total</u>
RGRTA	\$ -	\$ 634,301	\$ -	\$ 634,301
RTS	673,941	-	-	673,941
Lift Line	61,688	457,212	-	518,900
BBS	15,010	164,683	2,848	182,541
LATS	58,036	156,812	2,848	217,696
OTS	15,010	157,319	2,848	175,177
STS	15,010	193,738	2,848	211,596
WATS	15,010	156,351	2,849	174,210
WYTS	54,002	157,319	2,849	214,170
GTC	-	23,141	-	23,141
Total	<u>\$ 907,707</u>	<u>\$ 2,100,876</u>	<u>\$ 17,090</u>	<u>\$ 3,025,673</u>

For 2013, these amounts were eliminated for presentation of the statement of revenues, expenses and change in net position.

	<u>RGRTA</u>	<u>RTS</u>	<u>Lift Line</u>	<u>Total</u>
RGRTA	\$ -	\$ 544,554	\$ -	\$ 544,554
RTS	612,714	-	-	612,714
Lift Line	58,011	533,575	-	591,586
BBS	19,983	126,283	8,212	154,478
LATS	56,614	128,657	8,212	193,483
OTS	19,983	126,173	8,212	154,368
STS	19,983	124,294	8,212	152,489
WATS	19,983	124,294	8,212	152,489
WYTS	52,606	126,173	8,212	186,991
GTC	-	20,202	-	20,202
Total	<u>\$ 859,877</u>	<u>\$ 1,854,205</u>	<u>\$ 49,272</u>	<u>\$ 2,763,354</u>

## 6. CAPITAL LEASE OBLIGATION

During 2013, the Authority entered into a four-year capital lease for computer storage area network equipment. The capital lease is non-interest bearing with annual lease payments of \$44,315 for a total cost of \$177,261.

As of March 31, 2014 and 2013 the lease outstanding totaled \$88,630 and \$132,946, respectively. Accumulated amortization of assets under this capital lease was \$88,630 and \$44,315 as of March 31, 2014 and March 31, 2013, respectively.

## **7. PENSION PLANS**

### **New York State and Local Employees' Retirement System**

#### **Plan Description**

All of the employees of the RGRTA (11) and GTCS (7) participate in the New York State and Local Employees' Retirement System (the System). The System is a cost-sharing multiple-employer retirement system. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transactions of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Governor Alfred E. Smith Office Building, Albany, New York, 12244.

The total payroll for the Authority's employees covered by the System for the years ended March 31, 2014 and 2013 was \$1,287,594 and \$1,500,498, respectively. The GTCS payroll for employees covered by the System for the years ended March 31, 2014 and 2013 was \$491,775 and \$513,031, respectively.

#### **Funding Policy**

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement Systems and are as follows:

Tier 1 - Those persons who last became members before July 1, 1973.

Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.

Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.

Tier 4 - Generally, except for corrections officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.

Tier 5 - Those persons who last became members on or after January 1, 2010, but before April 1, 2012.

Tier 6 - Those persons who last became members on or after April 1, 2012.

## 7. PENSION PLANS (Continued)

### New York State and Local Employees' Retirement System (Continued)

Tier 3 and Tier 4 members are required to contribute 3% of their wages to the plan for 10 years. Tier 5 members are required to contribute 3% of their salary for the length of their employment. Beginning April 1, 2013, the contribution rate for the Tier 6 members will vary based on each member's annual compensation varying between 3% and 6%. The plan cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York Legislature. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as a percentage of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The Authority and GTCS contributions for fiscal years 2014, 2013, and 2012 were equal to the required contributions for the year, and were recorded as expense as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
RGRTA	\$ 77,403	\$ 302,463	\$ 319,275
GTCS	<u>109,683</u>	<u>102,154</u>	<u>67,115</u>
	<u>\$ 187,086</u>	<u>\$ 404,617</u>	<u>\$ 386,390</u>

Effective May 14, 2003, the System's billings require a minimum employer contribution of 4.5% annually of the fund value at April 1 of the previous fiscal year.

### Single Employer Pension Plans

#### Plan Description

The Authority is the sponsor of four single employer defined benefit pension plans. These plans provide retirement benefits for approximately 1,066 active and inactive plan participants as of March 31, 2014.

- Retirement Plan for Union Employees of Regional Transit Service, Inc. (RTS Union Plan)
- Retirement Plan for General Administrative and Supervisory (Non-Union) Employees of Regional Transit Service, Inc. (RTS Non-Union Plan)
- Retirement Plan for Union Employees of Lift Line, Inc. (Lift Line Union Plan)
- Retirement Plan for Non-Union Employees of Lift Line, Inc. and Rural Properties (Lift Line and Regional Entities Non-Union Plan)

Each plan provides retirement, disability and death benefits to plan members and beneficiaries. The Board of Commissioners and the Union, if applicable, have the authority to establish and amend the contribution requirements and benefit provisions of each retirement plan.

In addition to providing pension benefits, the RTS Non-Union Plan provides certain postretirement health care and life insurance benefits. In accordance with the RTS Non-Union Plan document, the RTS Non-Union Plan is not required to contribute a portion of the cost if the plan is not funded greater than 120%. During fiscal years 2014 and 2013, the RTS Non-Union Plan was not funded greater than 120%; therefore, the Plan did not fund this expense.

Participants of the RTS and Lift Line Union Plans are represented by Amalgamated Transit Union, Local 282, AFL-CIO and are eligible for coverage on their dates of hire for full-time employment. The Authority is contractually obligated to make contributions on behalf of both the RTS and Lift Line Union Plans. In certain years the contractual obligation could exceed the actuarially calculated annual required contribution.

## 7. PENSION PLANS (Continued)

### Single Employer Pension Plans (Continued)

#### Funding Policy and Annual Pension Cost

The Organizations' annual pension cost for the current year and related information for each plan is as follows:

	RTS Union Plan	RTS Non-Union Plan	Lift Line Union Plan	Lift Line and Regional Entities Non-Union Plan
Plan type	Single Employer Defined Benefit Plan	Single Employer Defined Benefit Plan	Single Employer Defined Benefit Plan	Single Employer Defined Benefit Plan
Date of actuarial valuation:	11/1/2013	4/1/2013	4/1/2013	5/1/2013
Contribution rates:				
Employer	1.5%(a)	(b)	3.0%	(b)
Plan members	1.5%(a)	0.0%	3.0%	3.0%
Normal retirement age	65	62	65	65
Benefits provided	Monthly benefit equal to 1.65% of the average of the five highest years' W-2 earnings (subject to a minimum of \$300 per month and a maximum of \$53 per month multiplied by years of credited service. (d)	Monthly benefit calculated based on average compensation, as defined by plan, for three highest consecutive years multiplied by years of credited service times 1.75%. (e)	Monthly benefit calculated based on the employee's yearly compensation multiplied by years of credited service times 1.3%. (f)	Monthly benefit calculated based on the employee's yearly compensation multiplied by years of credited service times 1.45%.
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Unprojected Unit Credit	Unprojected Unit Credit
Amortization method (c)	Level Dollar Method	Level Dollar Method	Level Dollar Method	Level Dollar Method
Amortization period	Closed - 10 years	Closed - 10 years	Closed - 10 years	Closed - 10 years
Asset valuation method	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.
Actuarial assumptions:				
Investment rate of return, net	8.0%	7.1%	8.0%	7.1%
Projected salary increases	5.0%	4.0%	5.0%	5.0%
Annual pension cost (APC)	\$ 1,397,782	\$ 240,344	\$ 72,148	\$ 232,761
APC contributed	100%	100%	100%	100%
Annual required contribution	\$ 1,397,782	\$ 240,344	\$ 72,148	\$ 232,761
Amortization of unfunded actuarial liability (asset) - including interest	\$ 107,156	\$ (234,950)	\$ (109,331)	\$ 50,044
Adjustment for net pension obligation	\$ -	\$ -	\$ -	\$ -
Ending balance of net pension obligation	\$ 1,482,747	\$ -	\$ -	\$ 285,247
Number of members (Active and Inactive)	730	181	65	90

(a) If additional contributions are required to fund the benefits of the plan, plan members are required to contribute up to 0.5% of their salaries to fund the additional contribution. If further additional contributions are required, they are split equally between plan members and RTS.

(b) RTS' policy is to contribute annually an amount equal to the net employer normal cost (ARC).

(c) The amortization method used for all plans incorporates equal payments of principal and interest.

(d) Effective for the RTS Union Plan, after January 1, 2014, the monthly benefit maximum will increase to \$55 per month multiplied by the years of credited service.

(e) The percentage used is increased, as defined in the plan, for employees with more than 20 years of credited service with the employer.

(f) Effective June 6, 2013, the pension benefit multiplier for the LL Union Plan increased from 1.3% to 1.65% for all compensation earned each year including prior years.

## 7. PENSION PLANS (Continued)

### Single Employer Pension Plans (Continued)

#### Trend Information:

Plan Year Ended	Annual Required Contribution (1)	Amount Contributed	Percentage Contributed
<b>RTS UNION PLAN</b>			
October 31, 2013	\$ 1,572,818	\$ 1,572,818	100.0%
October 31, 2012	\$ 1,112,120	\$ 1,112,120	100.0%
October 31, 2011	\$ 949,924	\$ 949,924	100.0%
October 31, 2010	\$ 992,251	\$ 992,251	100.0%
October 31, 2009	\$ 616,245	\$ 616,245	100.0%
October 31, 2008	\$ 686,499	\$ 686,499	100.0%
<b>RTS NON-UNION PLAN</b>			
March 31, 2013	\$ 286,474	\$ 286,474	100.0%
March 31, 2012	\$ -	\$ -	N/A
March 31, 2011	\$ -	\$ -	N/A
March 31, 2010	\$ -	\$ -	N/A
March 31, 2009	\$ -	\$ -	N/A
March 31, 2008	\$ -	\$ -	N/A
<b>LIFT LINE UNION PLAN</b>			
March 31, 2013	\$ 72,516	\$ 72,516	100.0%
March 31, 2012	\$ 82,045	\$ 82,045	100.0%
March 31, 2011	\$ 77,722	\$ 77,722	100.0%
March 31, 2010	\$ 70,941	\$ 70,941	100.0%
March 31, 2009	\$ 110,960	\$ 110,960	100.0%
March 31, 2008	\$ 73,743	\$ 73,743	100.0%
<b>LIFT LINE AND REGIONAL ENTITIES NON-UNION PLAN</b>			
April 30, 2013	\$ 129,936	\$ 129,936	100.0%
April 30, 2012	\$ 69,463	\$ 69,463	100.0%
April 30, 2011	\$ 67,470	\$ 67,470	100.0%
April 30, 2010	\$ 60,404	\$ 60,404	100.0%
April 30, 2009	\$ 42,065	\$ 42,065	100.0%
April 30, 2008	\$ 32,849	\$ 32,849	100.0%

- (1) The annual required contribution for the RTS Union and Lift Line Union Plans has been adjusted to be based on the same measure of payroll and contractual obligations as the contributions recognized as additions in the statements of revenue, expenses and changes in net position.

## 7. PENSION PLANS (Continued)

### Single Employer Pension Plans (Continued)

#### Schedule of Pension Funding Progress:

Actuarial Report as of:	Actuarial Valuation of Plan Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Excess (Deficiency) of Assets Over AAL	Annual Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
<b>RTS UNION PLAN</b> (\$ In Millions)						
November 1, 2013	\$ 45.1	\$ 46.6	96.8%	\$ (1.5)	\$ 22.3	-6.7%
November 1, 2012	\$ 42.4	\$ 45.1	94.0%	\$ (2.7)	\$ 22.4	-12.1%
November 1, 2011	\$ 40.5	\$ 38.9	104.1%	\$ 1.6	\$ 20.0	8.0%
November 1, 2010	\$ 39.2	\$ 38.2	102.6%	\$ 1.0	\$ 18.9	5.3%
November 1, 2009	\$ 39.0	\$ 36.9	105.7%	\$ 2.1	\$ 18.6	11.3%
November 1, 2008	\$ 39.5	\$ 37.2	106.2%	\$ 2.3	\$ 18.4	12.5%
<b>RTS NON-UNION PLAN</b> (\$ In Millions)						
April 1, 2013	\$ 18.9	\$ 18.1	104.4%	\$ 0.8	\$ 4.2	19.0%
April 1, 2012	\$ 18.2	\$ 17.4	104.6%	\$ 0.8	\$ 4.1	19.5%
April 1, 2011	\$ 17.7	\$ 15.0	118.0%	\$ 2.7	\$ 3.9	69.2%
April 1, 2010	\$ 17.2	\$ 14.5	118.6%	\$ 2.7	\$ 3.8	71.1%
April 1, 2009	\$ 16.6	\$ 13.8	120.3%	\$ 2.7	\$ 3.5	77.1%
April 1, 2008	\$ 19.2	\$ 13.0	147.7%	\$ 6.2	\$ 3.3	187.9%
<b>LIFT LINE UNION PLAN</b> (\$ In Thousands)						
April 1, 2013	\$ 2,366.6	\$ 1,695.4	139.6%	\$ 671.2	\$ 2,312.4	29.0%
April 1, 2012	\$ 2,079.8	\$ 1,175.1	177.0%	\$ 904.7	\$ 2,552.4	35.4%
April 1, 2011	\$ 1,835.2	\$ 1,124.6	163.2%	\$ 710.6	\$ 1,868.7	38.0%
April 1, 2010	\$ 1,621.5	\$ 864.6	187.5%	\$ 756.9	\$ 1,919.0	39.4%
April 1, 2009	\$ 1,398.2	\$ 779.1	179.5%	\$ 619.1	\$ 1,831.0	33.8%
April 1, 2008	\$ 1,323.5	\$ 717.0	184.6%	\$ 606.5	\$ 1,917.0	31.6%
<b>LIFT LINE AND REGIONAL ENTITIES NON-UNION PLAN</b> (\$ In Thousands)						
May 1, 2013	\$ 1,434.9	\$ 1,720.1	83.4%	\$ (285.2)	\$ 2,545.9	-11.2%
May 1, 2012	\$ 1,232.2	\$ 1,545.3	79.7%	\$ (313.1)	\$ 2,270.3	-13.8%
May 1, 2011	\$ 1,097.9	\$ 1,238.1	88.7%	\$ (140.2)	\$ 1,904.1	-7.4%
May 1, 2010	\$ 951.4	\$ 1,114.5	85.4%	\$ (163.1)	\$ 1,829.8	-8.9%
May 1, 2009	\$ 864.5	\$ 1,036.5	83.4%	\$ (172.0)	\$ 1,756.9	-9.8%
May 1, 2008	\$ 931.9	\$ 940.5	99.1%	\$ (8.6)	\$ 1,585.4	-0.5%

## **8. OTHER POSTEMPLOYMENT BENEFITS**

### **Plan Description**

The Authority provides certain postemployment insurance benefits to retired RTS union employees and non-union employees of RTS and RGRTA. These benefits are provided based upon collective bargaining agreements as well as established practices which together constitute a substantive plan (the Plan). The Authority combines the two plans and administers as a single employer defined benefit other postemployment benefit (OPEB) Plan.

Employees are eligible to participate if they meet the criteria for normal retirement (age 65 and minimum 10 years of service for union, and age 62 and minimum 10 years of service for non-union), disability retirement (15 years of service for union and non-union) or early retirement (age 55 and minimum 25 years of service for union, age 55 and minimum 15 years of service for non-union). The plan has 551 active participants as of March 31, 2013. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

### **Funding Policy**

Currently, the Plan is funded by the Authority on a pay-as-you-go basis. As of the date of these financial statements, New York State has not yet adopted legislation that would enable government entities to establish a Governmental Accounting Standards Board (GASB) qualifying trust for the purpose of funding OPEB benefits. Pending such legislation, the Authority established an OPEB reserve fund in 2007.

### **Annual OPEB Cost and Net OPEB Obligation**

In fiscal 2013 the Authority retained an independent actuarial firm to perform a calculation of the expected value of the Plan's OPEB obligation. This valuation report provides the Authority's obligations for fiscal 2013 in accordance with GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."* The valuation was performed using census data as of November 1, 2012 and plan provisions as of April 1, 2012. The valuation was performed as of April 1, 2012. While there is not a requirement to fund the obligation, the Authority has established a reserve fund to provide funding for a dedicated OPEB trust account when permitted to do so by state legislation.

## 8. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The Authority's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year plus the amortization of the unfunded actuarial accrued liability (UAAL) over a 30 year period. The following tables set forth the components of the RGRTA and RTS' OPEB expense for the 2014 and 2013 fiscal years, the amount actually contributed to the Plan, and the changes in the net OPEB obligation:

	RGRTA	RTS	TOTAL
Annual required contribution before interest	\$ 108,000	\$ 6,617,000	\$ 6,725,000
Interest on net OPEB obligation	14,000	853,000	867,000
Amortization of UAAL	<u>(22,000)</u>	<u>(1,326,000)</u>	<u>(1,348,000)</u>
Annual OPEB cost	100,000	6,144,000	6,244,000
Contributions made	<u>(37,000)</u>	<u>(1,659,000)</u>	<u>(1,696,000)</u>
Increase in net OPEB obligation	63,000	4,485,000	4,548,000
Net OPEB Obligation -- April 1, 2013	<u>459,779</u>	<u>28,867,109</u>	<u>29,326,888</u>
Net OPEB Obligation -- March 31, 2014	<u>\$ 522,779</u>	<u>\$ 33,352,109</u>	<u>\$ 33,874,888</u>

	RGRTA	RTS	TOTAL
Annual required contribution before interest	\$ 108,000	\$ 6,617,000	\$ 6,725,000
Interest on net OPEB obligation	14,000	853,000	867,000
Amortization of UAAL	<u>(22,000)</u>	<u>(1,326,000)</u>	<u>(1,348,000)</u>
Annual OPEB cost	100,000	6,144,000	6,244,000
Contributions made	<u>(37,000)</u>	<u>(1,659,000)</u>	<u>(1,696,000)</u>
Increase in net OPEB obligation	63,000	4,485,000	4,548,000
Net OPEB Obligation -- April 1, 2012	<u>396,779</u>	<u>24,382,109</u>	<u>24,778,888</u>
Net OPEB Obligation -- March 31, 2013	<u>\$ 459,779</u>	<u>\$ 28,867,109</u>	<u>\$ 29,326,888</u>

## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Percentage of Annual OPEB Cost

#### Schedule of OPEB Cost Contributed

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Contribution (ARC)</u>	<u>% of ARC Contributed</u>	<u>Net OPEB Obligation</u>
4/1/09	\$ 5,190,700	55.5%	\$ 5,491,800	52.4%	\$22,352,659
4/1/11	\$ 5,190,000	53.3%	\$ 5,491,800	50.3%	\$24,778,888
4/1/12	\$ 6,244,000	27.2%	\$ 6,725,000	25.2%	\$29,326,888
4/1/13	\$ 6,244,000	27.2%	\$ 6,725,000	25.2%	\$33,874,888

#### Funded Status and Funding Progress

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 1, 2012 actuarial valuation the following methods and assumptions were used:

Actuarial Cost Method	Projected Unit Credit
Rate of Inflation	2.5% per annum, compounded annually
Discount Rate*	3.5%
Medical Care Cost Trend Rate	7.5% pre-Medicare and 6.0% post-Medicare in 2013, decreasing gradually until the ultimate post-Medicare rate of 5.05% in 2047.

#### Unfunded Actuarial Accrued Liability:

Amortization Period	30 years
Amortization Method	Level Dollar
Amortization Basis	Closed

\* As the plan is unfunded, the assumed discount rate considers that the Authority's investment assets are short term in nature, such as money market funds.

## 8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Actuarial Methods and Assumptions (Continued)

The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress for the Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of covered Payroll (b)-(a)/(c)
4/1/09	\$ -	\$ 66,176,500	\$ 66,176,500	0.0%	\$ 24,344,939	271.8%
4/1/10	\$ -	\$ 66,844,000	\$ 66,844,000	0.0%	\$ 27,219,356	245.6%
4/1/12	\$ -	\$ 59,578,000	\$ 59,578,000	0.0%	\$ 30,315,164	196.5%

## 9. SELF-INSURANCE

The Authority is self-insured up to \$1,500,000 per incident for automobile liability, and is self-insured for workers' compensation, environmental claims, and certain forms of property damage. In addition, the Authority maintains excess automobile liability insurance coverage of \$15,000,000 with outside insurance carriers. The Authority has set aside assets for claim settlement and servicing. All component units of the Authority are covered by these assets.

Claims liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Annually, the Authority engages an actuary to perform a study to estimate the potential exposure related to incurred but not reported claims for workers' compensation. The information below summarizes the workers' compensation activity for the years ended March 31, 2014 and 2013:

	Balance - April 1, 2013	Current Year Claims and Changes in Estimates	Claims Payments	Balance - March 31, 2014
Authority	\$ 300	\$ 16	\$ (316)	\$ -
RTS	2,918,222	166,954	(548,048)	2,537,128
Lift Line	377,599	(27,658)	(139,411)	210,530
BBS	129,652	92,245	(24,220)	197,677
LATS	24,652	(579)	(8,386)	15,687
OTS	4,493	(1,014)	(342)	3,137
STS	353	183	(536)	-
WATS	546	9,405	(2,081)	7,870
WYTS	33,586	19,133	(5,196)	47,523
GTCS	599	(151)	-	448
Total	\$ 3,490,002	\$ 258,534	\$ (728,536)	\$ 3,020,000

## 9. SELF-INSURANCE (Continued)

	Balance - April 1, 2012	Current Year Claims and Changes in Estimates	Claims Payments	Balance - March 31, 2013
Authority	\$ -	\$ 939	\$ (639)	\$ 300
RTS	3,331,590	182,345	(595,713)	2,918,222
Lift Line	352,602	86,744	(61,747)	377,599
BBS	190,788	16,214	(77,350)	129,652
LATS	33,721	175	(9,244)	24,652
OTS	-	5,266	(773)	4,493
STS	353	406	(406)	353
WATS	-	4,298	(3,752)	546
WYTS	30,946	7,215	(4,575)	33,586
GTCS	-	599	-	599
Total	<u>\$ 3,940,000</u>	<u>\$ 304,201</u>	<u>\$ (754,199)</u>	<u>\$ 3,490,002</u>

The information below summarizes the reserve for litigated and unlitigated claims activity for the years ended March 31, 2014 and 2013:

	Balance - April 1, 2013	Current Year Claims and Changes in Estimates	Claims (Payments)/ Recoupments	Balance - March 31, 2014
RTS	\$ 1,819,050	\$ 437,027	\$ (1,546,746)	\$ 709,331
Lift Line	518,236	231,552	(34,639)	715,149
LATS	46,101	171,019	(211,190)	5,930
STS	4,598	(398)	-	4,200
WATS	65,205	(17,999)	(984)	46,222
WYTS	-	250	(250)	-
GTCS	-	5,000	-	5,000
Total	<u>\$ 2,453,190</u>	<u>\$ 826,451</u>	<u>\$ (1,793,809)</u>	<u>\$ 1,485,832</u>

	Balance - April 1, 2012	Current Year Claims and Changes in Estimates	Claims (Payments)/ Recoupments	Balance - March 31, 2013
RTS	\$ 1,822,804	\$ 357,492	\$ (361,246)	\$ 1,819,050
Lift Line	571,571	(26,331)	(27,004)	518,236
LATS	39,102	18,371	(11,372)	46,101
STS	2,000	9,071	(6,473)	4,598
WATS	37,008	14,954	13,243	65,205
WYTS	399	(399)	-	-
GTCS	-	-	-	-
Total	<u>\$ 2,472,884</u>	<u>\$ 373,158</u>	<u>\$ (392,852)</u>	<u>\$ 2,453,190</u>

## 9. SELF-INSURANCE (Continued)

Changes in investments designated for self-insurance during fiscal 2014 are as follows:

Balance - beginning of year	\$ 5,036,888
Uses of self-insurance investments	(1,421,182)
Investments earnings, net	<u>18,447</u>
Balance - end of year	<u>\$ 3,634,153</u>

In 2013, investments designated for self-insurance had a beginning balance of \$5,002,545 and investment earnings of \$34,343 resulting in an end of year balance of \$5,036,888.

The amount of assets segregated for self-insurance has been estimated by the Authority based upon past experience and consideration of current outstanding issues and is not the result of an actuarially-determined methodology.

## 10. CAPITAL RESERVE FUND

In fiscal 1999, the Board of Commissioners authorized the establishment of a capital reserve fund to accumulate resources for future capital purchases. The capital reserve was funded initially from unrestricted net assets. During fiscal 2000 and 2007, \$1,200,000 and \$1,000,000, respectively, was added to the capital reserve fund from additional New York State Operating Assistance (STOA) funding. Otherwise, the capital reserve fund has been funded with amounts budgeted for local depreciation, to the extent practicable.

Changes in the investments designated for capital reserve for the years ended March 31 are as follows:

	<u>2014</u>	<u>2013</u>
Balance – beginning of the year	\$2,637,640	\$4,316,372
Additional funding from unrestricted net position	1,876,100	1,204,700
Temporary funding from working capital	2,090,131	
Investment earnings	936	7,181
Local share of capital purchases	<u>(6,604,807)</u>	<u>(2,890,613)</u>
Balance – end of year	<u>\$ -</u>	<u>\$2,637,640</u>

## **11. COMMITMENTS**

### **Leases**

The Authority leases property for its Customer Service Center under a non-cancelable operating lease agreement expiring April 2014, with annual rent of approximately \$40,000. Rent expense at Lift Line and RTS combined under the terms of this agreement was \$ 39,456 and \$42,647 for the years ended March 31, 2014 and 2013, respectively. This lease was allowed to expire in April of 2014.

WYTS leases property for administration and operations under a non-cancelable operating lease agreement expiring April 2016, with annual rent expense of \$20,415 and \$19,800 for the years ended March 31, 2014 and 2013, respectively.

## **12. FIXED PRICE FUEL SWAP**

### **Fuel Swap**

In May 2012, the Authority entered into two transactions with Cargill, Incorporated (Cargill) pursuant to the September 2011 master agreement to mitigate the volatile risk of diesel fuel costs for budgetary and cost control purposes as discussed below for the period June 1, 2012 through March 31, 2015.

### **Hedge Effectiveness**

The Authority used the consistent critical terms method to evaluate the hedge effectiveness of the fuel swap contract. This method evaluates effectiveness by qualitative consideration of the critical terms of the hedgeable item (i.e., diesel fuel) and the potential hedging derivative instrument. Under the consistent critical terms method, if the critical terms of the hedgeable item and the potential hedging derivative instrument are the same, or similar, the changes in cash flows of the potential hedging derivative instrument will offset substantially the changes in cash flows of the hedgeable item. The Authority considered the fuel swap contract to be effective due to the fact that the changes in cash flow from the price of diesel fuel substantially offset the changes in price of the fuel swap contract.

### **Objectives**

RTS entered into the fuel swap contract to reduce the risk of price volatility for diesel fuel supply. The swap contract for fiscal year ended March 31, 2014 and 2013 covered approximately 65.8% and 58%, respectively, of total fuel establishing a cap on fuel cost per gallon for that portion of fuel needs. The balance of RTS' fuel supply needs were purchased via spot market to take advantage of market prices that fall below the fixed price swap amount per gallon.

## 12. FIXED PRICE FUEL SWAP (Continued)

### Terms

The terms of the RTS fuel swap contract were as follows:

<u>Notional Amount</u>	<u>Counter-Party Credit Rating *</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>
120,000 Gallons of Diesel Fuel per month	A	6/1/2012	3/31/2013	Pay \$3.0650 per gallon of diesel fuel receive floating price NY Harbor Ultra Low Sulfur Diesel Fuel price back.
85,000 Gallons of Diesel Fuel per month	A	4/1/2013	3/31/2014	Pay \$3.0325 per gallon of diesel fuel receive floating price NY Harbor Ultra Low Sulfur Diesel Fuel price back.
34,000 Gallons of Diesel Fuel per month	A	4/1/2013	3/31/2014	Pay \$2.8250 per gallon of diesel fuel receive floating price NY Harbor Ultra Low Sulfur Diesel Fuel price back.
85,000 Gallons of Diesel Fuel per month	A	4/1/2014	3/31/2015	Pay \$2.8275 per gallon of diesel fuel receive floating price NY Harbor Ultra Low Sulfur Diesel Fuel price back.

\* As noted by Standard and Poors.

During 2014, RTS received \$45,959, in cash net payments from Cargill. During 2013, RTS received \$32,114, in cash net payments from Cargill.

### Credit Risk

RTS is exposed to credit risk related to the fuel swap contract when it is in an asset position. To mitigate that risk, the total amount of the fuel swap contract asset as of March 31, 2014 and 2013 is the maximum loss that would have been recognized at the reporting date if Cargill failed to perform.

RTS has entered into a collateral support agreement with Cargill to mitigate the risk of non-performance during the period the fuel swap contract is in effect.

The collateral agreement requires that if the performance exposure and, the position market value of the fuel swap contract, were to exceed \$7,500,000, then either party may demand the other party transfer collateral at least equal to the excess exposure. The collateral shall be in the form of U.S. dollars and held in a bank account in the United States.

## **12. FIXED PRICE FUEL SWAP (Continued)**

### **Basis Risk**

RTS is not exposed to basis risk on the fuel swap contract because the expected commodity purchase being hedged will price based on U.S. spot price, at the pricing point that is the same as the pricing point at which the forward contract is expected to settle.

### **Termination Risk**

The fuel swap contract could terminate at any time if certain events occur that result in one party not performing in accordance with the agreement. The fuel swap contract may terminate due to illegality, a credit event upon merger, or an event of default and illegality. If the fuel swap contract is in a liability position at the time of termination, RTS would be liable for a payment equal to the liability.

## **13. CONTINGENCIES**

The Authority and certain of the Organizations are defendants in various personal injury, property damage liability and labor dispute lawsuits. It is not possible at this time to predict the outcome of the legal actions currently in process or pending against the Authority and the Organizations. In the opinion of management, however, the disposition of the lawsuits will not have a material adverse effect on the financial position of the Authority and the Organizations.

## **14. SOIL REMEDIATION LIABILITY**

Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events takes place:

- An imminent threat to public health due to pollution exists,
- The Authority is in violation of a pollution prevention-related permit or license,
- The Authority is named by a regulator as a responsible or potentially responsible party to participate in remediation,
- The Authority is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities, or
- The Authority voluntarily commences or legally obligates itself to commence remediation efforts.

In 2009, RTS identified and estimated costs related to a remediation obligation. RTS recorded a non-operating expense and corresponding liability for soil contamination remediation obligations.

During 2014, RTS recognized a loss on change in soil remediation liability of \$815,317 and has increased its soil remediation liability to \$1,468,061 as of March 31, 2014, using the cash flow technique.

#### 14. SOIL REMEDIATION LIABILITY (Continued)

The Authority had the following activity related to soil remediation for the years ended March 31:

	<u>2014</u>	<u>2013</u>
Soil remediation liability beginning of year	\$ 657,251	\$ 642,951
Expected additional future outlays, increasing liability		
Estimates	815,317	37,978
Payments for soil remediation	(4,507)	(23,678)
Reduction in liability estimates	<u>-</u>	<u>-</u>
Soil remediation liability end of year	1,468,061	657,251
Less: Current portion	<u>(109,450)</u>	<u>(132,000)</u>
Long-term soil remediation liability	<u>\$ 1,358,611</u>	<u>\$ 525,251</u>

RTS has estimated it will expend approximately \$109,450 in fiscal 2015 and has recorded this amount as a current liability.

The soil remediation liability consists of future and present activities associated with the decontamination of the soil at the RTS operations headquarters. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

#### 15. CONDENSED FINANCIAL INFORMATION

The financial statements of the Authority include the accounts of RGRTA, and its nine (9) blended component units for which the Authority is financially accountable, more completely described in Note 2. GASB Statement #61 requires the following condensed financial information for each of these entities as of March 31, 2014:

##### Condensed statement of net position (in millions) As of March 31, 2014

	RGRTA	RTS	Lift Line
<b>Assets:</b>			
Current	\$ 35.1	\$ 7.1	\$ 0.2
Capital	-	146.4	3.7
Other	62.5	0.1	-
<b>Total assets</b>	<u>97.6</u>	<u>153.6</u>	<u>3.9</u>
<b>Liabilities:</b>			
Current	3.7	9.8	1.4
Long-term	0.5	34.8	-
<b>Total Liabilities</b>	<u>4.2</u>	<u>44.6</u>	<u>1.4</u>
<b>Net Position:</b>			
Invested in capital assets	-	146.3	3.7
Unrestricted	93.4	(37.3)	(1.2)
<b>Total net position</b>	<u>\$ 93.4</u>	<u>\$ 109.0</u>	<u>\$ 2.5</u>

**15. CONDENSED FINANCIAL INFORMATION (Continued)**  
**Condensed statement of net position (in millions)**  
**As of March 31, 2014**

	BBS	LATS	OTS
<b>Assets:</b>			
Current	\$ 0.1	\$ 0.2	\$ 0.1
Capital	0.4	3.0	0.1
Other	-	-	-
<b>Total assets</b>	<u>0.5</u>	<u>3.2</u>	<u>0.2</u>
<b>Liabilities:</b>			
Current	0.3	0.2	0.1
Long-term	-	-	-
<b>Total Liabilities</b>	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>
<b>Net Position:</b>			
Invested in capital assets	0.4	3.0	0.1
Unrestricted	(0.2)	-	-
<b>Total net position</b>	<u>\$ 0.2</u>	<u>\$ 3.0</u>	<u>\$ 0.1</u>

	STS	WATS	WYTS
<b>Assets:</b>			
Current	\$ 0.1	\$ 0.3	\$ 0.1
Capital	0.2	1.9	0.8
Other	-	-	-
<b>Total assets</b>	<u>0.3</u>	<u>2.2</u>	<u>0.9</u>
<b>Liabilities:</b>			
Current	0.1	0.3	0.2
Long-term	-	-	-
<b>Total Liabilities</b>	<u>0.1</u>	<u>0.3</u>	<u>0.2</u>
<b>Net Position:</b>			
Invested in capital assets	0.2	1.9	0.8
Unrestricted	-	-	(0.1)
<b>Total net position</b>	<u>\$ 0.2</u>	<u>\$ 1.9</u>	<u>\$ 0.7</u>

	GTCS
<b>Assets:</b>	
Current	\$ 0.6
Capital	-
Other	-
<b>Total assets</b>	<u>0.6</u>
<b>Liabilities:</b>	
Current	0.5
Long-term	-
<b>Total Liabilities</b>	<u>0.5</u>
<b>Net Position:</b>	
Invested in capital assets	-
Unrestricted	0.1
<b>Total net position</b>	<u>\$ 0.1</u>

**15. CONDENSED FINANCIAL INFORMATION (Continued)**

**Condensed statement of revenues, expenses and changes in net position (in millions)  
For the year ended March 31, 2014**

	<b>RGRTA</b>	<b>RTS</b>	<b>Lift Line</b>
Operating revenues	\$ 0.9	\$ 28.5	\$ 0.4
Operating expenses	2.9	69.9	7.3
Depreciation	<u>-</u>	<u>11.8</u>	<u>0.9</u>
<b>Operating income (loss)</b>	<b><u>(2.0)</u></b>	<b><u>(53.2)</u></b>	<b><u>(7.8)</u></b>
Nonoperating revenues (expenses)	1.6	(3.6)	4.8
Capital contributions	-	53.3	2.0
Operating assistance	<u>0.1</u>	<u>41.0</u>	<u>2.0</u>
<b>Change in net position</b>	<b>(0.3)</b>	<b>37.5</b>	<b>1.0</b>
Beginning net position	93.7	71.5	1.5
<b>Ending net position</b>	<b><u>\$ 93.4</u></b>	<b><u>\$ 109.0</u></b>	<b><u>\$ 2.5</u></b>

	<b>BBS</b>	<b>LATS</b>	<b>OTS</b>
Operating revenues	\$ 0.2	\$ 0.8	\$ 0.1
Operating expenses	1.0	1.9	0.7
Depreciation	<u>0.1</u>	<u>0.4</u>	<u>0.1</u>
<b>Operating income (loss)</b>	<b><u>(0.9)</u></b>	<b><u>(1.5)</u></b>	<b><u>(0.7)</u></b>
Nonoperating revenues (expenses)	0.6	1.0	0.5
Capital contributions	0.3	0.8	0.1
Operating assistance	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>
<b>Change in net position</b>	<b>0.2</b>	<b>0.5</b>	<b>-</b>
Beginning net position	-	2.4	0.1
<b>Ending net position</b>	<b><u>\$ 0.2</u></b>	<b><u>\$ 2.9</u></b>	<b><u>\$ 0.1</u></b>

# 15. CONDENSED FINANCIAL INFORMATION (Continued)

## Condensed statement of revenues, expenses and changes in net position (in millions) For the year ended March 31, 2014

	STS	WATS	WYTS
Operating revenues	\$ 0.3	\$ 1.5	\$ 0.3
Operating expenses	0.9	2.0	1.3
Depreciation	<u>0.1</u>	<u>0.4</u>	<u>0.2</u>
<b>Operating income (loss)</b>	<b><u>(0.7)</u></b>	<b><u>(0.9)</u></b>	<b><u>(1.2)</u></b>
Nonoperating revenues (expenses)	0.5	0.4	0.9
Capital contributions	-	1.4	0.6
Operating assistance	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>
<b>Change in net position</b>	<b>(0.1)</b>	<b>1.1</b>	<b>0.4</b>
Beginning net position	<u>0.3</u>	<u>0.8</u>	<u>0.3</u>
<b>Ending net position</b>	<b><u>\$ 0.2</u></b>	<b><u>\$ 1.9</u></b>	<b><u>\$ 0.7</u></b>

	GTCS
Operating revenues	\$ 0.6
Operating expenses	1.6
Depreciation	<u>-</u>
<b>Operating income (loss)</b>	<b><u>(1.0)</u></b>
Nonoperating revenues (expenses)	-
Capital contributions	-
Operating assistance	<u>2.5</u>
<b>Change in net position</b>	<b>1.5</b>
Beginning net position	<u>(1.4)</u>
<b>Ending net position</b>	<b><u>\$ 0.1</u></b>

# 15. CONDENSED FINANCIAL INFORMATION (Continued)

## Condensed statement of cash flows (in millions) For the year ended March 31, 2014

	RGRTA	RTS	Lift Line
<b>Cash provided by (used for):</b>			
Operating activities	\$ (1.6)	\$ (34.8)	\$ (6.8)
Noncapital financing activities	(3.9)	40.8	7.0
Capital and related financing activities	(1.2)	(5.3)	(0.2)
Investing activities	<u>2.9</u>	<u>0.1</u>	<u>-</u>
<b>Net change</b>	<b>(3.8)</b>	<b>0.8</b>	<b>-</b>
Beginning cash and equivalents	<u>18.4</u>	<u>0.3</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ 14.6</b>	<b>\$ 1.1</b>	<b>\$ -</b>
	BBS	LATS	OTS
<b>Cash provided by (used for):</b>			
Operating activities	\$ (0.7)	\$ (1.1)	\$ (0.6)
Noncapital financing activities	0.7	1.2	0.6
Capital and related financing activities	-	(0.1)	-
Investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	STS	WATS	WYTS
<b>Cash provided by (used for):</b>			
Operating activities	\$ (0.6)	\$ (0.5)	\$ (0.9)
Noncapital financing activities	0.6	0.6	1.0
Capital and related financing activities	-	(0.1)	(0.1)
Investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**15. CONDENSED FINANCIAL INFORMATION (Continued)**

**Condensed statement of cash flows (in millions)  
For the year ended March 31, 2014**

	GTCS
<b>Cash provided by (used for):</b>	
Operating activities	\$ (2.4)
Noncapital financing activities	2.4
Capital and related financing activities	-
Investing activities	-
<b>Net change</b>	<u>-</u>
Beginning cash and equivalents	<u>-</u>
<b>Ending cash and equivalents</b>	<u>\$ -</u>

The condensed financial information for each of the component units is not provided for the year ended March 31, 2013 as this information was not required until GASB Statement No. 61 was adopted in this year's financial statements.

**16. SUBSEQUENT EVENT**

In May 2014, the Ontario County Board of Supervisors approved the required resolutions to join the Authority. Effective August 1, 2014 a new, yet to be named organization, will join the Authority's other legally separate organizations and provide public transportation to the residents of Ontario County. The new entity will be provided financial support in the same manner and fashion as all the other regional organizations of the Authority. The Authority and Ontario County are currently preparing for the transfer of assets and the necessary operating agreements for execution to meet the start of operations date of August 1, 2014.

**INDEPENDENT AUDITOR'S 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**

June 24, 2014

To the Commissioners of the  
Rochester-Genesee Regional Transportation Authority:

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, the financial statements of Rochester-Genesee Regional Transportation Authority (the Authority), as of March 31, 2014 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 24, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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.

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.

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(Continued)

**INDEPENDENT AUDITOR'S 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**  
(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

**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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bonadio & Co., LLP*

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# **Combining Financial Information**

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ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY  
(A Component Unit of the State of New York)  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED MARCH 31, 2014

	RGRTA	RTS	LRI Line	BBS	LATS	OTS	STS	WATS	WYTS	GTCS	Eliminations	Total
<b>OPERATING REVENUE:</b>												
Customer fares	\$ -	\$ 10,994,529	\$ 343,571	\$ 42,815	\$ 27,051	\$ 48,175	\$ 51,828	\$ 81,250	\$ 50,810	\$ -	\$ -	\$ 11,530,128
Special transit fares	-	13,240,031	26,457	142,078	755,532	1,215	216,078	1,447,628	225,214	-	-	16,027,774
Fuel reimbursement and recovery	910,310	-	26,457	38,396	33	33	88	1,437	-	-	-	1,408,810
Other	-	1,846,886	-	42	237	-	-	470	224	597,228	(3,025,873)	1,368,339
<b>Total operating revenue</b>	<b>810,310</b>	<b>28,452,482</b>	<b>408,428</b>	<b>184,833</b>	<b>782,820</b>	<b>48,723</b>	<b>288,064</b>	<b>1,530,785</b>	<b>276,228</b>	<b>597,228</b>	<b>(3,025,873)</b>	<b>30,135,052</b>
<b>Operating expenses -</b>												
Salaries and wages	1,385,530	35,186,617	3,780,169	408,445	705,281	288,031	355,275	1,034,829	531,582	488,479	-	44,134,818
Employee benefits	478,891	17,734,167	1,301,383	248,762	231,855	88,239	214,170	232,808	171,900	243,681	-	20,801,837
Insurance	634,301	8,734,110	518,800	182,541	217,686	175,177	214,170	409,210	214,170	23,141	(3,025,873)	11,864,828
Materials and supplies	-	9,786,410	969,509	70,483	258,453	71,027	53,976	409,210	188,527	5,289	-	5,164,948
Utilities	118,831	3,720,185	270,119	31,518	197,433	42,348	8,248	160,314	188,527	3,481	-	1,802,817
Depreciation	-	32,000	32,000	3,030	210,184	11,382	15,489	3,004	4,427	6,084	-	1,868,630
Casualty and liability insurance claims	1,222	1,026,898	57,220	23,629	20,834	43,687	36,483	23,817	76,864	21,216	-	86,208,345
Other	282,522	1,274,448	37,220	23,629	20,834	43,687	36,483	23,817	76,864	21,216	-	86,208,345
<b>Total operating expenses</b>	<b>2,881,387</b>	<b>69,985,583</b>	<b>7,290,311</b>	<b>977,095</b>	<b>1,872,972</b>	<b>675,201</b>	<b>688,950</b>	<b>2,070,803</b>	<b>1,314,483</b>	<b>1,820,413</b>	<b>(3,025,873)</b>	<b>86,208,345</b>
<b>Depreciation -</b>												
Locally funded	-	1,286,097	88,798	11,881	23,411	800	7,578	19,209	11,753	1,850	-	1,371,523
State	-	10,560,143	818,710	118,039	381,740	81,282	122,943	370,832	223,933	-	-	12,861,461
Local governments	-	11,788,240	908,506	130,820	385,151	82,082	130,519	380,041	235,886	-	-	14,053,004
<b>Total depreciation</b>	<b>2,881,387</b>	<b>81,634,480</b>	<b>8,107,114</b>	<b>1,109,950</b>	<b>7,250,302</b>	<b>757,282</b>	<b>759,375</b>	<b>2,460,044</b>	<b>1,550,179</b>	<b>1,850,277</b>	<b>(3,025,873)</b>	<b>100,987,348</b>
<b>Total operating expenses and depreciation</b>	<b>(1,871,087)</b>	<b>(53,201,361)</b>	<b>(7,790,393)</b>	<b>(923,082)</b>	<b>(1,475,303)</b>	<b>(707,860)</b>	<b>(729,375)</b>	<b>(928,859)</b>	<b>(1,273,931)</b>	<b>(1,025,048)</b>	<b>-</b>	<b>(7,027,297)</b>
<b>LOSS FROM OPERATIONS</b>	<b>(1,871,087)</b>	<b>(53,201,361)</b>	<b>(7,790,393)</b>	<b>(923,082)</b>	<b>(1,475,303)</b>	<b>(707,860)</b>	<b>(729,375)</b>	<b>(928,859)</b>	<b>(1,273,931)</b>	<b>(1,025,048)</b>	<b>-</b>	<b>(7,027,297)</b>
<b>NONOPERATING INCOME (EXPENSE):</b>												
Investment income, net	175,384	-	-	-	-	-	-	-	-	-	-	175,384
Mortgage recording tax	7,183,287	-	-	-	-	-	-	-	-	-	-	7,183,287
Subrecipient grant revenue	-	-	-	-	-	-	-	-	-	-	-	-
Loss on impairment of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Change in self-liquidating debt	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of capital assets, net	(11,062,201)	2,220,175	2,722	614,881	949,715	1,622	510,802	337,284	924,548	-	-	(915,317)
Authority subsidies	5,278,345	(5,231,483)	4,883,534	33,021	41,047	1,132	20,716	96,527	(9,410)	865	-	45,959
Write-off of inter-entity accounts	-	-	-	-	-	-	-	-	-	-	-	98,944
<b>Total nonoperating income (expense)</b>	<b>1,585,805</b>	<b>(3,040,420)</b>	<b>4,780,908</b>	<b>648,902</b>	<b>990,762</b>	<b>514,348</b>	<b>531,618</b>	<b>437,832</b>	<b>886,149</b>	<b>865</b>	<b>-</b>	<b>6,898,247</b>
<b>EXTERNAL OPERATING ASSISTANCE SUBSIDIES</b>												
Federal	57,561	6,206,002	121,255	82,500	93,800	53,000	45,600	144,168	84,200	2,482,287	-	9,370,351
State	-	31,300,145	1,803,199	53,282	35,024	30,181	24,964	38,378	20,120	-	-	33,405,283
Local governments	-	3,824,051	-	53,282	35,024	30,181	24,964	38,378	20,120	-	-	3,728,000
<b>Total external operating assistance subsidies</b>	<b>57,561</b>	<b>41,000,198</b>	<b>2,024,454</b>	<b>189,064</b>	<b>163,848</b>	<b>113,362</b>	<b>95,528</b>	<b>280,922</b>	<b>124,440</b>	<b>2,482,287</b>	<b>-</b>	<b>46,501,814</b>
<b>CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(327,721)</b>	<b>(15,811,591)</b>	<b>(1,005,003)</b>	<b>(85,416)</b>	<b>(320,683)</b>	<b>(80,152)</b>	<b>(102,229)</b>	<b>(271,305)</b>	<b>(283,342)</b>	<b>1,458,078</b>	<b>-</b>	<b>(16,828,436)</b>
<b>CAPITAL CONTRIBUTIONS</b>												
Federal	-	40,960,840	1,554,395	209,612	638,572	41,381	20,430	1,135,474	502,302	-	-	45,090,946
State	-	6,925,820	233,857	24,800	75,548	12,559	1,742	141,857	62,000	-	-	7,465,214
Authority	-	5,387,021	196,040	26,542	77,328	12,559	1,742	143,580	63,742	-	(5,888,571)	52,328,180
<b>Total capital contributions</b>	<b>(327,721)</b>	<b>53,253,681</b>	<b>1,846,492</b>	<b>260,954</b>	<b>791,448</b>	<b>55,335</b>	<b>22,172</b>	<b>1,420,910</b>	<b>628,044</b>	<b>-</b>	<b>(5,888,571)</b>	<b>52,328,180</b>
<b>CHANGE IN NET POSITION</b>	<b>(327,721)</b>	<b>37,442,090</b>	<b>979,019</b>	<b>175,538</b>	<b>468,740</b>	<b>(24,771)</b>	<b>(80,057)</b>	<b>1,149,825</b>	<b>344,702</b>	<b>1,458,078</b>	<b>(5,888,571)</b>	<b>35,898,724</b>
<b>NET POSITION - beginning of year</b>	<b>83,758,972</b>	<b>71,586,144</b>	<b>1,546,961</b>	<b>(28,485)</b>	<b>2,457,820</b>	<b>134,769</b>	<b>254,058</b>	<b>807,728</b>	<b>(1,377,584)</b>	<b>(1,377,584)</b>	<b>(39,780,165)</b>	<b>128,707,833</b>
<b>NET POSITION - end of year</b>	<b>\$ 83,429,251</b>	<b>\$ 108,028,234</b>	<b>\$ 2,525,980</b>	<b>\$ 147,053</b>	<b>\$ 2,926,560</b>	<b>\$ 110,082</b>	<b>\$ 174,001</b>	<b>\$ 1,857,553</b>	<b>\$ 694,397</b>	<b>\$ 80,482</b>	<b>\$ (45,878,736)</b>	<b>\$ 165,404,657</b>

The accompanying notes are an integral part of these statements.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY  
(A Component Unit of the State of New York)  
CONSOLIDATED STATEMENT OF NET POSITION  
MARCH 31, 2014

ASSETS	RGRTA	RIS	UnLine	BBS	LATS	QIS	SIS	WATS	WYTS	GTCS	Eliminations	Total
<b>CURRENT ASSETS:</b>												
Cash and equivalents	\$ 14,571,737	\$ 1,064,717	\$ 6,680	\$ 697	\$ 1,902	\$ 775	\$ 737	\$ 5,573	\$ 3,396	\$ 34,301	\$ -	\$ 15,691,115
Current portion of investments	14,585,656	-	-	-	-	-	-	-	-	-	-	14,585,656
Receivables:												
Trade, net tax	-	2,775,913	17,871	24,279	54,648	4,088	28,471	181,518	20,538	945,022	-	3,850,348
Accrued taxes	399,655	-	-	-	-	-	-	-	-	-	-	399,655
Capital grants	5,438,935	-	-	-	-	-	-	-	-	-	-	5,438,935
Operating assistance	-	2,403,652	112,500	82,500	93,800	53,000	51,841	121,100	84,200	-	-	3,002,993
Interest	122,911	-	-	-	-	-	-	-	-	-	-	122,911
Materials and supplies inventory, net	-	319,738	110,279	-	-	-	-	-	-	-	-	430,017
Prepaid expenses and other current assets	28,007	129,717	6,989	631	3,344	1,122	1,171	3,623	2,129	1,583	-	178,316
Inter-entity receivable	-	441,695	-	-	-	-	-	-	-	-	(441,695)	-
Total current assets	35,146,901	7,135,432	254,321	108,107	153,895	58,985	80,220	311,814	110,263	581,506	(441,695)	43,499,546
<b>NONCURRENT ASSETS:</b>												
Capital assets, net	-	146,427,737	3,707,658	346,930	2,855,266	126,552	163,369	1,923,539	751,524	2,303	-	156,405,078
Fixed price fuel swap asset	-	90,713	-	-	-	-	-	-	-	-	-	90,713
Investments, net of current portion	16,796,764	-	-	-	-	-	-	-	-	-	-	16,796,764
Investments in consolidated component unit entities	45,678,736	-	-	-	-	-	-	-	-	-	(45,678,736)	-
Total noncurrent assets	62,475,500	146,518,450	3,707,658	346,930	2,855,266	126,552	163,369	1,923,539	751,524	2,303	(45,678,736)	173,292,555
<b>TOTAL ASSETS</b>	<b>\$ 97,622,401</b>	<b>\$ 153,653,882</b>	<b>\$ 3,962,179</b>	<b>\$ 455,037</b>	<b>\$ 3,109,161</b>	<b>\$ 185,537</b>	<b>\$ 243,589</b>	<b>\$ 2,235,353</b>	<b>\$ 861,787</b>	<b>\$ 583,809</b>	<b>\$ (46,120,434)</b>	<b>\$ 216,792,101</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>												
<b>CURRENT LIABILITIES:</b>												
Accounts payable	3,110,017	2,697,119	182,004	82,792	63,344	46,117	19,883	108,873	57,280	244,432	-	6,611,951
Accrued wages, vacation, pension and payroll taxes	276,164	3,350,766	306,974	27,515	97,440	26,201	45,525	115,035	62,577	95,339	-	4,404,158
Current portion of long-term debt	-	144,316	-	-	-	-	-	-	-	-	-	144,316
Current portion of capital lease obligation	-	44,316	-	-	-	-	-	-	-	-	-	44,316
Reserve for litigated and unlitigated claims	-	709,331	715,149	-	5,930	3,137	4,200	46,222	-	5,000	-	1,485,532
Workers' compensation reserve	-	2,537,128	210,330	197,677	15,687	3,137	-	7,870	47,523	448	-	3,020,000
Deferred revenue	-	341,769	1,542	-	-	-	-	-	-	-	-	343,311
Inter-entity payable	284,190	-	-	-	-	-	-	-	-	157,508	(441,695)	-
Total current liabilities	3,670,371	9,789,900	1,416,199	307,984	182,401	75,455	69,588	278,000	167,390	503,327	(441,695)	16,018,917
<b>LONG-TERM LIABILITIES:</b>												
Inter-employer benefits	522,779	33,352,109	-	-	-	-	-	-	-	-	-	33,874,888
Capital lease liability, net of current portion	-	44,316	-	-	-	-	-	-	-	-	-	44,316
Self-remediation liability, net of current portion	-	1,338,611	20,000	-	-	-	-	-	-	-	-	1,358,611
Total long-term liabilities	522,779	34,735,035	20,000	-	-	-	-	-	-	-	-	35,277,814
<b>TOTAL LIABILITIES</b>	<b>4,193,150</b>	<b>44,524,935</b>	<b>1,436,199</b>	<b>307,984</b>	<b>182,401</b>	<b>75,455</b>	<b>69,588</b>	<b>278,000</b>	<b>167,390</b>	<b>503,327</b>	<b>(441,695)</b>	<b>51,296,731</b>
<b>DEFERRED INFLOWS:</b>												
Accumulated increase in fair value of fixed price fuel swap	-	90,713	-	-	-	-	-	-	-	-	-	90,713
<b>NET POSITION:</b>												
Net investment in capital assets	93,429,251	146,339,108	3,707,658	346,929	2,955,265	126,552	163,369	1,923,540	751,524	2,303	-	156,316,448
Unrestricted	-	(37,300,874)	(1,161,878)	(199,876)	(28,705)	(16,470)	10,632	33,813	(57,127)	78,179	(45,678,736)	9,088,208
Total net position	93,429,251	109,038,234	2,525,880	147,053	2,926,560	110,082	174,001	1,957,353	694,397	80,482	(45,678,736)	165,404,657
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 97,622,401</b>	<b>\$ 153,653,882</b>	<b>\$ 3,962,179</b>	<b>\$ 455,037</b>	<b>\$ 3,109,161</b>	<b>\$ 185,537</b>	<b>\$ 243,589</b>	<b>\$ 2,235,353</b>	<b>\$ 861,787</b>	<b>\$ 583,809</b>	<b>\$ (46,120,434)</b>	<b>\$ 216,792,101</b>

The accompanying notes are an integral part of these statements.



## STATISTICAL SECTION

### **Financial Trends** .....52

These schedules contain trend information to assist the user in understanding and assessing how RGRTA's financial position has changed over time.

### **Revenue Capacity** .....54

These schedules contain information to help the reader assess RGRTA's most significant revenue source.

### **Demographic and Economic Information** .....58

These schedules are intended to assist users in understanding the socioeconomic environment within which a system operates.

### **Operating Information** .....61

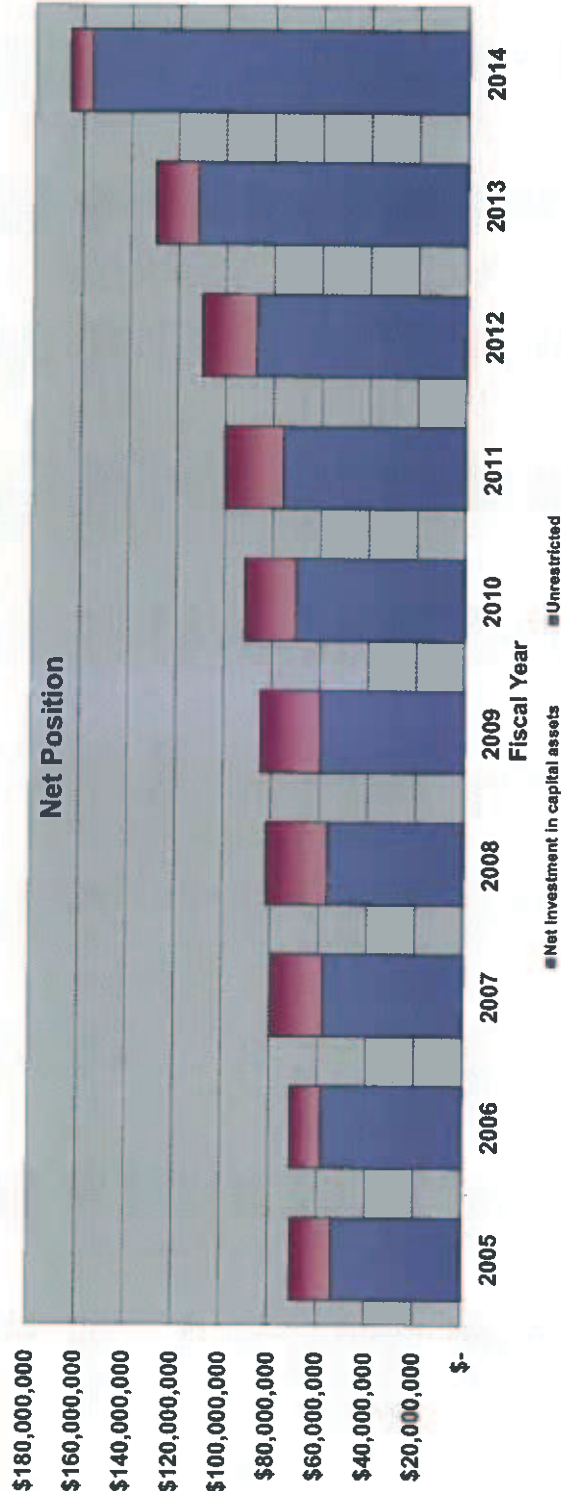
These schedules are intended to provide contextual information about a system's operations and resources to assist in using financial information to understand and assess a system's economic condition.

# Rochester Genesee Regional Transportation Authority

## Net Position For Fiscal Years 2005 to 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net investment in capital assets	\$ 53,967,569	\$ 58,804,258	\$ 58,285,389	\$ 56,663,826	\$ 60,029,188	\$ 70,389,535	\$ 75,924,776	\$ 87,287,462	\$ 111,987,737	\$ 156,316,448
Unrestricted	\$ 16,713,442	\$ 12,320,515	\$ 21,023,003	\$ 25,216,776	\$ 24,592,248	\$ 21,084,359	\$ 24,414,381	\$ 22,780,459	\$ 17,720,196	\$ 9,088,209
Total Net Position	\$ 70,681,011	\$ 71,124,771	\$ 79,308,392	\$ 81,880,602	\$ 84,621,436	\$ 91,473,894	\$ 100,339,157	\$ 110,067,921	\$ 129,707,933	\$ 165,404,657

Source: RGRTA's Audited Financial Statements



# Rochester Genesee Regional Transportation Authority

## Changes in Net Position (Consolidated) For Fiscal Years 2005 to 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Operating Revenue and Public Support</b>										
Customer fares	12,177,502	11,038,212	12,285,255	12,062,889	12,286,821	11,763,252	11,780,058	\$ 11,273,691	\$ 11,245,283	\$ 11,630,129
Special Transit Fares	5,957,124	6,034,850	8,834,890	11,000,072	12,908,309	14,164,520	15,176,855	15,686,102	15,827,185	16,027,774
Advertising	396,885	404,838	398,312	352,452	398,514	548,579	580,204	683,718	712,765	0
Reimbursement and recovery	694,609	884,706	1,034,146	1,328,187	1,432,286	957,730	880,688	1,380,029	1,116,899	1,408,810
Other	431,452	400,051	354,245	291,684	280,131	285,947	222,187	611,895	553,983	1,368,339
<b>Total Operating Revenue and Public Support</b>	<b>19,680,572</b>	<b>18,752,455</b>	<b>22,907,648</b>	<b>25,055,264</b>	<b>27,304,381</b>	<b>27,420,028</b>	<b>28,449,882</b>	<b>29,805,435</b>	<b>29,456,125</b>	<b>30,435,052</b>
<b>Operating Expenses</b>										
Salaries and wages	30,917,564	31,432,869	32,458,034	33,986,432	35,988,937	37,049,759	37,940,744	40,217,885	41,588,402	44,134,818
Employee benefits	13,624,358	13,126,817	13,538,062	14,061,875	14,603,911	15,718,573	15,208,915	16,772,238	16,592,171	20,801,837
Retiree benefit accrual variance	-	-	-	6,855,222	7,388,783	(1,265,628)	(446,854)	-	-	-
Other post employment benefits (OPEB) <sup>1,2</sup>	-	-	-	-	-	-	-	-	-	-
Materials and supplies	7,320,944	9,286,878	9,948,024	10,288,863	12,330,283	13,158,539	10,850,060	12,035,567	12,018,527	11,864,828
Outside services	3,874,922	3,464,783	3,163,259	4,070,187	4,467,711	4,462,522	4,368,755	4,706,587	5,783,379	5,164,946
Utilities	830,848	841,740	889,249	907,850	851,178	774,355	832,993	788,912	810,883	902,817
Casualty and liability insurance claims	1,812,828	1,893,261	1,376,788	1,376,788	1,328,050	816,214	1,776,339	2,106,775	1,202,691	1,671,269
Lease and rentals <sup>3</sup>	355,139	346,541	372,355	307,557	365,735	292,092	322,797	305,019	313,945	0
Other	566,018	750,482	1,095,202	1,387,157	1,157,537	1,275,269	1,063,138	1,155,125	1,055,519	1,888,830
<b>Total Operating Expenses</b>	<b>59,302,623</b>	<b>61,133,371</b>	<b>62,800,669</b>	<b>73,831,941</b>	<b>78,482,116</b>	<b>77,888,474</b>	<b>74,227,781</b>	<b>80,487,337</b>	<b>83,913,517</b>	<b>86,408,345</b>
<b>Depreciation</b>										
Locally funded	985,229	1,010,570	1,147,825	1,285,823	1,101,418	1,134,842	1,046,822	1,191,198	1,087,951	1,371,523
Grant funded	6,943,939	7,316,704	8,211,174	8,743,111	7,751,869	8,105,783	8,926,455	10,571,017	9,994,813	12,681,481
<b>Total Depreciation</b>	<b>7,929,168</b>	<b>8,327,274</b>	<b>9,359,009</b>	<b>10,028,934</b>	<b>8,853,287</b>	<b>9,240,625</b>	<b>9,973,277</b>	<b>11,762,215</b>	<b>11,082,764</b>	<b>14,053,004</b>
<b>Total Operating Expenses and Depreciation</b>	<b>67,231,791</b>	<b>69,460,645</b>	<b>72,159,768</b>	<b>83,870,881</b>	<b>87,335,394</b>	<b>87,130,079</b>	<b>84,200,858</b>	<b>92,239,552</b>	<b>94,956,281</b>	<b>100,462,349</b>
<b>Income (Loss) from Operations</b>	<b>(47,571,219)</b>	<b>(50,698,190)</b>	<b>(49,252,120)</b>	<b>(58,815,817)</b>	<b>(60,031,033)</b>	<b>(59,710,051)</b>	<b>(55,950,876)</b>	<b>(62,654,117)</b>	<b>(65,510,156)</b>	<b>(70,027,297)</b>
<b>Non-Operating Income (Expense)</b>										
Investment income, net	379,606	723,908	1,059,927	1,483,699	1,106,096	476,508	223,391	114,470	330,034	175,394
Mortgage recording tax	9,680,893	9,242,584	8,854,731	8,915,906	7,165,482	7,059,257	7,300,269	6,807,000	8,110,482	7,193,287
Subrecipient grant revenue	-	-	-	-	-	-	-	0	81,022	110,434
Subrecipient grant expense	-	-	-	-	-	-	-	0	(81,022)	(110,434)
Loss on impairment of capital assets <sup>1</sup>	(1,485,000)	(1,030,434)	-	(3,316,001)	-	(10,686,943)	(52,669)	(23,069)	(431,225)	-
Federal and state grants for soil remediation <sup>2</sup>	-	-	-	-	1,015,790	66,490	-	181,899	(37,878)	(815,317)
(Loss) gain on change in soil remediation liability <sup>2</sup>	-	-	-	-	(1,807,598)	-	(333,130)	-	-	-
Contribution Expense <sup>4</sup>	-	-	(350,638)	95,998	-	(422,158)	144,878	1,204,875	32,114	45,959
Realized gain (loss) of fuel swap, net	12,141	35,950	42,787	49,501	7,625	12,964	118,521	90,933	46,828	98,944
Gain (loss) on disposal of capital assets, net	8,587,840	8,105,676	9,606,807	7,228,903	7,487,405	(3,473,790)	7,402,258	8,376,158	8,050,033	6,696,247
<b>Total Non-Operating Income (Expense)</b>	<b>8,587,840</b>	<b>8,105,676</b>	<b>9,606,807</b>	<b>7,228,903</b>	<b>7,487,405</b>	<b>(3,473,790)</b>	<b>7,402,258</b>	<b>8,376,158</b>	<b>8,050,033</b>	<b>6,696,247</b>
<b>External Operating Assistance Subsidies</b>										
Federal	5,258,397	6,514,301	5,619,534	6,739,381	7,042,203	6,878,774	7,816,026	7,791,764	7,689,582	9,370,351
State	16,531,222	18,966,370	30,154,280	33,394,392	33,510,908	31,551,360	31,127,451	31,245,668	33,303,235	33,405,283
Local governments	3,701,089	3,726,000	3,726,000	3,726,000	3,726,000	3,726,000	3,726,000	3,726,000	3,726,000	3,726,000
<b>Total External Operating Assistance Subsidies</b>	<b>25,490,708</b>	<b>29,206,671</b>	<b>39,499,815</b>	<b>43,849,783</b>	<b>44,278,112</b>	<b>42,156,134</b>	<b>42,669,474</b>	<b>42,763,432</b>	<b>44,141,827</b>	<b>46,501,634</b>
<b>Change in Net Position before Capital Contributions</b>	<b>(13,492,871)</b>	<b>(13,384,843)</b>	<b>(145,498)</b>	<b>(7,356,531)</b>	<b>(8,264,516)</b>	<b>(31,027,707)</b>	<b>(5,779,144)</b>	<b>(11,514,577)</b>	<b>(12,741,296)</b>	<b>(16,829,436)</b>
<b>Capital Contributions</b>										
Federal	7,648,262	11,412,637	6,749,965	8,627,427	9,160,404	24,633,829	12,730,815	19,685,766	28,708,099	45,060,946
State	1,633,006	2,415,966	1,559,754	1,701,114	1,844,948	3,246,336	1,613,802	1,577,515	3,673,269	7,485,214
<b>Total Capital Contributions</b>	<b>9,281,271</b>	<b>13,828,603</b>	<b>8,309,719</b>	<b>10,328,541</b>	<b>11,005,350</b>	<b>27,880,165</b>	<b>14,344,617</b>	<b>21,263,281</b>	<b>32,381,368</b>	<b>52,546,160</b>
<b>Prior Period Adjustment</b>										
<b>Change in Net Position</b>	<b>\$ (4,211,600)</b>	<b>\$ 443,760</b>	<b>\$ 8,163,621</b>	<b>\$ 2,992,210</b>	<b>\$ 2,740,834</b>	<b>\$ 6,852,458</b>	<b>\$ 8,565,273</b>	<b>\$ 9,728,764</b>	<b>\$ 19,640,012</b>	<b>\$ 35,696,724</b>

<sup>1</sup> Loss on impairment in 2008 and 2010 represents costs associated with the Renaissance Square Project due to changes and reductions of project scope.

<sup>2</sup> In 2009, the Authority implemented GASB 48 - "Accounting and Financial Reporting for Pollution Remediation Obligations".

<sup>3</sup> OPEB expenses represent the net annual unfunded OPEB accrual after payment of medical insurance expense.

<sup>4</sup> Contribution Expense represents the unamortized value of the buses donated to Monroe Transit of Louisiana and the Metropolitan Transit Authority as a result of Hurricane Katrina.

<sup>5</sup> In 2014, Advertising expense was moved to the "Other" line in Operating Revenue and Public Support.

<sup>6</sup> In 2014, OPEB expense was moved to the "Employee Benefits" line in Operating Expenses.

<sup>7</sup> In 2014, Leases and Rentals was moved to the "Other" line in Operating Expenses.

Source: RORTA's Audited Financial Statements

## Rochester Genesee Regional Transportation Authority

### Largest Own Source Revenue For Fiscal Years 2005 to 2014

#### Regional Transit Service

Fiscal Year	Customer Fares <sup>1</sup>	Special Transit Fares	Total	Customer Ridership	Average Fare
2005	\$ 11,496,792	\$ 4,307,173	\$15,803,965	14,069,447	1.12
2006	\$ 10,337,647	\$ 4,263,249	\$14,600,896	14,020,463	1.04
2007	\$ 11,520,870	\$ 6,836,823	\$18,357,693	14,050,843	1.31
2008	\$ 11,448,971	\$ 8,581,772	\$20,030,743	15,063,344	1.33
2009	\$ 11,603,859	\$ 10,379,489	\$21,983,348	16,737,254	1.31
2010	\$ 11,117,556	\$ 11,483,104	\$22,600,660	16,825,791	1.34
2011	\$ 11,162,021	\$ 12,430,653	\$23,592,674	16,900,126	1.40
2012	\$ 10,663,522	\$ 12,918,908	\$23,582,430	17,570,170	1.34
2013	\$ 10,629,827	\$ 13,167,862	\$23,797,689	17,257,099	1.38
2014	\$ 10,984,529	\$ 13,240,031	\$24,224,560	17,194,927	1.41

#### Lift Line (Paratransit)

Fiscal Year	Customer Fares	Special Transit Fares	Total	Customer Ridership	Average Fare
2005	\$ 229,451	\$ 29,620	\$ 259,071	173,253	1.50
2006	\$ 248,915	\$ 25,642	\$ 274,557	194,352	1.41
2007	\$ 368,622	\$ 15,638	\$ 384,260	178,195	2.16
2008	\$ 394,567	\$ 16,230	\$ 410,797	179,280	2.29
2009	\$ 364,818	\$ 8,264	\$ 373,082	181,703	2.05
2010	\$ 333,149	\$ -	\$ 333,149	179,670	1.85
2011	\$ 313,666	\$ -	\$ 313,666	168,236	1.86
2012	\$ 306,239	\$ -	\$ 306,239	167,839	1.82
2013	\$ 312,022	\$ -	\$ 312,022	169,354	1.84
2014	\$ 343,571	\$ -	\$ 343,571	178,949	1.92

#### Regional Subsidiaries

Fiscal Year	Customer Fares <sup>1</sup>	Special Transit Fares	Total	Customer Ridership	Average Fare
2005	\$ 451,259	\$ 1,620,331	\$ 2,071,590	500,454	4.14
2006	\$ 451,650	\$ 1,745,759	\$ 2,197,409	607,633	3.62
2007	\$ 456,206	\$ 1,982,229	\$ 2,438,435	675,506	3.61
2008	\$ 239,331	\$ 2,402,070	\$ 2,641,401	715,461	3.69
2009	\$ 317,944	\$ 2,521,056	\$ 2,839,000	732,269	3.88
2010	\$ 312,547	\$ 2,681,416	\$ 2,993,963	714,050	4.19
2011	\$ 314,371	\$ 2,746,202	\$ 3,060,573	703,072	4.35
2012	\$ 303,930	\$ 2,777,194	\$ 3,081,124	697,563	4.42
2013	\$ 303,444	\$ 2,659,323	\$ 2,962,767	656,436	4.51
2014	\$ 302,029	\$ 2,787,743	\$ 3,089,772	694,946	4.45

#### Consolidated

Fiscal Year	Customer Fares <sup>1</sup>	Special Transit Fares	Total	Customer Ridership	Average Fare
2005	\$ 12,177,502	\$ 5,957,124	\$18,134,626	14,743,154	1.23
2006	\$ 11,038,212	\$ 6,034,650	\$17,072,862	14,822,448	1.15
2007	\$ 12,345,698	\$ 8,834,690	\$21,180,388	14,904,544	1.42
2008	\$ 12,082,869	\$ 11,000,072	\$23,082,941	15,958,085	1.45
2009	\$ 12,286,621	\$ 12,908,809	\$25,195,430	17,651,226	1.43
2010	\$ 11,763,252	\$ 14,164,520	\$25,927,772	17,719,511	1.46
2011	\$ 11,790,058	\$ 15,176,855	\$26,966,913	17,771,434	1.52
2012	\$ 11,273,691	\$ 15,696,102	\$26,969,793	18,435,572	1.46
2013	\$ 11,245,293	\$ 15,827,185	\$27,072,478	18,082,889	1.50
2014	\$ 11,630,129	\$ 16,027,774	\$27,657,903	18,068,822	1.53

<sup>1</sup> Inclusive of the TANF grant (Temporary Assistance for Needy Families/Welfare to Work)

Source: RGRTA's Annual Audited Financial Statements

**Rochester Genesee Regional Transportation Authority**

**Fare Structure  
For Fiscal Years 2005 to 2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Regional Transit Service Inc.</b>										
<b>Cash:</b>										
Base Fare	\$ 1.25	\$ 1.25	\$ 1.25	\$ 1.25	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Zone 2	1.75	1.75	-	-	-	-	-	-	-	-
Zone 3	2.00	2.00	-	-	-	-	-	-	-	-
Zone 4	2.25	2.25	-	-	-	-	-	-	-	-
Zone 5	2.75	2.75	-	-	-	-	-	-	-	-
Zone 6	3.10	3.10	-	-	-	-	-	-	-	-
<b>Tokens:</b>										
Rochester Transit (Small "R")	1.25	1.25	-	-	-	-	-	-	-	-
Rochester City Lines (Large "R")	1.25	1.25	-	-	-	-	-	-	-	-
<b>Passes:</b>										
31 Day Unlimited Ride	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
31 Day Child/Senior/Disabled	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
20 Ride Pass	20.00	20.00	-	-	-	-	-	-	-	-
10 Ride Child/Senior/Disabled	6.00	6.00	-	-	-	-	-	-	-	-
10 Ride Pass	12.50	12.50	-	-	-	-	-	-	-	-
10 Ride Commuter Zone 2	15.75	15.75	-	-	-	-	-	-	-	-
10 Ride Commuter Zone 3	18.00	18.00	-	-	-	-	-	-	-	-
10 Ride Commuter Zone 4	20.25	20.25	-	-	-	-	-	-	-	-
10 Ride Commuter Zone 5	24.75	24.75	-	-	-	-	-	-	-	-
10 Ride Commuter Zone 6	27.90	27.90	-	-	-	-	-	-	-	-
Stored Value Pass	20.00	20.00	12.50	12.50	12.00	12.00	12.00	12.00	12.00	12.00
All Day City Pass	4.00	4.00	-	-	-	-	-	-	-	-
Half-fare All Day City	2.00	2.00	-	-	-	-	-	-	-	-
One Day Unlimited	-	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Five Day Unlimited	-	-	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
One Ride	-	-	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00
Two Ride	-	-	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Two Plus Two	-	-	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
<b>Transfers:</b>										
Standard Transfer	0.15	0.15	-	-	-	-	-	-	-	-
Student Transfer	Free	Free	-	-	-	-	-	-	-	-

**Rochester Genesee Regional Transportation Authority**

**Fare Structure  
For Fiscal Years 2005 to 2014  
(Continued)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Lift Line Inc.</b>										
<b>Cash:</b>										
One way Trip (unlimited distance within service area)	\$ 1.75	\$ 1.75	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
One way Trip 1 mile or less from origin	-	-	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
One way Trip Over 1 mile - 3 miles	-	-	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
One way Trip Over 3 miles - 20 miles	-	-	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
One way Trip Over 20 miles	-	-	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Same-Day Service	-	-	10.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Supplemental Service	-	-	-	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>Passes:</b>										
Ten Ride	15.75	15.75	-	-	-	-	-	-	-	-
Stored Value	-	-	-	-	12.00	12.00	12.00	12.00	12.00	12.00
Stored Value	-	-	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Stored Value	-	-	25.00	25.00	20.00	20.00	20.00	20.00	20.00	20.00
<b>Batavia Bus Service Inc.</b>										
<b>Cash:</b>										
Loop Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Between Communities	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City-wide Dial-A-Ride	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
School Loops	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Passes:</b>										
10 Ride Loop	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Senior/Disabled	5.00	-	-	-	-	-	-	-	-	-
School Loop	6.75	-	-	-	-	-	-	-	-	-
<b>Livingston Area Transportation Service Inc.</b>										
<b>Cash:</b>										
Dial-A-Ride	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Between Communities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Genesee/Marketplace/Eastview Shuttle	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
<b>Passes:</b>										
\$20.00 Value	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
\$10.00 Value	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
<b>Wayne Area Transportation Service Inc.</b>										
<b>Cash:</b>										
Base Fare	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Demand Response (Senior/Disabled)	0.50	3.00	3.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Rt. 104 Connector	.50 - .80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Rt. 31 Shuttle	.50 - .80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Passes:</b>										
\$10.00 Value	-	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

**Rochester Genesee Regional Transportation Authority**

**Fare Structure  
For Fiscal Years 2005 to 2014  
(Continued)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Wyoming Transit Service Inc.</b>										
Cash:										
Adult										
Loop Service	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Dial-A-Ride	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Passes:										
\$10 Value	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
\$20 Value	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Dial-A-Ride/Senior Disabled	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Commuter	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
<b>Orleans Transit Service Inc.</b>										
Cash:										
Medina Loop	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Albion Loop	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Albion to Medina	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Albion to Brockport	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-
Albion to Batavia	3.00	3.00	3.00	3.00	-	-	-	-	-	-
Demand-Response	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Rochester Shuttle	3.00	3.00	6.50	6.50	6.50	6.50	6.50	-	-	-
Passes:										
\$20 Value	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
\$10 Value	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
<b>Seneca Transit Service Inc.</b>										
Cash:										
Waterloo/Geneva	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
North & South on Route 5	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Seneca Falls	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Between North & South of Route 336	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Dial a Ride	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Passes:										
20 Ride	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
10 Ride	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

## Rochester Genesee Regional Transportation Authority

### Demographic and Economic Information <sup>5</sup> RGRTA Service Area Population and Income For Fiscal Years 2005 to 2014

#### RGRTA Service Area <sup>1</sup>

Fiscal Year	Population <sup>2</sup>	Total Personal Income (in thousands) <sup>2</sup>	Per Capita Income <sup>2</sup>	Median Household Income <sup>3</sup>
2005	1,079,055	\$ 36,136,993	\$ 33,489	\$ 44,233
2006	1,078,516	\$ 37,735,933	\$ 34,989	\$ 46,006
2007	1,079,504	\$ 39,709,015	\$ 36,785	\$ 47,978
2008	1,081,194	\$ 41,981,693	\$ 38,829	\$ 49,985
2009	1,082,878	\$ 41,477,226	\$ 38,303	\$ 47,871
2010	1,083,706	\$ 42,490,209	\$ 39,208	\$ 50,021
2011	1,085,562	\$ 44,926,047	\$ 41,385	\$ 51,014
2012 <sup>3</sup>	1,085,595	\$ 46,492,068	\$ 42,826	\$ 51,725
2013	1,085,413	*	*	*
2014	*	*	*	*

#### City of Rochester <sup>3</sup>

Fiscal Year	Population	Total Personal Income (in thousands) <sup>4</sup>	Per Capita Income	Median Household Income
2005	209,781	\$ 3,357,964	\$ 16,007	\$ 26,650
2006	208,205	\$ 3,443,086	\$ 16,537	\$ 27,407
2007	207,481	\$ 3,570,126	\$ 17,207	\$ 30,927
2008	207,348	\$ 3,764,196	\$ 18,154	\$ 29,975
2009	207,294	\$ 3,914,954	\$ 18,886	\$ 30,553
2010	210,565	\$ 3,761,744	\$ 17,865	\$ 30,138
2011	210,855	\$ 3,851,688	\$ 18,267	\$ 30,367
2012	210,532	\$ 3,948,949	\$ 18,757	\$ 30,728
2013	210,358	*	*	*
2014	*	*	*	*

\* Data not available

<sup>1</sup> RGRTA Service Area: Monroe, Genesee, Livingston, Orleans, Seneca, Wayne, and Wyoming Counties

<sup>4</sup> Total personal income is a calculation of per capita income multiplied by population

<sup>5</sup> Data is reported by calendar year

#### Source:

<sup>2</sup> Bureau of Economic Analysis

<sup>3</sup> US Census Bureau

Rochester Genesee Regional Transportation Authority  
Demographic and Economic Information (continued) <sup>1,5</sup>  
Employment Annual Average and Employment by Industry  
For Fiscal Years 2005 to 2014

Employment Annual Average <sup>2</sup>

	2005*	2006*	2007*	2008*	2009*	2010*	2011*	2012*	2013*	2014**
Total Civilian Labor Force	550,617	547,731	544,097	548,504	544,333	541,061	536,603	537,779	534,565	526,614
Total Employed	524,500	522,571	518,912	517,644	500,266	496,396	494,877	494,779	496,255	493,155
Total Unemployed	26,117	25,160	25,185	30,860	44,067	44,665	41,726	43,000	38,310	33,459
Unemployment Rate	4.7%	4.6%	4.6%	5.6%	8.1%	8.3%	7.8%	8.0%	7.2%	6.4%

\*Data reflects revised inputs, reestimation, and new statewide controls.

\*\*Data reflects revised inputs, reestimation, and new statewide controls. Data is reported on the months of January-June.

Employment by Industry <sup>3</sup>  
(Amounts in 000's)

NAICS (North American Industry Classification System)

Year	Manufacturing		Construction		Wholesale Retail Trade		Services		Government		Finance Insurance		Information		Other <sup>4</sup>		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
2005	77.7	15.9%	16.4	3.4%	70.8	14.5%	203.1	41.5%	81.0	16.6%	14.2	2.9%	11.1	2.3%	14.5	3.0%	488.8	100.0%
2006	76.5	15.7%	16.1	3.3%	69.9	14.4%	204.1	42.0%	79.7	16.4%	14.6	3.0%	10.6	2.2%	15.0	3.1%	486.4	100.0%
2007	74.4	15.1%	17.0	3.5%	70.7	14.3%	208.6	42.3%	83.8	17.0%	14.5	2.9%	10.0	2.0%	14.2	2.9%	493.2	100.0%
2008	70.0	15.2%	16.9	3.7%	70.8	15.3%	183.4	39.7%	80.8	17.5%	14.2	3.1%	9.6	2.1%	16.2	3.5%	461.8	100.0%
2009	62.9	13.1%	15.6	3.3%	68.2	14.3%	212.0	44.3%	80.9	16.9%	13.6	2.8%	9.0	1.9%	16.0	3.3%	478.3	100.0%
2010	60.1	12.6%	15.3	3.2%	68.3	14.3%	214.1	44.9%	80.6	16.9%	13.6	2.8%	8.6	1.8%	15.9	3.3%	476.5	100.0%
2011	60.5	12.6%	15.6	3.3%	68.6	14.3%	217.3	45.4%	78.8	16.4%	13.9	2.9%	8.3	1.7%	16.1	3.4%	479.2	100.0%
2012	58.9	12.4%	16.1	3.3%	68.8	14.3%	221.9	46.0%	77.5	16.1%	14.1	2.9%	8.0	1.7%	16.0	3.3%	482.3	100.0%
2013	58.3	12.1%	16.5	3.4%	67.0	13.9%	224.7	46.7%	77.1	16.0%	13.8	2.9%	7.9	1.6%	16.3	3.4%	481.7	100.0%
2014																		

\* Data Not Currently Available

<sup>1</sup> RGRTA Service Area: Monroe, Genesee, Livingston, Orleans, Seneca, Wayne, and Wyoming Counties.

<sup>4</sup> Includes Mining, Agriculture/Forestry, Utilities, Transportation/Warehousing, and undclassified.

<sup>5</sup> Data is reported by calendar year

Source:

<sup>2</sup> U.S. Department of Labor

<sup>3</sup> N.Y. Department of Labor

# Rochester Genesee Regional Transportation Authority

## Demographic and Economic Information (continued)

### Top Ten Private Sector Employers

#### Top Ten Private Sector Employers 2014

Rank	Name of Company	Number of Local Employees <sup>1</sup>	% of Total <sup>2</sup>	Corporation Headquarters	Nature of Local Operations	Type of Organization
1	University of Rochester	21,881	4.2%	Rochester, NY	Higher education, research and health care	Non-profit, private
2	Wegmans Food Markets Inc.	13,843	2.7%	Rochester, NY	Supermarkets	Private, family owned
3	Rochester General Health System	8,100	1.6%	Rochester, NY	Health care	Non-profit, private
4	Xerox Corp.	5,617	1.1%	Norwalk, Conn.	Worldwide business process and document management services	Public
5	Unity Health System	5,358	1.0%	Rochester, NY	Unity Hospital's Joint Replacement Center, Family Birth Place, Spine Center, Diabetes Center, Stroke Center, brain injury and physical rehabilitation and chemical dependency	Non-Profit
6	Paychex Inc.	3,819	0.7%	Rochester, NY	Payroll, benefits and human resource services	Public
7	Lifeline Healthcare Cos. Inc.	3,749	0.7%	Rochester, NY	Health insurance, health care services, home care, hospice	Non-Profit
8	Eastman Kodak Co.	3,429	0.7%	Rochester, NY	Imaging materials and equipment; research and development	Public
9	Sutherland Global Services	3,364	0.7%	Pittsford, NY	Business process outsourcing	Private
10	Rochester Institute of Technology	3,269	0.6%	Rochester, NY	Higher education	Non-profit, private

<sup>1</sup> Local area includes Monroe, Genesee, Livingston, Ontario, Orleans and Wayne Counties.

<sup>2</sup> Employee numbers are accurate as of April 1, 2013, unless otherwise noted.

<sup>3</sup> % of total area employment as defined in footnote <sup>1</sup> & <sup>2</sup> above

Source: Rochester Business Journal, Book of Lists 2014 Edition.

#### Top Ten Private Sector Employers 2005

Rank	Name of Company	Number of Full-Time/Part-Time Local Employees <sup>1</sup>	% of Total <sup>2</sup>	Corporation Headquarters	Nature of Local Operations	Type of Organization
1	Eastman Kodak Co.	22,000 <sup>4</sup>	4.1%	Rochester, NY	Health insurance, health care services, home care, hospice	Non-Profit
2	University of Rochester/ Strong Health	13,002/2,600	2.9%	Rochester, NY	Higher education, research and health care	Non-profit, private
3	Xerox Corp.	10,050 <sup>4</sup>	1.9%	Stamford, Conn.	Document management and services	Public
4	Wegmans Food Markets Inc.	5,647/9,342	2.8%	Rochester, NY	Supermarkets	Private, family owned
5	ViaHealth	4,404/1,109	1.0%	Rochester, NY	Health care services with specialties in heart and cancer care	Non-Profit
6	Lifeline Healthcare Cos. Inc.	2,932	0.5%	Rochester, NY	Health insurance, health care services, home care, hospice	Non-Profit
7	Unity Health System	2,931/878	0.7%	Rochester, NY	Unity Hospital's Joint Replacement Center, Family Birth Place, Spine Center, Diabetes Center, Stroke Center, brain injury physical rehabilitation and chemical dependency	Non-Profit
8	Delphi Corp.	2,740 <sup>4</sup>	0.5%	Troy, Mich.	Design, development and manufacture of automotive emissions control and fuel systems	Public
9	Rochester Institute of Technology	2,712 <sup>4</sup>	0.5%	Rochester, NY	Higher education	Non-profit, private
10	Frontier, a Citizens Communications Company	2,300 <sup>4</sup>	0.4%	Stamford, Conn.	Telecommunication services	Public

<sup>1</sup> Local area includes Monroe, Genesee, Livingston, Ontario, Orleans and Wayne Counties.

<sup>2</sup> Employee numbers are accurate as of February 1, 2003, unless otherwise noted.

<sup>3</sup> % of total area employment as defined in footnote <sup>1</sup> & <sup>2</sup> above

<sup>4</sup> Total local employees. The company declined to provide separate numbers for full time and part time employees.

Source: Rochester Business Journal, Book of Lists 2004 Edition.

**Rochester Genesee Regional Transportation Authority**

**Operating Statistics  
For Fiscal Years 2005 to 2014**

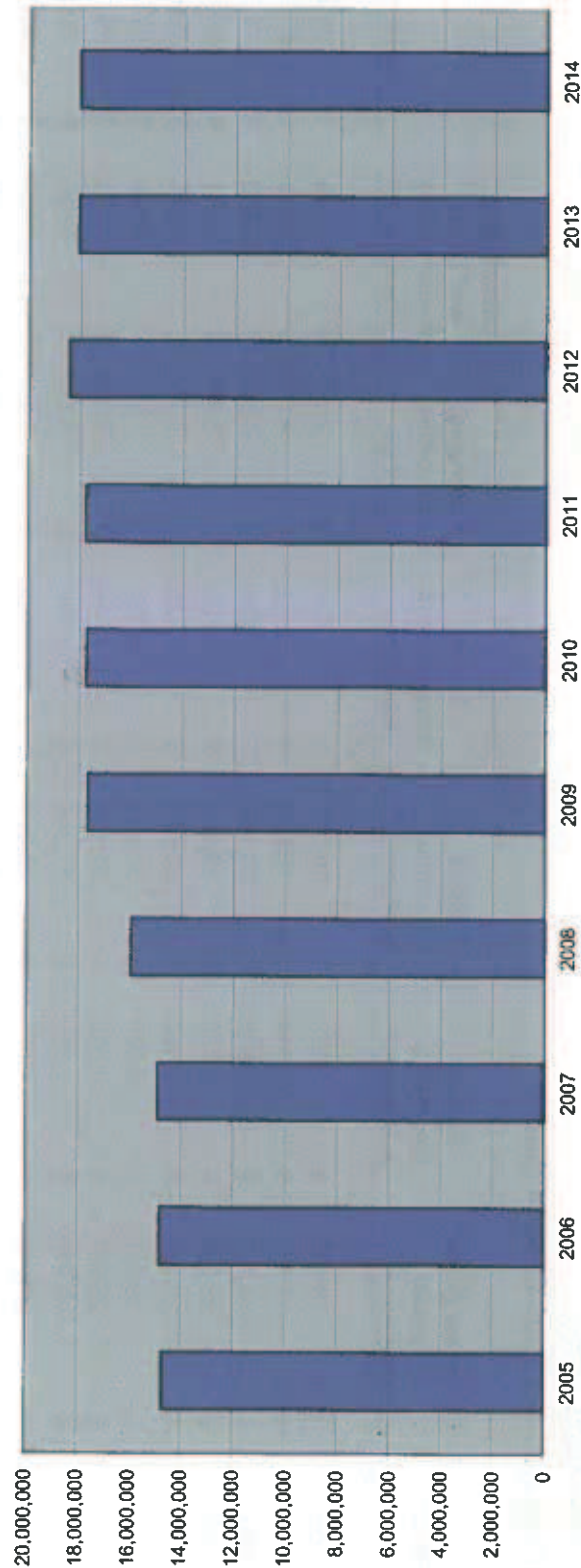
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Customers	14,743,154	14,822,448	14,904,544	15,958,085	17,651,226	17,719,511	17,771,434	18,435,572	18,082,889	18,068,822
Vehicle Hours	730,981	723,894	739,599	734,491	752,762	740,962	724,144	716,156	724,906	729,295
Vehicle Miles	10,944,750	11,085,867	10,763,610	10,762,006	10,984,284	10,722,484	10,446,767	10,201,646	10,306,235	10,489,138
Peak Fleet Requirement	313	315	307	323	319	319	317	317	318	334
Total Active Fleet	393	431	415	411	416	409	414	407	401	413
Number of Employees (FTE)	698	656	658	670	690	681	685	673	704	715

Source: RGRTA's Annual NYSDOT 17A Report

## Rochester Genesee Regional Transportation Authority

### Annual Ridership For Fiscal Years 2005 to 2014

Company	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RTS	14,069,447	14,020,463	14,050,843	15,063,344	16,737,254	16,825,791	13,900,131	17,570,170	17,257,099	17,194,927
LL	173,253	194,352	178,195	179,280	181,703	179,670	168,236	167,839	169,354	178,949
BBS	78,787	80,406	75,441	74,975	61,436	63,127	63,248	65,877	59,953	58,844
LATS	191,382	225,338	235,911	251,940	283,870	269,660	245,434	245,962	231,232	202,288
OTS	15,040	52,909	83,634	87,408	59,414	68,106	76,462	45,705	35,279	38,964
STS	10,663	30,217	36,526	46,341	64,440	74,864	79,236	87,939	85,876	89,753
WATS	129,856	133,983	137,344	151,091	157,024	151,950	145,441	159,724	162,169	226,835
WYTS	74,726	84,780	106,650	103,706	106,085	86,343	93,251	92,356	81,927	78,262
<b>Total</b>	<b>14,743,154</b>	<b>14,822,448</b>	<b>14,904,544</b>	<b>15,958,085</b>	<b>17,651,226</b>	<b>17,719,511</b>	<b>14,771,439</b>	<b>18,435,572</b>	<b>18,082,889</b>	<b>18,068,822</b>



Source: RGRTA Operating Statistics

# **Rochester Genesee Regional Transportation Authority**

## **Revenue by Source**

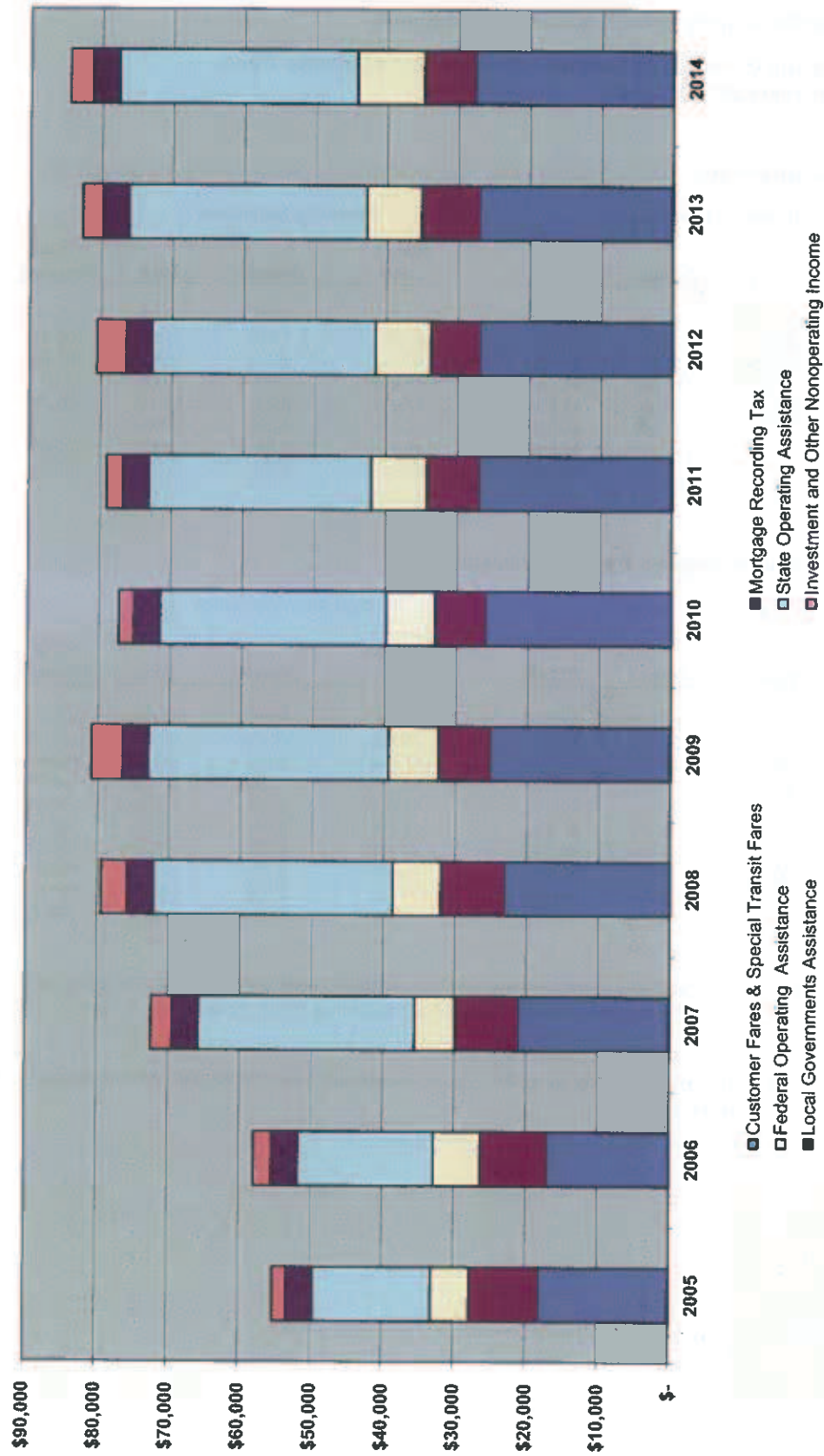
**For Fiscal Years 2005 to 2014 (000's)**

Fiscal Year	Customer Fares & Special Transit Fares <sup>1</sup>	Federal Operating Assistance	State Operating Assistance	Local Governments Assistance	Mortgage Recording Tax	Investment and Other Nonoperating Income	Total
2005	\$ 18,135	\$ 5,292	\$ 16,531	\$ 3,701	\$ 9,681	\$ 1,918	\$ 55,258
2006	\$ 17,073	\$ 6,514	\$ 18,966	\$ 3,726	\$ 9,243	\$ 2,449	\$ 57,972
2007	\$ 21,120	\$ 5,620	\$ 30,154	\$ 3,726	\$ 8,855	\$ 2,890	\$ 72,365
2008	\$ 23,083	\$ 6,739	\$ 33,384	\$ 3,726	\$ 8,916	\$ 3,601	\$ 79,450
2009	\$ 25,195	\$ 7,042	\$ 33,511	\$ 3,726	\$ 7,165	\$ 4,238	\$ 80,878
2010	\$ 25,928	\$ 6,879	\$ 31,551	\$ 3,726	\$ 7,059	\$ 2,068	\$ 77,211
2011	\$ 26,967	\$ 7,816	\$ 31,127	\$ 3,726	\$ 7,300	\$ 2,171	\$ 79,108
2012	\$ 26,970	\$ 7,792	\$ 31,246	\$ 3,726	\$ 6,807	\$ 4,046	\$ 80,586
2013	\$ 27,072	\$ 7,690	\$ 33,303	\$ 3,726	\$ 8,110	\$ 2,792	\$ 82,694
2014	\$ 27,658	\$ 9,370	\$ 33,405	\$ 3,726	\$ 7,193	\$ 3,095	\$ 84,448

<sup>1</sup> Includes Temporary Assistance Needy Families (TANF) Grant

**Source:** RGRTA's Annual Audited Financial Statements

**Rochester Genesee Regional Transportation Authority  
Revenue by Source  
For Fiscal Years 2005 to 2014 (000's)  
(continued)**



# **Rochester Genesee Regional Transportation Authority**

## **Revenues and Operating Assistance - Comparison To Industry Trend For Fiscal Years 2005 to 2014**

### **Transportation Industry**

<b>Fiscal Year</b>	<b>Operating Revenues</b>			<b>Operating Assistance</b>			<b>Total Revenues</b>
	<b>Fares</b>	<b>Other</b>	<b>TOTAL</b>	<b>State &amp; Local</b>	<b>Federal</b>	<b>Total</b>	
2005	32.4%	15.7%	48.1%	44.6%	7.3%	51.9%	100.0%
2006	33.2%	15.3%	48.5%	43.8%	7.7%	51.5%	100.0%
2007	31.4%	14.1%	45.5%	47.0%	7.5%	54.5%	100.0%
2008	31.2%	12.9%	44.1%	48.8%	7.0%	55.9%	100.0%
2009	31.5%	12.4%	43.9%	47.8%	8.2%	56.1%	100.0%
2010	32.1%	11.9%	44.0%	46.6%	9.4%	56.0%	100.0%
2011	32.8%	11.2%	44.0%	46.3%	9.8%	56.0%	100.0%
2012	32.5%	11.1%	43.7%	47.5%	8.9%	56.3%	100.0%
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*

### **Rochester Genesee Regional Transportation Authority**

<b>YEAR</b>	<b>Operating Revenues</b>			<b>Operating Assistance</b>			<b>Total Revenues</b>
	<b>Fares <sup>2</sup></b>	<b>Other <sup>1</sup></b>	<b>TOTAL</b>	<b>State &amp; Local</b>	<b>Federal</b>	<b>Total</b>	
2005	32.8%	21.0%	53.8%	36.6%	9.6%	46.2%	100.0%
2006	29.5%	20.2%	49.6%	39.1%	11.2%	50.4%	100.0%
2007	29.2%	16.2%	45.4%	46.8%	7.8%	54.6%	100.0%
2008	29.1%	15.8%	44.8%	46.7%	8.5%	55.2%	100.0%
2009	31.2%	14.1%	45.3%	46.0%	8.7%	54.7%	100.0%
2010	33.6%	11.8%	45.4%	45.7%	8.9%	54.6%	100.0%
2011	34.1%	12.0%	46.1%	44.1%	9.9%	53.9%	100.0%
2012	33.5%	13.5%	46.9%	43.4%	9.7%	53.1%	100.0%
2013	32.7%	13.2%	45.9%	44.8%	9.3%	54.1%	100.0%
2014	32.8%	12.2%	44.9%	44.0%	11.1%	55.1%	100.0%

\* Not Available

<sup>1</sup> Other revenue includes advertising, interest income, other non-operating income, and mortgage recording tax

<sup>2</sup> Fares include customer fares, special transit fares, special fare assistance (TANF Grant)

#### **Source:**

The American Public Transportation Association, APTA 2014 Transportation Fact Book, Appendix A Historical Tables, Table 85  
RGRTA's Audited Financial Statements

**Rochester Genesee Regional Transportation Authority**  
**Expense by Object Class**  
**For Fiscal Years 2005 to 2014 (000's)**

Fiscal Year	Labor & Fringe <sup>1</sup>	Materials & Supplies	Services	Utilities	Casualty & Liability	Lease, Rental & Other <sup>2</sup>	Total <sup>3</sup>
2005	\$ 44,542	\$ 7,321	\$ 3,875	\$ 831	\$ 1,813	\$ 2,406	\$ 60,788
2006	\$ 44,560	\$ 9,267	\$ 3,465	\$ 842	\$ 1,893	\$ 3,003	\$ 63,029
2007	\$ 45,995	\$ 9,948	\$ 3,183	\$ 889	\$ 1,318	\$ 1,818	\$ 63,151
2008	\$ 48,455	\$ 10,269	\$ 4,070	\$ 908	\$ 1,377	\$ 1,705	\$ 66,783
2009	\$ 50,593	\$ 12,330	\$ 4,468	\$ 851	\$ 1,328	\$ 3,331	\$ 72,901
2010	\$ 51,503	\$ 13,159	\$ 4,463	\$ 774	\$ 816	\$ 1,991	\$ 72,705
2011	\$ 52,903	\$ 10,650	\$ 4,369	\$ 833	\$ 1,776	\$ 1,719	\$ 72,250
2012	\$ 56,990	\$ 12,036	\$ 4,707	\$ 769	\$ 2,110	\$ 1,278	\$ 77,889
2013	\$ 58,181	\$ 12,019	\$ 5,783	\$ 811	\$ 1,203	\$ 1,407	\$ 79,403
2014	\$ 60,389	\$ 11,865	\$ 5,165	\$ 903	\$ 1,671	\$ 2,684	\$ 82,677

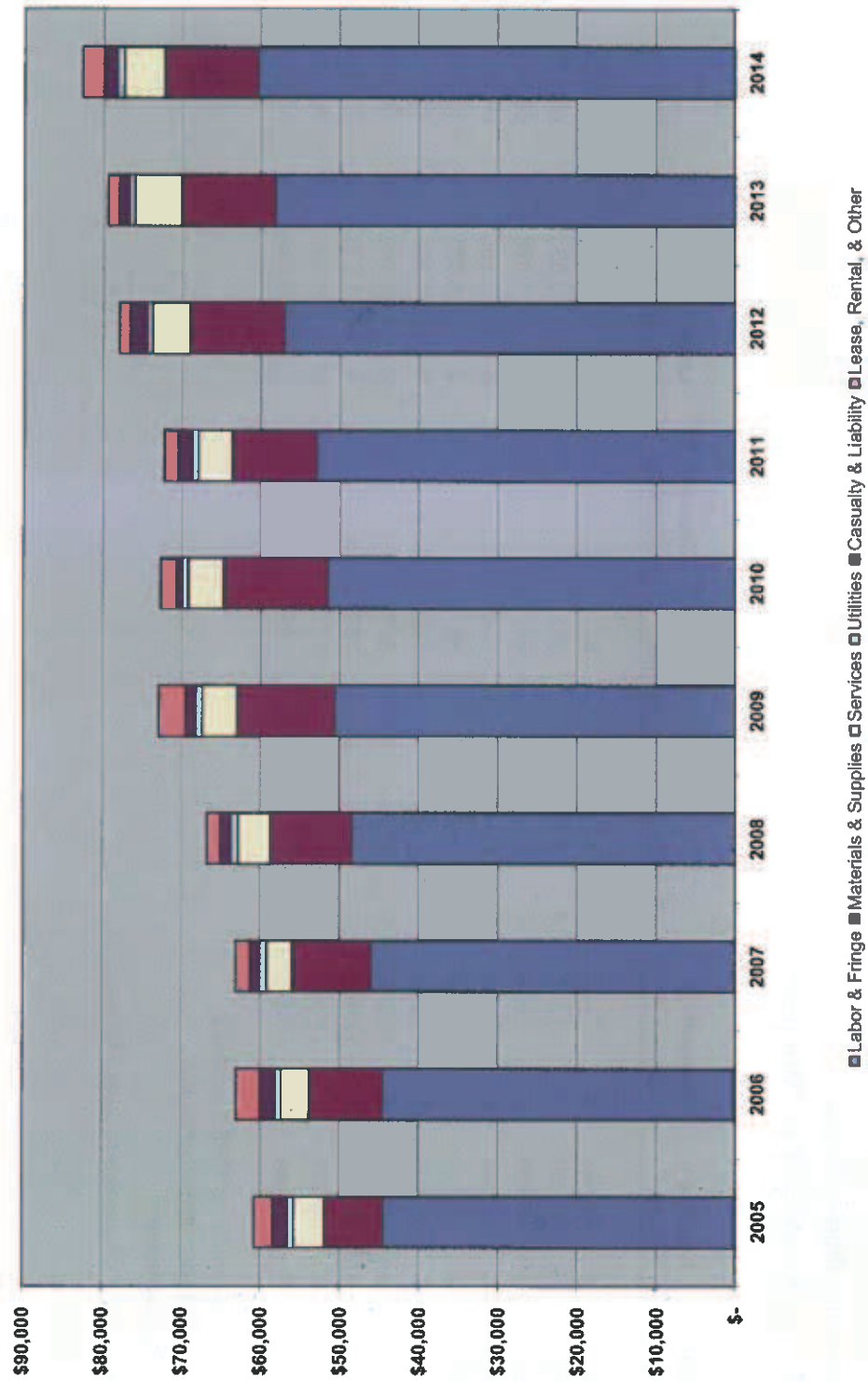
<sup>1</sup> Excludes net unfunded OPEB expense

<sup>2</sup> Includes Soil Remediation expense

<sup>3</sup> Excludes depreciation

**Source:** RGRTA's Audited Financial Statements

**Rochester Genesee Regional Transportation Authority  
Expense by Object Class  
For Fiscal Years 2005 to 2014 (000's)  
(continued)**



# Rochester Genesee Regional Transportation Authority

## Operating Expenses - Comparison to Industry Trend Percentage Allocation by Object of Expense For Fiscal Years 2005 to 2014

### Transportation Industry

Fiscal Year	Labor & Fringe	Materials & Supplies	Services	Utilities	Casualty & Liability	Other	Purchased Transportation	Total Operating Expenses
2005	66.9%	10.1%	5.8%	3.2%	2.5%	-2.3%	13.8%	100.0%
2006	66.0%	11.2%	5.9%	3.2%	2.4%	-2.2%	13.4%	100.0%
2007	65.8%	11.6%	6.1%	3.4%	2.4%	-2.3%	13.0%	100.0%
2008	64.0%	12.8%	6.3%	3.4%	2.2%	-2.4%	13.7%	100.0%
2009	64.8%	11.3%	6.6%	3.5%	2.3%	-2.5%	14.0%	100.0%
2010	65.2%	10.7%	6.6%	3.4%	2.6%	-2.3%	13.8%	100.0%
2011	65.0%	11.4%	6.6%	3.3%	2.6%	-2.2%	13.3%	100.0%
2012	64.0%	11.7%	6.9%	3.2%	2.2%	-1.9%	13.8%	100.0%
2013	*	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*	*

### Rochester Genesee Regional Transportation Authority

Fiscal Year	Labor & Fringe <sup>4</sup>	Materials & Supplies	Services	Utilities	Casualty & Liability	Other	Purchased Transportation	Total Operating Expenses <sup>3</sup>
2005	73.3%	12.0%	6.4%	1.4%	3.0%	4.0%	N/A	100.0%
2006	70.7%	14.7%	5.5%	1.3%	3.0%	4.8%	N/A	100.0%
2007	72.8%	15.8%	5.0%	1.4%	2.1%	2.9%	N/A	100.0%
2008	72.6%	15.4%	6.1%	1.4%	2.1%	2.6%	N/A	100.0%
2009	69.4%	16.9%	6.1%	1.2%	1.8%	4.6%	N/A	100.0%
2010	70.8%	18.1%	6.1%	1.1%	1.1%	2.7%	N/A	100.0%
2011	73.2%	14.7%	6.0%	1.2%	2.5%	2.5%	N/A	100.0%
2012	73.2%	15.5%	6.0%	1.0%	1.5%	1.6%	N/A	100.0%
2013	73.3%	15.1%	7.3%	1.0%	1.5%	1.8%	N/A	100.0%
2014	73.0%	14.4%	6.2%	1.1%	2.0%	3.2%	N/A	100.0%

\* Not Available

<sup>3</sup> Excludes depreciation

<sup>4</sup> Excludes net unfunded OPEB expense

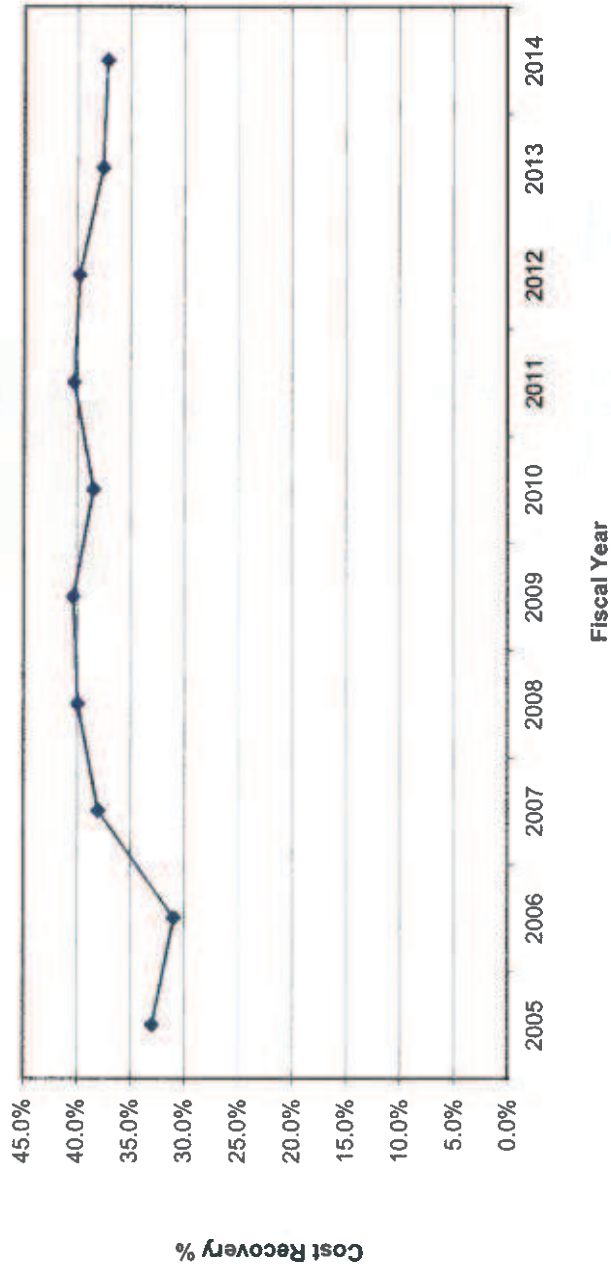
#### Source:

The American Public Transportation Association, APTA 2014 Transportation Fact Book, Appendix A Historical Tables, Table 69  
RGRTA's Annual Audited Financial Statements

## Rochester Genesee Regional Transportation Authority

### Cost Recovery Percentage For Fiscal Years 2005 to 2014

Fiscal Year	Percentage <sup>1</sup>
2005	33.0%
2006	31.0%
2007	38.0%
2008	40.0%
2009	40.4%
2010	38.5%
2011	40.3%
2012	39.8%
2013	37.6%
2014	37.2%



<sup>1</sup> Represents customer fares inclusive of Temporary Assistance for Needy Families grants and special transit fares plus investment and other non-operating income (excluding mortgage tax revenue) divided by operating expenses before depreciation, excluding unfunded other post employment benefits expense. TANF grants are included because proceeds of the grant are used to purchase fare media.

**Source:** RGRTA's Annual Audited Financial Statements

Rochester Genesee Regional Transportation Authority

Capital Assets  
For Fiscal Years 2005 to 2014

	2005	2006 <sup>1</sup>	2007	2008 <sup>2</sup>	2009	2010	2011	2012	2013	2014
Land improvements	\$ -	\$ 2,725,187	\$ 2,725,187	\$ 2,785,747	\$ 2,785,747	\$ 2,857,325	\$ 2,857,325	\$ 3,235,852	\$ 3,235,852	\$ 3,235,853
Building and structures	20,897,593	20,488,619	22,928,121	21,413,017	21,656,453	21,889,732	21,968,819	22,803,613	32,583,352	35,089,491
Revenue vehicles	75,193,283	79,311,846	77,701,752	80,095,692	81,837,550	90,585,882	93,533,353	96,771,735	105,412,473	128,629,953
Non-revenue vehicles	-	-	-	1,215,599	1,211,987	1,574,339	1,559,639	1,496,321	1,469,853	1,566,802
Maintenance equipment	-	-	-	2,287,571	3,939,666	3,979,595	4,167,999	4,345,411	4,550,348	4,962,862
Other equipment	13,811,437	13,882,659	14,932,060	9,163,679	9,116,682	9,030,797	20,537,856	22,611,810	24,074,582	25,000,925
Computer equipment	-	-	-	2,902,147	3,432,125	4,449,211	5,989,876	6,669,957	6,832,694	7,510,721
Furniture and office equipment	2,032,410	-	-	-	-	-	-	-	-	-
Leasehold improvements	712,909	862,032	862,032	2,559,420	2,597,843	2,738,628	2,738,628	2,268,988	2,274,978	2,274,978
Total capital assets being depreciated	112,847,632	117,270,343	119,149,152	122,442,872	126,577,853	137,205,509	153,453,495	160,033,687	180,434,142	208,271,585
Accumulated depreciation	(66,428,093)	(70,676,126)	(75,595,187)	(80,824,712)	(88,337,823)	(84,409,470)	(88,756,712)	(91,857,906)	(94,898,042)	(101,128,089)
Total Capital Assets being depreciated, net	46,219,539	46,594,217	43,553,965	41,618,160	38,240,030	52,796,039	64,696,783	68,175,781	85,536,100	107,142,496
Land	2,745,770	2,991,120	3,027,398	3,027,398	3,042,491	3,027,398	3,027,398	2,748,877	4,176,369	4,176,369
Construction-in-progress	4,508,688	9,218,920	11,984,026	12,261,308	18,932,731	14,692,549	8,265,056	16,362,804	22,406,214	45,086,213
Total Invested in Capital Assets	\$ 53,473,997	\$ 58,804,256	\$ 59,565,389	\$ 56,906,866	\$ 60,215,252	\$ 70,515,986	\$ 75,989,237	\$ 87,287,462	\$ 112,120,683	\$ 156,405,078

<sup>1</sup> During fiscal year 2007 a new fixed asset information system was implemented. The categorization has been revised and fiscal year 2006 has been restated for comparison purposes.

<sup>2</sup> During fiscal year 2009 other equipment was reclassified as presented in the audited financial statements to be consistent with National Transit Database reporting. Fiscal year 2008 has been restated for comparison purposes.



RGRTA

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Transportation Authority

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