

LEWISTON-AUBURN TRANSIT COMMITTEE

Financial Report

**For the Years Ended
September 30, 2012 and 2011**

LEWISTON-AUBURN TRANSIT COMMITTEE
Financial Report
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Independent Auditor's Report

Board of Directors
Lewiston-Auburn Transit Committee
Auburn, Maine

We have audited the accompanying financial statements of the Lewiston-Auburn Transit Committee as of and for the years ended September 30, 2012 and 2011. These financial statements are the responsibility of the Committee's management. Our responsibility is to express opinions on these financial statements based on our audits.

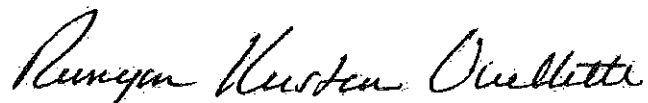
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lewiston-Auburn Transit Committee, as of September 30, 2012 and 2011 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

In accordance with *government Auditing Standards*, we have also issued our report dated December 21, 2012 on our consideration of Lewiston-Auburn Transit Committee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming opinions on the financial statements of Lewiston-Auburn Transit Committee as a whole. The schedule of budget to actual is presented for the purpose of additional analysis and is not a required part of the financial statements. The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



December 21, 2012
South Portland, Maine

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2012

The Lewiston-Auburn Transit Committee (LATC) was formed under an inter-local agreement between the Cities of Lewiston and Auburn in order to provide mass transit services ("citylink") for and between the two cities. The committee receives funding from federal, state, and municipal sources. Staffing and administrative services are provided by the Androscoggin Valley Council of Governments under a Contract for Services.

This Management's Discussion and Analysis (MD&A) serves as an introduction to the audited financial statements and notes. The MD&A is LATC Management's analysis of its financial condition and performance. It is presented to give the reader more insight into LATC's finances.

The LATC's basic financial statements include the following:

- Statements of Net Assets
- Statements of Revenues, Expenses, and Changes in Net Assets
- Statements of Cash Flows
- Notes to the Financial Statements

Financial Highlights

LATC's net assets of \$1,668,665 showed a decrease of \$393,468 from 2011 as a result of depreciation and a loss incurred in the disposition of three buses.

Net assets invested in capital assets, net of related debt, decreased by \$414,175 as a result of depreciation and the disposition of the three buses.

Unrestricted net assets increased by \$20,707 as a result of an operating surplus.

Cash and investments decreased by \$75,560 as a result of a decrease in accounts payable.

Grants and accounts receivable increased by \$15,324 as a result of a delay in the approval of Federal Grant funds.

Buses and other equipment decreased by approximately \$262,132 as a result of the disposition of 3 buses.

Accounts payable decreased by \$80,943 as a result of utilizing cash on hand to satisfy some obligations.

Grant revenues increased by approximately \$43,255 as a result of an increase in the cost of operating the bus system during year. Fixed route ADA expenses increased by about \$26,397 during the year. In addition, a portion of fuel expenses were reimbursed by 80% rather than the usual 50% as a result of a one-time grant from the Federal Transit Administration.

Fuel expenses increased by \$36,513 as a result of additional fuel usage and higher per gallon costs. Fuel usage increased as a result of new buses which are larger and less fuel efficient.

Expenses associated with the operation of the Lewiston Bus Station decreased by about \$1,652 as a result of a decrease in snow removal costs.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Administrative expenses increased by about \$2,900 as a result of an increase in advertising and marketing as well as an increase in audit fees.

Total non-operating revenues decreased by about \$1.25 million as a result of 3 new buses purchased in FY 2011 and 3 buses disposed of in FY 2012.

The change in net assets (net income) showed a loss of \$393,468 as compared to a surplus of \$815,868 in FY 2011. Last year's surplus was a result of Federal funding associated with the acquisition of 3 new buses. This year's loss was the result of depreciation and a loss on the disposition of 3 buses.

Comparison of Financial Statements for Current and Prior Years

Condensed Statement of Net Assets (000 omitted)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets	\$ 759	820	(61)
Net Capital Assets	<u>1,555</u>	<u>1,969</u>	<u>(414)</u>
Total Assets	2,314	2,789	(475)
Current Liabilities	<u>645</u>	<u>727</u>	<u>(82)</u>
Total Liabilities	645	727	(82)
Capital Assets, Net of Debt	1,555	1,969	(414)
Unrestricted Net Assets	<u>114</u>	<u>93</u>	<u>21</u>
Total Net Assets	\$ 1,669	2,062	(393)

The decrease in Current Assets is a result of a decrease in cash and equivalents. This is caused by a delay in the approval and processing of Federal grants and a reduction in accounts payable.

The decrease in Current Liabilities is a result of a decrease in accounts payable. This is caused by the payment of obligations utilizing agency cash.

Net Capital Assets and Capital Assets Net of Debt decreased because of depreciation and the disposition of 3 buses.

Unrestricted Net Assets increased as a result of an operating surplus.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Condensed Statement of Revenues, Expenses, and Changes in Net Assets (000 omitted)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Grant revenues	\$ 833	790	43
Municipal contributions	415	353	62
Farebox revenues	212	167	45
Other	30	29	1
Total Revenues	<u>1,490</u>	<u>1,339</u>	<u>151</u>
Fixed route/ADA	1,217	1,190	27
Fuel	191	155	36
Lewiston Bus Station	27	29	(2)
Administration and misc.	25	22	3
Total Expenses	<u>1,460</u>	<u>1,396</u>	<u>64</u>
Depreciation	(283)	(240)	(43)
Non-operating revenues and expenses	<u>(140)</u>	<u>1,113</u>	<u>(1,253)</u>
Change in Net Assets	(393)	816	(1,209)
Beginning Net Assets	<u>2,062</u>	<u>1,246</u>	<u>816</u>
Ending Net Assets	<u>\$ 1,669</u>	<u>2,062</u>	<u>(393)</u>

The LATC receives grant funding from the Federal Transit Administration and the Maine Department of Transportation to support the operation of its "citylink" bus service in Lewiston and Auburn. Federal funding is based on a formula which provides 50% of the operating deficit (operating expenses less fare box revenues) and 80% of the capital and maintenance costs.

The fixed route and ADA service is provided through a five year Maintenance and Operation Contract with Western Maine Transportation Services, Inc. (WMTS). The LATC owns the bus fleet and WMTS provides all of the operating and maintenance functions. In 2008 the LATC requested proposals for the operation and maintenance of the bus service. Western Maine Transportation Services, Inc. was awarded a new contract which expires on September 30, 2013.

The fixed route/ADA expenses and associated Grant revenues increased in 2012 as a result of budgeted cost increases in the contract with WMTS.

Municipal contributions were increased by \$62,000 on order to help fund the Saturday service.

Farebox revenues increased by \$44,000 as a result of an approximate 23% increase in ridership.

Other revenues showed little change from a year ago.

Fuel expenses increased by \$37,000 because of an increase in per gallon fuel costs. Fuel is purchased from the City of Lewiston.

Expenses associated with the Lewiston Bus Station decreased by approximately \$2,000 as a result of a decrease in snow removal expenses.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Administrative and miscellaneous expenses increased by \$3,000 as a result of an increase in advertising and marketing expenses as well as an increase in audit fees.

Depreciation expense increased because 3 buses purchased in 2011 were depreciated for one half of the year in 2011 and for a full year in 2012.

Non-operating revenues decreased because \$1,114,000 in Federal revenues associated with the acquisition of new buses in 2011 did not occur in 2012. In addition, 3 buses were disposed of resulting in a loss of \$187,000.

Overall Financial Position

As with most public transit systems, the LATC is highly dependent on governmental sources of funding to operate the "citylink" bus service. Federal, State, and Municipal funds provided 84% of the LATC's operational costs in 2012. The remaining 16% is provided by Fare Box, advertising, and miscellaneous revenues. Governmental revenues include approximately 53% from Federal grants, 3% from State funds, and 28% from Municipal and other sources. Because of pressures on property taxes and municipal budgets, continued municipal funding is perhaps the most vulnerable revenue source. However, to date the City Councils of both Lewiston and Auburn have demonstrated continued support for the "citylink" bus system.

The LATC's Unrestricted Net Assets increased by approximately \$21,000 in FY 2012 as a result of an operating surplus. The surplus was a result of fare box revenues in excess of projections as well as additional Federal funding to assist with rising fuel costs.

The maintenance and operation contract with Western Maine Transportation Services provides the LATC with some assurance that operating expenses will be identifiable and controllable over the next several years. However the contract with Western Maine Transportation Services does NOT include fuel costs. Because LATC pays for fuel directly, it is responsible for any increase in fuel costs. By the same token, the LATC will benefit from any decreases in fuel costs.

Fare box revenues have increased because of an increase in ridership. Higher fare box revenues equate to a reduction in the need for governmental subsidies.

Fund Analysis

The LATC's fund balances are comprised of Net Assets Invested in Capital Assets Net of Related Debt and Unrestricted Net Assets. The LATC currently has no capital asset related debt as all capital assets have been funded with Federal, State, and Municipal grants. Thus, Net Assets Invested in Capital Assets equals Net Property and Equipment.

Although it does not necessarily relate to cash, unrestricted net assets of \$113,666 provides the ability to change or increase "citylink" service in the middle of a fiscal year and helps to cover rising fuel costs without having to request additional local funding from the cities. This occurred in 2012 when fuel costs were budgeted at \$146,000 and actual fuel costs were \$191,000. In addition, this can help to reduce funding increases from the cities (this occurred in FY 2010 and FY 2011). The erosion of the unrestricted net assets will make it difficult cover deficits in future years. In addition, it is expected that unrestricted net assets will provide a portion of the local match required for the construction of a planned new bus station in Auburn. A portion of unrestricted net assets is a result of the sale of the former Main Street, Lewiston bus station.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Operating Budget Variances (000 omitted)

	Budget	Actual	Variance
Grant revenues	\$ 800	833	33
Municipal contributions	415	415	-
Fare box revenues	186	212	26
Other	28	30	2
Total Revenues	1,429	1,490	61
Fixed route/ADA	1,226	1,217	9
Fuel	146	191	(45)
Bus station expenses	33	27	6
Administration and misc.	24	25	(1)
Total Operating Expenses	\$ 1,429	1,460	(31)
Net budgeted revenue (expense)	-	30	30

Grant revenues were higher than budgeted because of higher than budgeted fuel costs. In 2012 the LATC received a one-time capital grant which provided an 80% Federal reimbursement in a portion of fuel costs. The normal Federal reimbursement is 50%. This grant provided approximately \$34,800 in additional Federal funding for fuel.

Fare box revenues were higher than budgeted because of a substantial increase in ridership. Ridership increased from approximately 285,000 passengers in 2011 to more than 350,000 passengers in 2012.

Other revenue is derived primarily from advertising on the buses and rent received from Greyhound Bus Lines.

Fuel expense was higher than budgeted because of increases in the price per gallon.

Bus station expenses were lower than budgeted because of a savings in utility expenses.

Administrative and miscellaneous expenses were higher than budgeted because of an increase in audit fees.

Capital Asset and Long Term Debt Activity

In 2012 three buses were removed from the LATC fleet. The Maine Department of Transportation requested that 3 Goshen buses, acquired in 2008-09 be transferred to the Sugarloaf Explorer fleet. These buses became expendable because of the acquisition of 3 Gillig buses in 2011. The depreciated value of the local match expended on the purchase of the Goshens has been reimbursed to the cities of Lewiston and Auburn by Sugarloaf USA. The depreciated value of the Federal dollars expended on the Goshens is shown in the financial statements as a "Loss on sale of assets" in the amount of \$187,337. This transaction had no effect on the LATC's cash balance or unrestricted net assets.

The LATC currently has no long term debt.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Other Significant Events

The LATC has received the approval for a \$247,500 Federal grant to fund the construction of a new bus station in Auburn. The recently completed Fixed Route Study recommends that the Auburn bus station be located on Spring Street, near Hannaford's supermarket. The committee is currently discussing the details of the bus station with City of Auburn and Hannaford staff. On November 19, 2012, the Auburn City Council approved the expenditure of up to \$250,000 to match the Federal grant. This will allow the LATC to build a larger facility.

Contacting the LATC's Financial Management

This financial report is designed to provide the readers with a general overview of the LATC's finances and to show the LATC's accountability for the money it receives. If you have any questions about this report or need additional information, contact Greg Whitney at 207-783-9186 or at Gwhitney@avcog.org.

LEWISTON-AUBURN TRANSIT COMMITTEE

**Statements of Net Assets
September 30, 2012 and 2011**

	2012	2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 84,708	110,355
Cash held by AVCOG	35,883	85,796
Grants and accounts receivable	638,795	623,471
Total current assets	759,386	819,622
Capital assets:		
Buses and other equipment	2,714,402	2,976,534
Building	391,074	391,074
	3,105,476	3,367,608
Less accumulated depreciation	1,550,477	1,398,434
Net capital assets	1,554,999	1,969,174
Total assets	2,314,385	2,788,796
LIABILITIES		
Current liabilities:		
Accounts payable	645,720	726,663
Total liabilities	645,720	726,663
NET ASSETS		
Invested in capital assets, net of related debt	1,554,999	1,969,174
Unrestricted	113,666	92,959
Total net assets	\$ 1,668,665	2,062,133

See accompanying notes to financial statements.

LEWISTON-AUBURN TRANSIT COMMITTEE
Statements of Revenues, Expenses and Changes in Net Assets
Years ended September 30, 2012 and 2011

	2012	2011
Operating revenues:		
Grants	\$ 833,036	789,781
Municipal contributions	415,558	352,724
Farebox:		
Fixed Route Farebox	182,335	139,809
ADA Farebox	29,418	27,599
Advertising	15,121	12,668
Interest income	773	917
Miscellaneous	14,032	15,552
Total operating revenues	1,490,273	1,339,050
Operating expenses before depreciation:		
Fixed Route/ADA	1,216,461	1,190,064
Fuel	191,126	154,613
Bus Station	27,410	29,062
Administration	24,928	22,039
Total operating expenses before depreciation	1,459,925	1,395,778
Operating income (loss) before depreciation	30,348	(56,728)
Less depreciation	(283,684)	(240,692)
Operating loss after depreciation	(253,336)	(297,420)
Nonoperating revenues and (expenses):		
Loss on sale of assets	(187,337)	-
Capital expenses	-	(21,128)
Capital grants	47,205	20,198
Capital contributions - buses	-	1,114,218
Total nonoperating revenues	(140,132)	1,113,288
Change in net assets	(393,468)	815,868
Net assets, beginning of year	2,062,133	1,246,265
Net assets, end of year	\$ 1,668,665	2,062,133

See accompanying notes to financial statements.

LEWISTON-AUBURN TRANSIT COMMITTEE
Statements of Cash Flows
Years ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers and other governments	\$ 1,494,936	1,134,527
Payments to suppliers	(1,540,868)	(1,107,295)
Receipts advertising and outside rental	29,153	28,220
Net cash provided by (used in) operating activities	(16,779)	55,452
Cash flow from capital and related financing activities:		
Capital contributions	47,205	20,196
Capital expenses	(56,846)	(21,128)
Net cash provided by (used in) financing activities	(9,641)	(932)
Cash flows from investment activities:		
Interest income	773	917
Net cash provided by investing activities	773	917
Net increase (decrease) in cash and equivalents	(25,647)	55,437
Cash, beginning of year	110,355	54,918
Cash, end of year	\$ 84,708	110,355
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (253,336)	(297,420)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	283,684	240,692
Income (loss) from investment activities	(773)	(917)
Change in operating assets and liabilities:		
Grants and accounts receivable	(15,324)	(173,982)
Cash held by AVCOG	49,913	(234)
Accounts payable	(80,943)	288,483
Deferred revenue	-	(1,170)
Net cash used in operating activities	\$ (16,779)	55,452
Supplemental schedule of noncash investing and financing activities:		
Capital contributions - buses	\$ -	1,114,218

See accompanying notes to financial statements.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Lewiston-Auburn Transit Committee (LATC) is a governmental entity created through an inter-local agreement between the Cities of Auburn and Lewiston pursuant to Chapter 203 of Title 30 of the Maine State Statutes. Revenues are generated from federal and state funding as well as support, as needed, from the Cities of Auburn and Lewiston.

The Committee was created to establish, maintain and implement a short and long-range bus transit development program, and to apply for, receive and administer federal and state grants-in-aid for mass transit on behalf of the Cities of Lewiston and Auburn to provide adequate and efficient mass transit for the Lewiston-Auburn area.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The Committee's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Special purpose governments also have the option of following subsequent private-sector guidance. The committee has elected not to follow subsequent private-sector guidance.

The Committee distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations of the Committee. The principal operating revenues of the Committee are grants, municipal contributions, advertising and interest. Operating expenses include the cost of contractual services, fuel, bus station expenses and administrative expenses. Depreciation is also considered an operating expense, although it is not budgeted for by the Committee. All revenues and expenses not meeting this determination are reported as nonoperating revenues and expenses.

Economic Dependency - The Committee is economically dependent upon grants and contracts with the Maine Department of Transportation, which include federal funds from the U.S. Department of Transportation, and subsidies from the Cities of Lewiston and Auburn.

Income Taxes - As an administrative agency of the Cities of Lewiston and Auburn, LATC is exempt from federal and state income tax.

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand, deposits and money market savings. For the purposes of the statements of cash flows, cash included both demand deposits and money market accounts, but does not include cash held by AVCOG.

Grants and Accounts Receivable - Grants are received for operations and various capital acquisitions. Grants received prior to obligation or expenditure of funds are recorded as deferred revenue. Grants received after obligation or expenditure of funds are recorded as receivables, all of which are considered collectible, therefore, no allowance for doubtful accounts has been established.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements, Continued

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets - Capital assets are recorded at cost. The provision for depreciation has been computed by the use of the straight-line method to amortize the cost of the assets over their estimated useful lives, ranging from 3 to 25 years.

Net Assets - Net assets are presented in the following categories:

- *Invested in capital assets, net of related debt* represents capital assets, net of long-term debt that relates to these assets.
- *Restricted for specific purpose* represents amounts whose use is subject to an externally imposed restriction.
- *Unrestricted* represents the remaining balance of net assets after the above net asset categories have been determined.

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

DEPOSITS

The Committee maintains its cash balances at one financial institution located in Auburn, Maine. At September 30, 2012 and 2011 the carrying amounts of the Committee's deposits were \$84,708 and \$110,355, respectively, and the related bank balances were \$86,093 and \$111,415, respectively. At September 30, 2012 and 2011, the Committee's insured cash balances totaled \$86,093 and \$111,415, respectively.

Interest rate risk - In accordance with its informal investment policy, the maturity date of new investments shall not be further than the time that the Committee reasonably anticipates the funds will be needed. It invests primarily in certificates of deposit and money market accounts collateralized under a public unit deposit pledge agreement with the depository. Any other type of investment must be approved by the Board of Directors.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

	Balance September 30, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2012</u>
Capital assets, being depreciated:				
Buildings	\$ 391,074	-	-	391,074
Buses and other equipment	2,976,534	56,846	318,978	2,714,402
<u>Total capital assets being depreciated</u>	<u>3,367,608</u>	<u>56,846</u>	<u>318,978</u>	<u>3,105,476</u>
Less accumulated depreciation for:				
Buildings	152,247	19,554	-	171,801
Buses and other equipment	1,246,187	264,130	131,641	1,378,676
<u>Total accumulated depreciation</u>	<u>1,398,434</u>	<u>283,684</u>	<u>131,641</u>	<u>1,550,477</u>
<u>Capital assets, net</u>	<u>\$ 1,969,174</u>	<u>(226,838)</u>	<u>187,337</u>	<u>1,554,999</u>

GRANT REVENUES

Operating grant revenues recognized by LATC for the years ended September 30, 2012 and 2011 totaled \$833,036 and \$789,781, respectively, and are comprised of the following:

	<u>2012</u>	<u>2011</u>
Federal Fixed Route	\$ 669,215	623,783
Federal ITF/Administration	25,089	25,550
Federal ADA	90,706	89,931
State Fixed Route	48,026	50,517
<u>Total</u>	<u>\$ 833,036</u>	<u>789,781</u>

GRANTOR REVIEW

Federal and state grants are subject to grantor review and final approval. Although it is not anticipated that any claims would be made against LATC by the grantor agencies, grants remain subject to ultimate closeout.

OPERATING LEASES

The Committee leases the land that houses the bus station in Lewiston, Maine under a lease that expires July, 2043. This lease is with the City of Lewiston and calls for a token lease payment of \$1 per year, with a 20 year renewal option.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements, Continued

MANAGEMENT AGREEMENT

LATC has an agreement with a corporation to provide professional management, staff and other office related costs. Fees are determined based upon estimated amounts and approved in the budget.

FIXED ROUTE AND ADA SERVICE AGREEMENT

The fixed route and ADA service is provided through a five-year maintenance and operations contract with Western Maine Transportation Services (WMTS). In 2008, WMTS was awarded a new contract which expires on September 30, 2013.

LEWISTON-AUBURN TRANSIT COMMITTEE
Schedule of Budget to Actual
September 30, 2012

	Budget	Actual	Variance positive (negative)
Operating revenues:			
Grants	\$ 799,754	833,036	33,282
Municipal contributions	415,558	415,558	-
Farebox :			
Fixed Route Farebox	160,704	182,335	21,631
ADA Farebox	25,000	29,418	4,418
Advertising	13,000	15,121	2,121
Interest	1,000	773	(227)
Miscellaneous	13,600	14,032	432
Total operating revenues	1,428,616	1,490,273	61,657
Operating expenses before depreciation:			
Fixed route/ADA contracts	1,225,766	1,216,461	9,305
Fuel	146,250	191,126	(44,876)
Lewiston Bus Station:			
Janitorial	6,500	6,156	344
Utilities	13,500	6,802	6,698
Insurance	-	565	(565)
Snow removal	4,500	5,030	(530)
Restroom rental	1,300	1,260	40
Repairs and maintenance	6,000	3,006	2,994
Supplies	1,000	2,569	(1,569)
Miscellaneous	-	2,022	(2,022)
Administration:			
AVCOG - planning and finance	13,000	13,435	(435)
Professional fees	5,800	6,950	(1,150)
Marketing	3,000	2,977	23
Meetings and conferences	2,000	1,566	434
Total operating expenses before depreciation	1,428,616	1,459,925	(31,309)
Net budgeted income (loss)	-	30,348	30,348
Unbudgeted revenue (expense):			
Depreciation	-	(283,684)	(283,684)
Loss on sale of assets	-	(187,337)	(187,337)
Capital grant revenues	-	47,205	47,205
Total unbudgeted revenue (expenses)	-	(423,816)	(423,816)
Change in net assets	\$ -	(393,468)	(393,468)