



Annual Report

2014-2015

Driving Economic  
Development in the  
Capital Region



A nighttime photograph of a cityscape. In the foreground, a multi-lane highway curves through the frame, with light trails from cars visible. To the right of the highway, a tall, modern building with a grid-like facade is illuminated. In the background, a city skyline is visible under a dark blue sky, with mountains in the distance. A large, modern building with a glass roof is in the bottom foreground.

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*Serving Up Smiles Everyday*

## FROM THE CHAIRMAN



### CHAIRMAN

David M. Stackrow

On behalf of our Board of Directors, I am proud to present the Capital District Transportation Authority Annual Report. Our role as the Capital Region's mobility leader has allowed us to improve accessibility and to grow our customer base whether on the road or at our gateway facilities, the Rensselaer Rail and Saratoga Springs Train Stations.

We are thrilled to have set a new ridership record for the second straight year, with more than 17 million boardings on our buses over the past 12 months. Our employees have advanced key projects along our busiest corridors, preparing for the urban renaissance developing in our core cities. This work is supported by new partnerships, new

technologies and a dedicated workforce that remains focused on getting customers where they need to go.

Our new smart card and mobile payment system, CDTA's Navigator, will take our services to another level. The recent addition of real time customer information and other technology-driven improvements are at the forefront of our growing popularity.

We continue to advocate for appropriate levels of funding to support the demand we are seeing across all of our services. The message is being heard from elected officials, where there is growing support to address infrastructure needs across the country. Some recent funding successes are our 40-mile Bus Rapid Transit network plan being accepted into the Federal Transportation Administration's Small Starts program, and our receipt of the Capital Region's first TIGER grant for our new communications system. These funds will allow us to continue progress on transformative projects that will provide more for our communities. Community

leaders are incorporating transit into their planning efforts more than ever before.

CDTA's support of the local arts and our creative economy play a key role in attracting and retaining a quality workforce. We provide special event services, our buses are used to support volunteer work or just to provide a covered, heated or air conditioned environment in times of need.

We are ready to do more. Our service is second to none, the route network is primed for expansion and our equipment and facilities are modern and attractive. Our organization is committed to innovation and a progressive agenda. All of this leaves the Board of Directors feeling that the best is yet to come for CDTA.

Sincerely,

A handwritten signature in dark ink, appearing to read "David M. Stackrow".

David M. Stackrow  
Chairman of the Board



# FROM THE CHIEF EXECUTIVE OFFICER



**CHIEF EXECUTIVE OFFICER**  
**Carm Basile**

I am proud to report another successful year for the Capital District Transportation Authority. We closed the 2015 fiscal year with record ridership, a thoughtful, balanced budget and the introduction of our new smart card and mobile ticketing system, CDTA's Navigator.

CDTA is an integral part of the Capital Region. More people are taking notice of the quality services we provide across many sectors. We served more than 17 million customers last year, evidence that a vibrant transit system is a key component of a healthy community. Over the past 5 years our ridership has grown nearly 25%, from 13.8 million boardings to more than 17 million.

We have sharpened our branding, image and marketing efforts to position CDTA to a wide audience. Our new fare payment system CDTA's Navigator will add customer conveniences driven by new technology. Greater flexibility in how people ride, how they pay and loyalty programs will improve the customer experience and make it easier to attract new riders.

We have a full slate of projects working through our Innovation Platform. There has been noticeable progress on our vision for a 40-mile Bus Rapid Transit network with both the Washington-Western and River Corridor projects entering engineering and design phases. We will upgrade our internal communications system, coordinate the rollout of transit centers, and will introduce new articulated buses back into our fleet later this year.

We would not be positioned for success and growth without partners from all corners of the region. Elected officials, municipal leaders, and educational institutions have all become part of the CDTA family. This is making a difference in the lives of Capital Region residents and CDTA employees.

We remain focused on our mission to transport customers, improve regional mobility, and connect people to jobs. We invite you to rediscover CDTA and the outstanding work of a dedicated team of more than 650 people, driven by a forward thinking Board of Directors. We welcome input on our activities and we look forward to developing better ways to serve the region.

Sincerely,

A handwritten signature in black ink that reads "Carm Basile".

Carm Basile  
Chief Executive Officer





## OUR MISSION

**CDTA** plans, finances, implements, and delivers transit services that take people where they want to go in the Capital Region safely, efficiently, and at a reasonable cost.

**CDTA** works to accomplish this mission by:

- Continually identifying ways to increase transit ridership and revenue.
- Taking a leadership role to help mold regional growth and improve the transportation network.
- Balancing regional needs for social service, congestion relief and basic access.
- Delivering a range of transportation services that meets a diversity of markets and customers.
- Developing innovative ways to attract and retain a high quality workforce.
- Identifying appropriate funding sources to meet the region's transportation needs.

## OUR VISION

**CDTA** is a growing, vibrant company that seeks to continually increase ridership and the use of its facilities by providing services that people want and need.

**CDTA** delivers lifeline services to those who need them and provides a full range of transit options for the choice rider in the Capital Region.

**CDTA** plans for the mobility needs of the Capital Region with a predictable and reliable stream of funding sources to meet those needs.

**CDTA** is a multi-modal transportation provider, delivering comprehensive transit services, as well as a transportation demand management program that includes vanpool, carpool, and incentive-based ride sharing with a focus on city and suburban locations that have a demonstrated need.

**CDTA** is responsive to the environment and operates equipment that features the most efficient systems available. In addition, CDTA undertakes continual outreach to enroll the region's travelers in efforts to move toward an environmentally-responsible approach to travel.

**CDTA** works in partnership with state, regional, and local agencies to advocate for transit-oriented development in the Capital Region and is advancing infrastructure that will meet current and future mobility needs.

**CDTA** undertakes frequent assessments of the region and seeks community input to effectively position the organization to anticipate and meet market changes and expansions.



# OUR VALUES

**CDTA** designs services people want and delivers services people can rely on. We treat customers, the community, and each other with respect and integrity.

**CDTA** is a flexible and innovative mobility company that responds to changing needs to keep the Capital Region. We are proactive in meeting the needs of our region. Stakeholder relations and input are integral to our planning and development efforts.

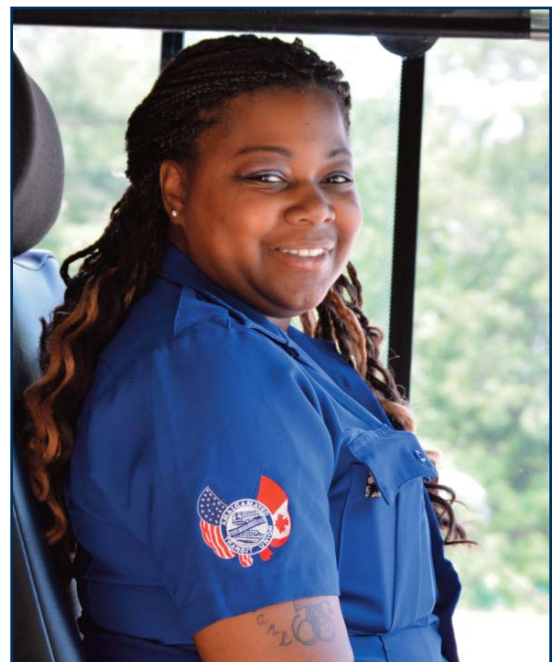
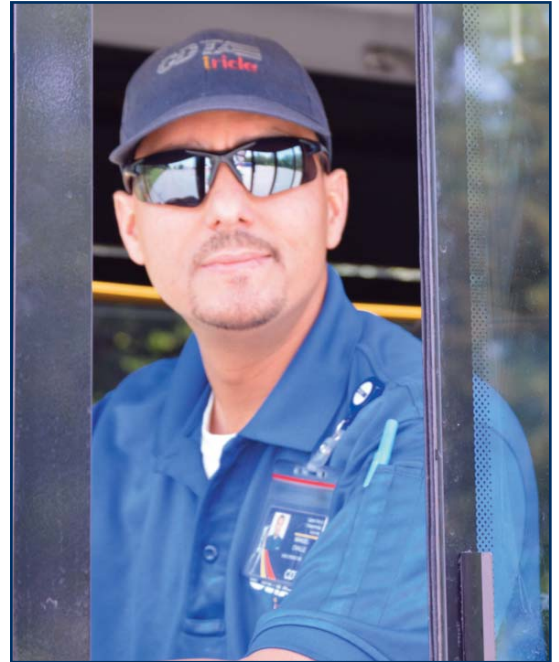
**CDTA** operates a financially-stable organization that places importance on cost-recovery and operating efficiency in order to deliver optimal service in the Capital Region.

**CDTA** takes a leadership role in helping to mold regional growth and advocate for mobility. CDTA works with local planning and business organizations to help shape regional growth in a way that provides congestion relief and basic access.

**CDTA** meets the needs of both the transit-dependent rider and the choice rider by delivering a wide range of transportation alternatives and by working to ensure that its services are easy to identify, use, and pay for.

**CDTA** helps employers connect their employees to the workplace, delivering commuter solutions that make daily work connections efficient, economical, and reliable.

**CDTA** employees are the heart and soul of the organization leading innovation and productivity. We promote a positive work environment by supporting each other through effective communication, teamwork, and an appreciation for our diverse abilities and contributions.



## RIDERSHIP STATISTICS (FY 2014-2015):

|  |            |
|--|------------|
| Total Ridership                            | 17,000,793 |
| Fixed Route                                | 16,800,000 |
| NX   | 188,000    |
| STAR                                       | 325,000    |
| Annual Bikes on Buses                      | 72,000     |
| Annual Wheelchair Boardings on Fixed Route | 15,350     |

## FARES (EFFECTIVE APRIL 1, 2014):

|                               |                 |
|-------------------------------|-----------------|
| Base Fare                     | \$1.50          |
| Day Pass                      | \$4.00          |
| Weekday Rolling <i>Swiper</i> | \$55.00         |
| 31-day Rolling <i>Swiper</i>  | \$65.00         |
| 10 Trip Card                  | \$13.00         |
| STAR                          | \$2.50          |
| NX (varies by zone)           | \$4.00 - \$7.00 |

## INFORMATION SOURCES:

|                               |  |
|-------------------------------|--|
| Customer Service Center       | 482-8822                                       |
| STAR Reservation Center       | 482-2022                                       |
| Corporate Sales               | 437-6876                                       |
| Total Calls Answered Annually | 450,000  |
| Company Web Site              | <a href="http://www.cdta.org">www.cdta.org</a> |
| Web Site Visits Annually      | 1.9 million                                    |

## BUILDINGS AND FACILITIES:

- Administrative Headquarters, 110 Watervliet Avenue, Albany, NY 12206
- Schenectady Division, 2401 Maxon Road Extension, Schenectady 12308
- Troy Division, 40 Hoosick Street, Troy, NY 12180
- Rensselaer Rail Station, 525 East Street, Rensselaer, NY 12144
- Saratoga Springs Train Station, 26 Station Lane, Saratoga Springs, NY 12866
- Customer Service/Training Center, 85 Watervliet Avenue, Albany, NY 12206

## SERVICE AREA:

Albany, Rensselaer, Saratoga and Schenectady Counties

Service Area Size 2,300 square miles

Service Area Population 769,000

People living within ¼ mile of bus service 50.6%

## FINANCIAL INFORMATION:

Consolidated Operating Budget (2014-15) \$79.0 million

Customer Revenue \$18.5 million

Value of Capital Assets (net depreciation) \$118.2 million

Fleet 42%

Facilities 47%

Other (Technology, Fare Collection) 11%

Planned Capital Expenditures \$244.7 million over 5 years

Fleet 15%

Facilities 5%

Other (Technology, Fare Collection) 80%

## OPERATING AND SERVICE DETAILS:

CDTA Employees 650

Total Number of Revenue Vehicles 306

Fixed Route Vehicles 228

Hybrid-Electric Vehicles 50 (part of overall fleet)

Paratransit Vehicles (STAR) 31

Flex Vehicles 22

NX Commuter Coaches 14

Number of Bus Routes 50 (not including rural or seasonal)

Annual Vehicle Miles 9.5 million

Annual Vehicle Hours 650,000

Annual Fuel Consumption 2.2 million gallons

Bus Stops 2,777

Passenger Shelters 261

Park and Ride Lots 29

Available Parking Spaces 1,655

(CDTA Statistics as of March 31, 2015)





busplus

Broadway

busplus

Broadway

CDTA

Broadway

CDTA

iride  
CDTA  
www.cdta.org

# BOARD OF DIRECTORS



## DAVID M. STACKROW

### Chairperson, Represents Rensselaer County

David M. Stackrow, a Board member since October 1995, chairs the CDTA Board of Directors and the CDTA Governance Committee. He is Vice President, Treasurer and managing partner of Scott, Stackrow and Co., CPAs, P.C. Mr. Stackrow, who holds a Bachelor of Business Administration degree from Siena College, is an Independent Director of the Rensselaer Tobacco Asset Securitization Corporation, Trustee of the CDTA/ATU 1321 Pension Plan, Treasurer for the Challenger Learning Center of the Greater Capital Region, and Treasurer and Assistant Scoutmaster to Boy Scout Troop 528, Poestenkill, New York. He is a Past President of the LaSalle Institute Alumni Association, Past Board Chair of LaSalle Institute of Troy, New York, and a Past Grand Knight of the Rensselaer Council 267 Knights of Columbus. Mr. Stackrow is also active in the American Public Transportation Association (APTA) where he serves a member of APTA's Board of Directors. He is Vice Chair, APTA Transit Board Members Committee, Chair, APTA Transit Board Members Legislative Subcommittee, and a member of APTA's Legislative, Diversity, Procurement Steering, Awards, and Mid-sized System Committees. Mr. Stackrow was honored with the 2009 American Public Transportation Association Outstanding Board member of the year award. He resides in Poestenkill with his wife Karen and their two children.



## GEORGEANNA NUGENT LUSSIER

### Vice-Chairperson, Represents Saratoga County

Georgeanna "Georgie" Lussier was appointed to the CDTA Board of Directors in May 2009. She is the Board's Vice Chairwoman and is a member of the board's Governance Committee and Planning and Stakeholder Relations Committee. She is Senior Project Manager at Foit-Albert Associates Architecture, Engineering and Surveying, P.C. in Albany. Ms. Lussier has spent the past 15 years in the environmental consulting industry. She is a Certified Hazardous Materials Manager and a New York State Department of Health Certified Asbestos Inspector. She is a 2008 graduate of Leadership Saratoga. Ms. Lussier holds a Master's of Science degree in Environmental Science and Engineering from the Colorado School of Mines and Bachelor's degrees in Environmental Science and Geology from SUNY Plattsburgh. She lives with her family in Saratoga Springs and is an avid horse racing fan.



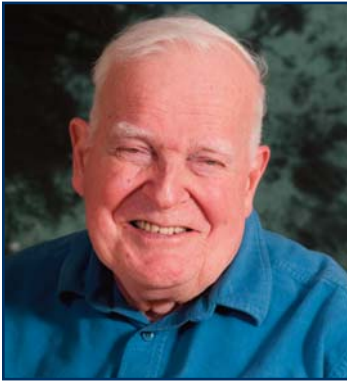
## JOSEPH M. SPAIRANA

### Secretary, Represents Rensselaer County

Joseph M. Spairana, Jr., appointed to the CDTA Board in December 2008, is retired from the New York State Department of Transportation with 35 years of service. At the time of his retirement, Mr. Spairana was Engineer in Charge, responsible for construction operations for major roadway and bridge improvement projects throughout the Capital Region. Mr. Spairana serves on the Board of Directors of the Lansingburgh Boys and Girls Club and is active in their Futures and Events Committee. Mr. Spairana is a member of the Performance Oversight Committee and a former member of the Planning and Stakeholder Relations Committees. He is a lifelong resident of Rensselaer County and lives with his family in Wynantskill.



# BOARD OF DIRECTORS



**ARTHUR F. YOUNG, JR.**

**Treasurer, Represents Albany County**

Arthur F. Young Jr., appointed to the CDTA Board in October 1995, is a retired officer of Key Bank of New York after more than 49 years in banking. At the time of his retirement from Key, Mr. Young was a Senior Vice President and Manager of the Key Bank's Legal and Recovery Division, Secretary of the bank's Board of Directors, President and CEO of Key Financial Services, and a Director of Key Leasing, Inc. Mr. Young is a Trustee, Investment Officer and past President of the J.O. Wells Albany Memorial Hospital Nursing Education Foundation, Director of VNA Albany Home Health Care Corp., Director and past Governor of the Albany Colony of Mayflower Descendants, Director and Elder of the New York State Society of Mayflower Descendants, Director and Treasurer of the Capital District Pop Warner Federation, Director of the Berkshire Family History Association, Trustee Director of Capital District Genealogy society and member of the Bethlehem Historical Association Executive Committee. Mr. Young is also a life member of Junior Chamber International, American Philatelic Society, United States Swimming, Pilgrim John Holland Society, Thomas Stanton Society, and Bruce Family International Society. Mr. Young has been a Certified Swim Official for high school and college swimming for 42 years and has served as a Deck Official at four United States Olympic Trials. Mr. Young has been the CDTA Treasurer since 1998, is a current member of the Performance Oversight Committee, past Chairman of the Performance Oversight and Stakeholder Relations Committee, a former member of the Audit committee and Chairman of the investment committee. He and his wife Anne reside in Delmar, New York.



**NORMAN L. MILLER**

**Represents Schenectady County**

Norman L. Miller has been a member of the CDTA Board since July 2006. Mr. Miller is president of Leadership Management of New York, Inc., a strategic development company that specializes in planning, organization and management development, executive leadership and team building. He retired from the United States Air Force with 33 years of service and serves as a member of the Schenectady Military Affairs Council. Mr. Miller is currently the Princetown Town Judge. He is a member of the Scotia Rotary Club and a founding member of the Albany County Safe Haven organization in Altamont. Active in his community, he was a member of the Princetown Comprehensive Planning Committee. He was a member of the 1988 Olympic Bobsled Coaching Staff. Mr. Miller is the author of "IceSpy", an espionage novel published in 1995. Mr. Miller is the Chairman of the CDTA Planning and Stakeholder Relations Committee. He and his wife reside in Princetown.



# BOARD OF DIRECTORS



**THOMAS M. OWENS**

**Represents Albany County**

Thomas M. Owens, appointed to the CDTA Board in July 2008, serves as counsel to the Albany Port District Commission. A graduate of the U.S. Naval Academy (B.S.), Mr. Owens has also earned degrees from Georgetown University (M.A.) and Albany Law School (J.D.). He chairs the CDTA Performance Oversight Committee, is a member of the Governance Committee, and the Chairman of the Investment Committee. Mr. Owens resides in Bethlehem with his wife Theresa and their six children.



**DENISE A FIGUEROA**

**Represents Albany County**

Denise A. Figueroa, has been a CDTA Board member since December 2003. Ms. Figueroa is a founding member and current Executive Director of the Independent Living Center of the Hudson Valley, established in 1987. Ms. Figueroa is a Governor appointee to the Most Integrated Setting Coordinating Council and the Justice Center Advisory Board. She is the Former Chair of the NYS Independent Living Council and Former President of the National Council on Independent Living. She is also former Chair and current board member of the New York Association on Independent Living. She holds a M.S. from the University of San Francisco and a B.A. from Brooklyn College, City University of New York. Ms. Figueroa is one of the original members of the CDTA Disabled Advisory Committee. She resides in Cohoes.



**LISA BALLOUT**

**Represents Saratoga County**

Lisa Ballout was appointed to the CDTA Board in March 2010. Ms. Ballout has been working in education, starting in Wichita, Kansas, and has been in the Capital District of New York since 1991. She worked in the Counseling Department at Mohonasen High School and in special education at Niskayuna High School. Since 2000, she has been a tutor and substitute teacher in the Shenendehowa and Niskayuna School Districts. Ms. Ballout is a member of the Planning and Stakeholder Relations Committee and former member of the Performance Oversight Committee. Ms. Ballout received her Bachelor of General Studies and Master of Education from Wichita State University.



**COREY BIXBY**

**Represents Labor (Non Voting Union Member)**

Corey Bixby has been a CDTA Board member since June 2014. Mr. Bixby has been a Schenectady operator since November of 2006. He joined the Board because he wanted to be a voice for his colleagues and learn a different aspect of the organization. In his free time, Mr. Bixby is a chicken farmer with his wife. They have 10 chickens and have been in the farming business for the past 6 years. Mr Bixby is originally from Corning, NY. He resides in Latham with his wife Maria, son Joseph and their 2 dogs.

## CDTA SENIOR STAFF



**Carm Basile**  
Chief Executive Officer



**Christopher G. Desany**  
Vice President of  
Planning and Infrastructure



**Amanda Avery**  
General Counsel



**Gary Cook**  
Director of Transportation



**Michael P. Collins**  
Vice President of  
Finance & Administration



**Lance Zarcone**  
Director of Maintenance



# ANOTHER BANNER YEAR

CDTA had another record-breaking year with increased ridership, recognition of our innovative transit system and new customer programs that make riding easier and more convenient. The gains are a result of strategic system improvements that showcase CDTA as a better way to travel throughout the Capital Region. We take people where they need to go, improve the quality of life for residents, support regional growth, and most importantly, provide connections to work, school, and local businesses.

The past year saw key changes to the way customers access information and use CDTA services to get where they need to go. The addition of Real Time Passenger Information (RTPI), rolled out in November 2014, provides customers with GPS tracking on all active regular route services. This more accurate information, combined with a redesigned website put CDTA at the fingertips of more customers than ever before. The changes have increased both satisfaction and our overall amount of visitors.

Ridership growth occurred for the fifth consecutive year on the continued strength of our Universal Access program, which accounts for more than 25% of all ridership. We are seeing increased demand on our core trunk routes, key neighborhood connectors and even on new commuter services. We will be rolling out articulated vehicles to address demand on our busiest corridors and are advocating for a pair of new BusPlus lines to expedite service on congested roadways.

Not coincidentally, travel through our Rensselaer Rail Station and Saratoga Springs Train Stations has increased with Amtrak's Northeast corridor growing ridership. These facilities highlight CDTA's role in providing multi-modal connections that attract business and assist in job creation throughout the region.

Our employees are the cornerstone of why CDTA is able to provide quality transit services to a growing customer base. We worked internally to update our professional development and volunteering programs, while focusing on our customer needs. CDTA is playing a pivotal role in driving the economic development engine of the Capital Region and providing solutions to hundreds of business partners. We look forward to an even bigger and brighter FY2016.





# COMMUNITY DRIVEN

CDTA services support the local economy, encourage intelligent land use and reduce congestion. Our organization is focused on advocating for a better Capital Region. We provide event services and support a number of community initiatives that make our region a better

Our mature United Way campaign is one of the best in the region in terms of per capita giving and participation rates. The Make-A-Wish Foundation, the American Cancer Society and the American Heart Association are just of few of the causes that our employees support



place to live, work and play. Our buses are safe havens during fires, natural disasters and events. We work with law enforcement to provide shelter and transport families to safe residences during troubling times. Our staff works with local school districts to move students to important educational opportunities. And, we are tied into local calendars, making the task of moving large numbers of people at special events easy and efficient.

We encourage employees to volunteer and be active in the cities and towns where they live and work. We reward employees who volunteer and make it easy for them to organize work time for giving back. CDTA employees are Little League and Pop Warner coaches, they organize Girl Scout cookie drives, and they are captains of community walks for charitable causes. Many of our employees are members of local not for profit boards and advisory councils.

both in direct giving and teambuilding. The CDTA spirit is one of community, of partnership and advocacy. Being involved in the communities where we live and work is good for everybody. Encouraging and recognizing employees who are involved insures a strong CDTA and a strong Capital Region.



# CDTA'S NAVIGATOR

CDTA took the next step in the deployment of its state-of-the-art fare collection system by unveiling the branding at the inaugural "State of CDTA" event in February. CDTA's *Navigator* offers contactless smart cards and mobile ticketing along with web-based portals that allow the ability to "recharge" through automatic replenishment. *Navigator* will offer new customer features, convenience and innovative technology as CDTA embarks on the first simultaneous dual rollout of smartcard and mobile tickets in the United States.


*Navigator* will offer two easy choices when paying. Customers will be provided a durable plastic smartcard or have the ability to load fares onto their smartphone through a free mobile application. Each option will include better reliability and security along with quicker service for customers. When fully implemented, *Navigator* will improve CDTA's fare products by not only providing balance protection and easy online ordering but support loyalty programs.

The branding incorporates a silver, blue and gold color combination that highlights the history of the iconic CDTA brand while introducing a new, bold direction. Employees from nearly every department played a role in naming *Navigator*, while retail and group sales partners have played



a large role in developing the customer interface for buying, loading and using the new technology.

Pilot testing was set to begin in fall 2015 with several hundred customers from all groups being involved. CDTA's *Navigator* will be fully implemented upon the successful completion of both pilot testing programs across all customer groups.



## Pay Easily, Explore Often.

Our New Smartcard & Mobile Payment System!

**CDTA**  
[518] 482-8822 | CDTA.org | #NavCDTA

- ★ More Convenient
- ★ More Savings
- ★ More Secure



## Record Ridership Rolls Along

CDTA completed the fiscal year with record ridership of more than 17 million boardings, eclipsing the record set just one year ago. For the fiscal year ending March 31, 2015 our total boarding count increased by 3% to 17,000,793 rides. The record ridership is further recognition of CDTA's innovative transit system, new customer programs and growing partner base.

Ridership was up across the board on CDTA services, most notably on trunk and neighborhood routes that drive the system. Overall, we have increased ridership by more than 3.2 million over the last 5 years thanks to the roughly 25% of ridership which now comes from Universal Access (UA) agreements negotiated with major employers and colleges. Technology enhancements will continue to play a role in growing CDTA's ridership base, highlighting that customers are most interested in when their bus comes as opposed to being tied to a paper schedule. The roll out of Real Time Passenger Information and a redesigned website have made riding easier and more convenient for customers. We have worked diligently to improve our on time performance, which is another barometer on how our service is performing. The rollout of CDTA's *Navigator* will generate new customers and additional ridership through its ease of use and the ability for customers to make the best use of their funds, along with loyalty and reward opportunities.

The additional capacity of larger vehicles, more complimentary services and further development of Bus Rapid Transit will support our ability to carry a larger load of the Capital Region's workforce.





## CDTA EARNs TIGER GRANT

CDTA received funding for a new communications system in FY2015. The \$15 million dollar funding package represents the first ever TIGER (Transportation Investment Generating Economic Recovery) Grant Award for the Capital Region. It will be used to install a state-of-the-art radio communications system to support our ridership service network.

Funding from the highly competitive program supports projects that achieve national transportation objectives. The funding will transform CDTA's system by upgrading dispatch and vehicle communications technology, improving transit service safety, reliability, and efficiency.

The TIGER Discretionary Grant program provides opportunity for DOT to invest in road, rail, transit and port projects that promise to achieve critical national objectives. In each round of TIGER, DOT receives applications to build and repair critical pieces of freight and passenger transportation networks.



## ARTICULATED BUSES RETURN

CDTA will be receiving two articulated (bendable) buses later this year for use on high volume routes. We entered into a five-year contract with New Flyer of America Inc. includes the initial purchase of two buses. Our plan is to buy a total of 20 buses within this contract to be used on higher performing routes to help out with ridership demand.

Articulated buses double the capacity of a single vehicle, allowing for high volume routes to offer a better customer experience with less crowding. The articulated buses will have capacity for 60 seated customers and 50 standees.

CDTA planned for this expansion by purchasing portable bus lifts to better provide maintenance to the vehicles. The first two buses are set to be delivered late fall and will be deployed on our busiest corridor to alleviate overcrowding.



## CDTA and ME

A Gansevoort man took home top honors in the “CDTA and Me” contest that asked riders how CDTA impacts their lives. Andrew Soper, who rides our Northway Xpress service daily to work, topped the public voting with his story of childbirth, an unexpected incident, and how transit helped save the day.

Andrew’s story earned him free rides for a year and was chosen by the public from thousands of entries submitted by Capital Region residents. His story centered on his ability to get home after his wife and unborn child were involved in a serious car accident. Thanks to CDTA’s Guaranteed Ride Home program, Andrew was able to be by his wife’s side when she needed him the most.



“When I got that call, it was surreal,” Soper said. “It’s that call no soon-to-be parent wants to get. I remember picking up the phone thinking, how am I going to get home? That’s when I remembered CDTA’s guaranteed ride home. I wanted to share how CDTA was there for me when I needed help the most.”

CDTA’s Guaranteed Ride Home program, which allows customers to get home when they have to work late or have an emergency, is available to any rider with a valid monthly *Swiper* card.

Soper beat out three other finalists. Colin Klepetar, from Saratoga Springs, Erin Sheehan from Albany and Leif Zurmuhlen of Schenectady.



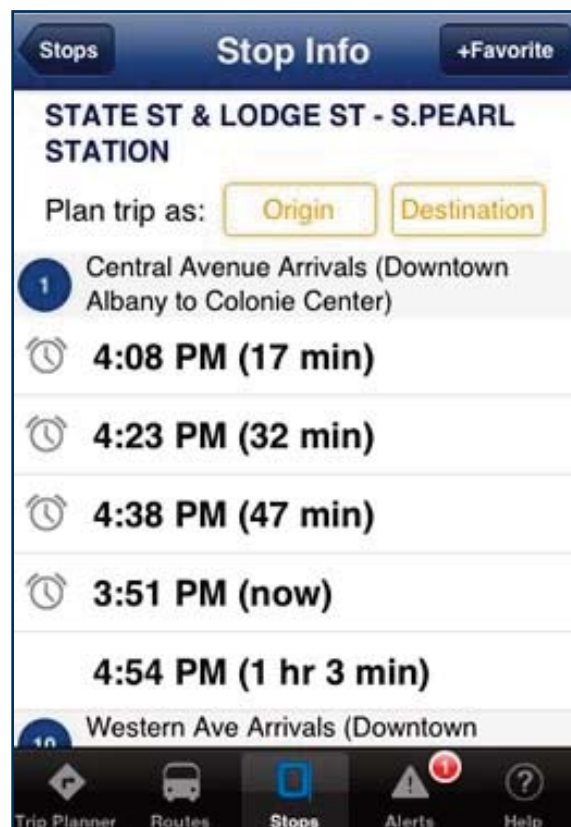
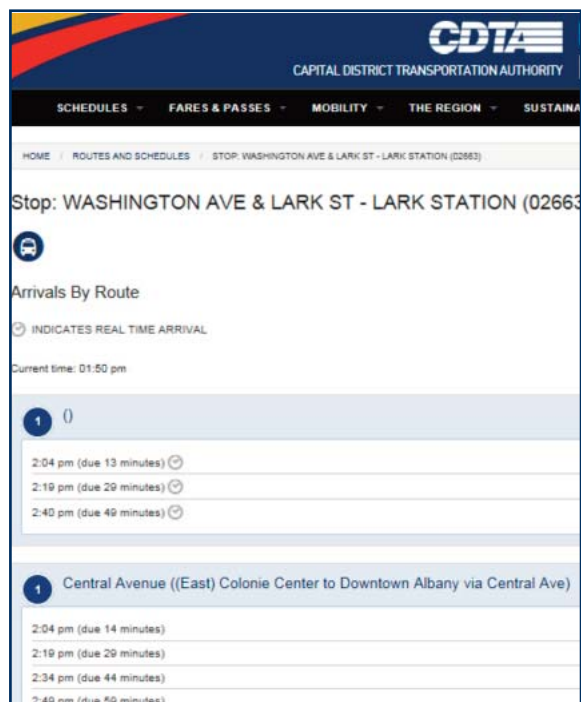
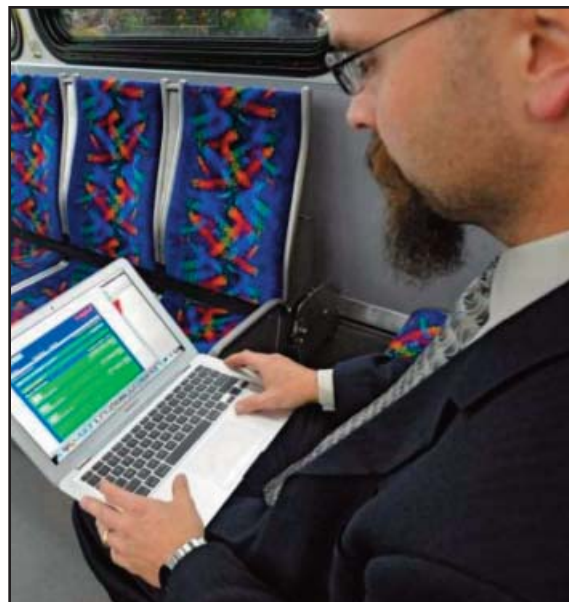


# REAL TIME SUCCESS

CDTA rolled out Real Time Passenger Information (RTPI) for its fleet of fixed route buses in October 2014. RTPI takes the guesswork out of waiting and puts the power of riding in the customer's hands by using Automatic Vehicle Location (AVL) software to determine bus location and speed.

CDTA tracks its vehicles using GPS devices to report bus location data back to its servers. This information allows CDTA to estimate when the buses will arrive at a stop. Customers can access RTPI for fixed route services through the free CDTA iride mobile application (Apple & Android), on the CDTA website or by speaking with a customer service representative.

Since its roll out, customers have accessed RTPI more than 2.5 million times averaging 17,793 times per day. We have also noticed a reduction in our monthly comments (roughly 10%) as customers are taking advantage of the live information to make decisions out on the street.





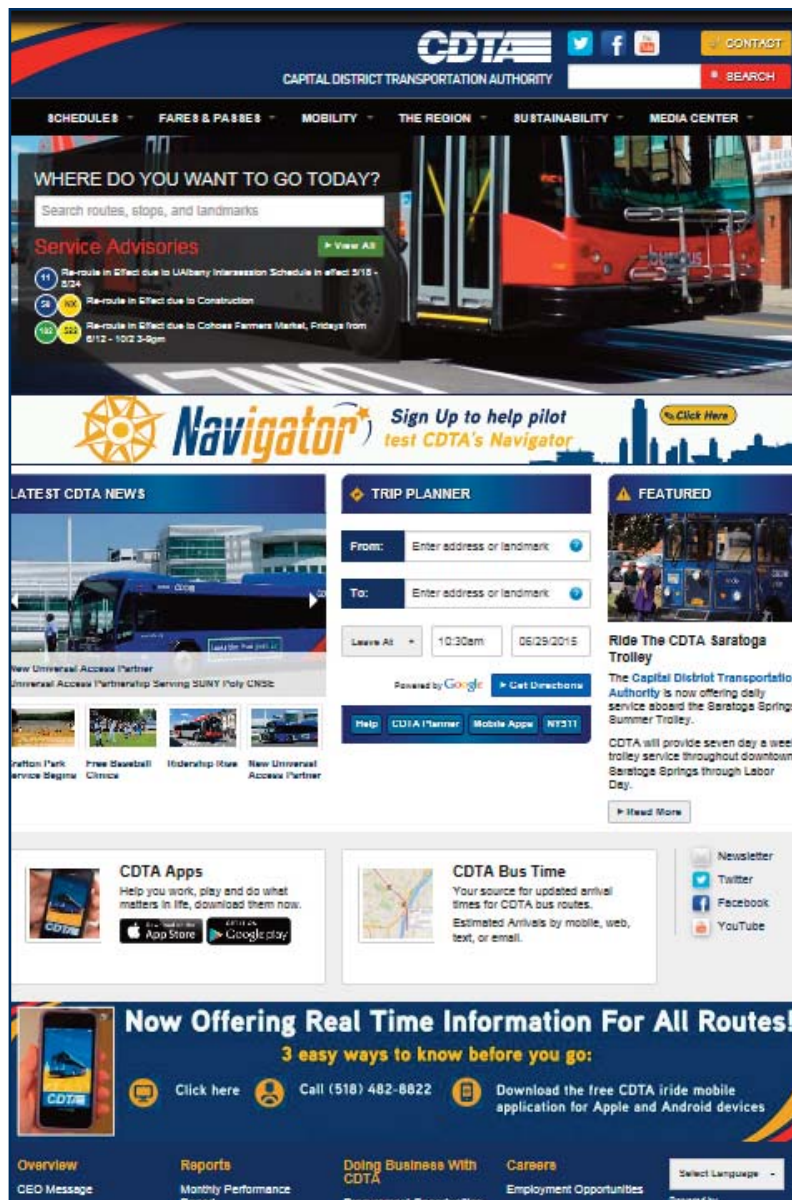
# WEBSITE REDESIGN: A TECH SUCCESS

CDTA unveiled its redesigned website earlier this year, focusing on 21st century customer needs. CDTA.org was relaunched with a modern, responsive redesign to engage the Capital Region, focusing on a rapidly growing number of smartphone users.

The redesigned site provides the most relevant data with the fewest number of clicks. Most site visits are to find out scheduling information. The new home page offers an intuitive search bar that includes stops, routes and regional landmarks along with service advisories.

The site showcases the highest priority elements and features call-out sections giving customers quick access to what matters to them. The mobile first orientation directs users to schedules, service advisories and fare products. Trip planning, tech tools like app downloads and access to real time information are more prevalent in the new format as well.

CDTA set a record with nearly 5 million page views and 2 million hits in 2014, with more than 1.5 million coming from mobile users. More than 70% of the visits were to the schedule pages and traffic has increased nearly 30% overall, leading to longer visits by more than a minute. As technology improves, customers will have access to better information quicker than ever before.



**Website Traffic has increased nearly 30% in the first quarter of 2015**



# BUSPLUS CAPITALIZES ON SUCCESS

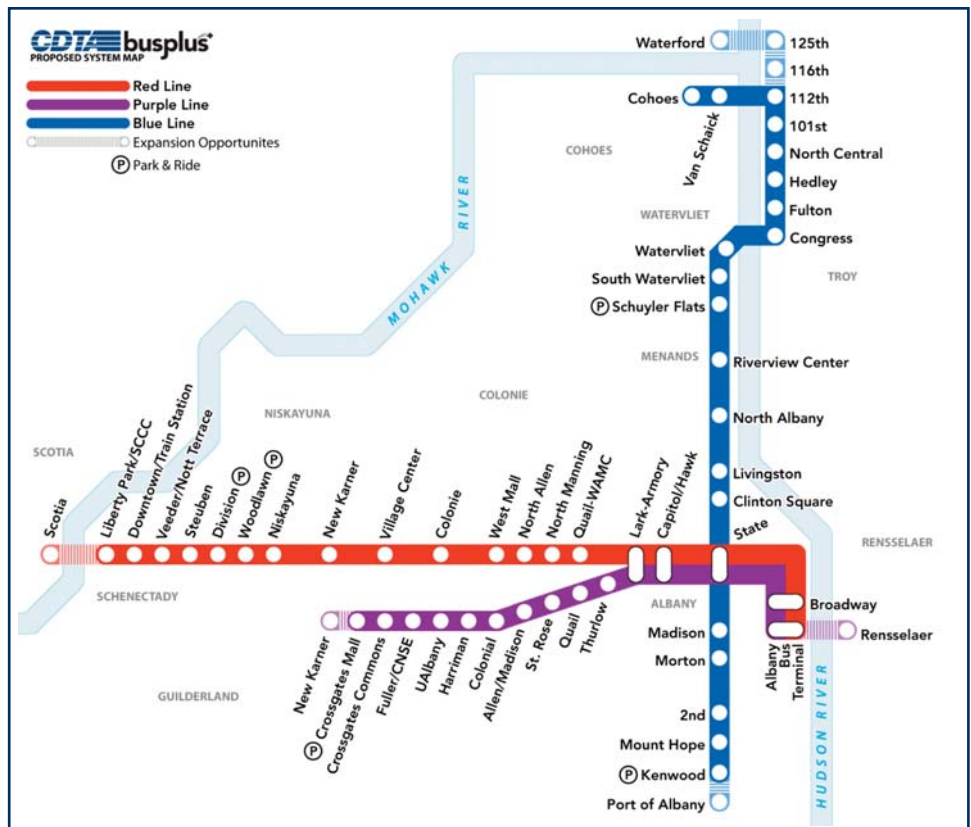
The implementation of two new BusPlus lines moved closer to reality with the program's inclusion on both federal and state funding programs. CDTA also awarded a contract to Creighton Manning Engineering (CME), to help advance the 40 miles of Bus Rapid Transit (BRT) project.

The two-year agreement is for project development along the Washington-Western Corridor (Purple Line) and the River Corridor (Blue Line). This work includes engineering and design that will prime the projects for further federal funding through the Small Starts program.

CME will assist with design work for service, transit centers in Troy and at Crossgates Mall, as well as CDTA's vision for the region's first dedicated busway through the UAlbany and Harriman Campuses.

CDTA's 2013 Transportation Development Plan (TDP) outlines 40 miles of BRT in the Capital Region. The plan focuses on the three busiest transit corridors in the region which generate nearly 10 million riders annually.

The plan will enhance transit service in areas that have demonstrated demand. CDTA introduced Upstate New York's first BRT line, BusPlus, along Route 5 in 2011. Since then, ridership has grown 30% along Route 5, which serves nearly 4 million riders annually.





## Go Behind the Blue

In any business, it takes a team effort to be successful. Our Board of Directors sets the course for the organization to follow. From all, our 650 employees work together to carry out the mission of the company upholding the CDTA brand on the streets and in the hearts and minds of our customers.

We have upgraded our facilities and this work will continue with a focus on employee quarters in the upcoming year. Locker rooms will be updated and we will add conveniences to keep our employees connected better than ever before. Digital displays have been installed at each division to insure everyone is up to date on company and community information.

A new employee program that honors the “Everyday Heroes” we have in our garages, on the street and in our offices launched earlier this year. “Everyday Heroes” highlights employees who make a special contribution to our company, our customers or our community.



CDTA is focused on offering employees an array of programs that improve communication, training, education and that recognize outstanding effort. We hold an annual dinner for employees and recognize efforts in safety, attendance and customer service. We spotlight long-tenured employees at board meetings, and have instilled a sense of pride throughout the workforce by acknowledging high level performance.

The CDTA Operator and Maintenance Rodeo competitors do a great job of bringing everyone together and highlighting employee skills. These events test technical and skills within a fun and supportive environment.

CDTA took home top honors at the 2014 New York State Bus Rodeo held in the fall at Crossgates Mall. Schenectady Bus Operator Robert Rzeszuto placed first, beating out 12 other drivers from transit properties across the state. Rzeszuto, with 28 years of driving experience, also won CDTA’s local Rodeo in June of 2014.



Our Board of Directors is proud of CDTA, and our stakeholders are proud of our commitment to the Capital Region. CDTA is proud of our employees, and we are grateful for our customers and business partners who have helped us reach new heights.



# CDTA FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

The Board of Directors

Capital District Transportation Authority

We have audited the accompanying balance sheets of Capital District Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of March 31, 2015 and 2014, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended and the related notes to the financial statements.

### 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.

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A) on pages i through vi (preceding the financial statements) and the schedule of funding progress for other postemployment benefits on page 18 be presented to supplement the 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 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 financial statements, and other knowledge we obtained during our audit of the 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2015 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, 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 the Authority's internal control over financial reporting and compliance.

*Lymdon & McCormick, LLP*

May 20, 2015

## Management's Discussion and Analysis

### For the Year's Ended March 31, 2015, 2014 and 2013

#### (Unaudited)

#### Introduction

This Management Discussion and Analysis (MD&A) of the Capital District Transportation Authority (the Authority) provides an introduction to the major activities affecting the operations of the Authority and an overview of the financial performance and financial statements for the years ended March 31, 2015, 2014 and 2013.

Following the MD&A are the financial statements of the Authority, together with the notes, which are essential to a full understanding of the data contained in the financial statements. The financial statements include the following: balance sheets; statements of revenues, expenses and changes in net position; and statements of cash flows. The balance sheets provide a snapshot of the Authority's financial condition. The statements of revenues, expenses and changes in net position report the results of operations and activities. The statements of cash flows report sources and uses of cash from operating, non-capital financing, capital and related financing, and investing activities.

#### Financial Position

The summarized balance sheets below provide a snapshot of the financial condition of the Authority as of March 31 of each fiscal year. Increases or decreases in net position may indicate a strengthening or weakening of the Authority's financial position over time.

|   | 2015                  | 2014                  | 2013                  |
|---|-----------------------|-----------------------|-----------------------|
| <b>Assets:</b>                            |                       |                       |                       |
| Current assets                            | \$ 43,417,960         | \$ 46,248,073         | \$ 41,344,761         |
| Capital assets, net                       | 118,204,786           | 119,408,939           | 118,959,245           |
| <b>Total assets</b>                       | <b>\$ 161,622,746</b> | <b>\$ 165,657,012</b> | <b>\$ 160,304,006</b> |
| <b>Liabilities and net position:</b>      |                       |                       |                       |
| Current liabilities                       | \$ 8,537,749          | \$ 8,063,958          | \$ 7,214,897          |
| Noncurrent liabilities                    | 56,587,499            | 53,824,689            | 43,181,318            |
| <b>Total liabilities</b>                  | <b>65,125,248</b>     | <b>61,888,647</b>     | <b>50,396,215</b>     |
| Net position:                             |                       |                       |                       |
| Net investment in capital assets          | 106,107,048           | 105,934,322           | 111,661,923           |
| Restricted for capital purchases          | 42,541                | 6,880,000             | -                     |
| Unrestricted                              | (9,652,091)           | (9,045,957)           | (1,754,132)           |
| <b>Total net position</b>                 | <b>96,497,498</b>     | <b>103,768,365</b>    | <b>109,907,791</b>    |
| <b>Total liabilities and net position</b> | <b>\$ 161,622,746</b> | <b>\$ 165,657,012</b> | <b>\$ 160,304,006</b> |



As a result of the Authority's fiscal 2015 activities, March 31, 2015 total net position decreased \$7.3 million from March 31, 2014.

Current assets decreased in 2015 due to spending \$6.8 million of restricted funds for the purchase of buses. This decrease was offset by an increase in accounts receivable of \$3.4 million due to the timing of receipts of grant funds. Capital assets decreased from 2014 as a result of the vehicle purchase mentioned above and other capital projects during the year totaling \$12.8 million offset by disposals of \$4.3 million and \$12.9 million of depreciation.

Total liabilities at March 31, 2015 increased \$3.2 million primarily due to an increase in other postemployment benefits of \$4.0 million. This was partially offset by a reduction in capital lease obligations of \$1.4 million. There were also increases in accounts payable and accrued expenses of \$0.4 million due to the timing of payments.

### March 31, 2014 vs. 2013

As a result of the Authority's fiscal 2014 activities, March 31, 2014 total net position decreased \$6.1 million from March 31, 2013.

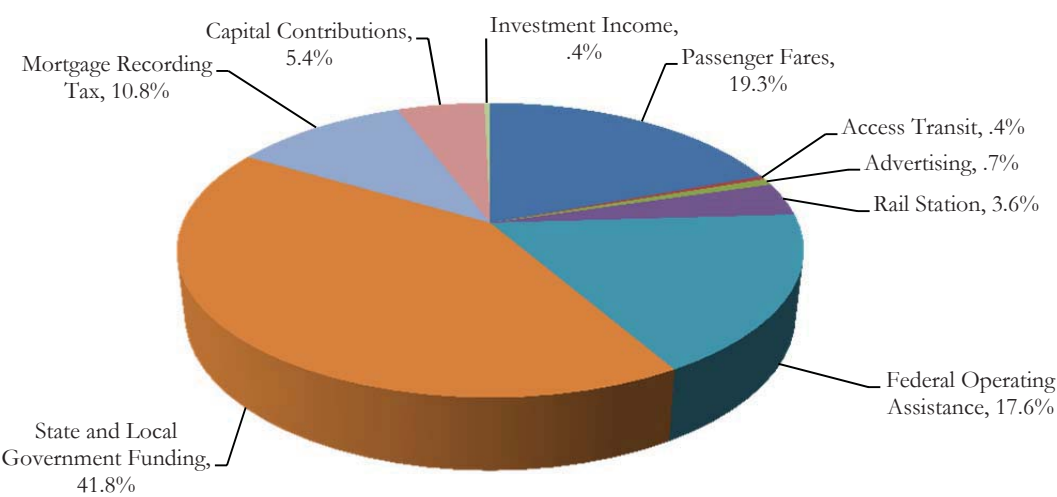
Net capital assets increased \$0.4 million from 2013 to 2014 due to the purchase of new vehicles and other capital additions totaling \$12.8 million, offset by depreciation on the Authority's physical plant, revenue equipment, and support equipment totaling \$12.4 million.

Total liabilities at March 31, 2014 increased \$11.5 million compared to 2013 primarily from an increase of \$5.2 million in the obligation for postemployment benefits other than pensions. Proceeds totaling \$6.9 million from a new capital lease obligation associated with pending bus purchases are recorded in restricted cash at March 31, 2014.

### Revenue Summary

|                                    | 2015                 | 2014                 | 2013                 |
|------------------------------------|----------------------|----------------------|----------------------|
| <b>Operating revenues:</b>         |                      |                      |                      |
| Passenger fares                    | \$ 17,325,473        | \$ 16,569,733        | \$ 16,736,225        |
| Access Transit                     | 332,156              | 389,194              | 379,583              |
| Advertising                        | 650,733              | 606,654              | 605,562              |
| Rail station parking and rentals   | 3,253,626            | 3,180,454            | 2,886,772            |
| <b>Total operating revenues</b>    | <u>21,561,988</u>    | <u>20,746,035</u>    | <u>20,608,142</u>    |
| <b>Non-operating revenues:</b>     |                      |                      |                      |
| Federal operating assistance       | 15,762,159           | 12,042,581           | 16,615,654           |
| State and local government funding | 37,498,420           | 35,278,731           | 35,714,290           |
| Mortgage recording tax             | 9,675,039            | 9,995,975            | 11,994,288           |
| Investment income                  | 320,424              | (24,532)             | 457,654              |
| Capital contributions              | 4,828,992            | 10,278,590           | 5,945,986            |
| <b>Total non-operating revenue</b> | <u>68,085,034</u>    | <u>67,571,345</u>    | <u>70,727,872</u>    |
| <b>Total revenue</b>               | <u>\$ 89,647,022</u> | <u>\$ 88,317,380</u> | <u>\$ 91,336,014</u> |

The chart below summarizes 2015 revenue by source and percentage of revenue in each category.



Operating revenues increased \$0.8 million from 2014 to 2015 primarily due to increase in passenger fares from an increase in ridership. The structure of customer revenue continues to change as contract revenue increased and swiper revenue decreased. Advertising exceeded the contractual revenue guarantee for the first time indicating demand for advertising on Authority buses and buildings continues to grow.

Non-operating revenues decreased \$0.5 million due to several factors. Capital contributions decreased \$5.5 million because federal funds were not used to purchase buses in 2015. This was also the situation in 2013 as buses were financed through a capital lease. Because the 2015 bus purchase was financed, federal funds were used to pay for operating expenses. As a result, federal operating assistance increased \$3.7 million. State and local funding increased \$2.2 million from State Operating Assistance (STOA) and State Dedicated Funds. Mortgage recording tax (MRT) decreased again this year by \$0.3 million, which continues to decline from a high of almost \$12.0 million in 2013.

March 31, 2014 vs. 2013

Operating revenue at March 31, 2014 increased slightly over 2013. Gains realized from the parking rate increase at the Rensselaer Rail Station were partially offset by a slight decrease in customer revenue. A portion of the customer revenue reduction can likely be attributed to the increased use of the Authority’s Universal Access program, which offers organizations wholesale pricing for bulk purchases of fares. In prior years, these partners purchased passes on a regular basis in fewer numbers with less than wholesale discounts. Trends indicate that some customers who previously purchased passes likely have the benefit of a Universal Access agreement at their employer or school to meet their transportation needs.

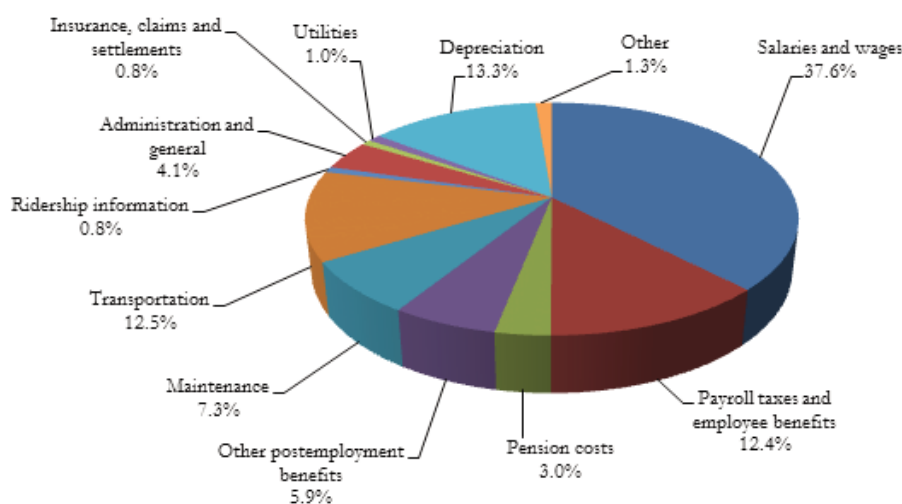
Non-operating revenues, which consist primarily of government allocations and MRT, decreased \$3.2 million. In 2014, the \$4.3 million increase in capital contributions was due to use of federal grants matched by New York State to purchase vehicles and other capital items.

The Authority requested less federal operating assistance and more capital contributions in 2014 compared to 2013 based on capital projects and the need for operating assistance. These disbursements fluctuate from year to year based on current projects and cash flow needs. In addition, 2014 MRT was down significantly (\$2.0 million) from 2013. MRT started the fiscal year near record highs, but as the housing market slowed and higher interest rates affected refinancing, MRT revenue fell sharply late in the fiscal year.

### Expense Summary

|  | 2015                 | 2014                 | 2013                 |
|--|----------------------|----------------------|----------------------|
| <b>Operating expenses:</b>                   |                      |                      |                      |
| Salaries and wages                           | \$ 36,484,155        | \$ 35,834,195        | \$ 34,903,763        |
| Payroll taxes and employee benefits          | 11,997,659           | 11,766,652           | 11,568,835           |
| Pension costs                                | 2,947,048            | 2,933,299            | 2,861,439            |
| Other postemployment benefits                | 5,671,146            | 6,811,540            | 6,444,593            |
| Maintenance                                  | 7,103,138            | 6,757,724            | 8,133,548            |
| Transportation                               | 12,140,861           | 13,486,839           | 14,144,479           |
| Ridership information                        | 743,113              | 839,873              | 780,997              |
| Administration and general                   | 4,010,286            | 2,254,371            | 2,101,256            |
| Insurance, claims and settlements            | 736,420              | 266,309              | 1,102,400            |
| Utilities                                    | 939,093              | 1,157,267            | 910,952              |
|  | 82,772,919           | 82,108,069           | 82,952,262           |
| Depreciation                                 | 12,917,574           | 12,352,626           | 11,748,976           |
| <b>Total operating expenses</b>              | <b>95,690,493</b>    | <b>94,460,695</b>    | <b>94,701,238</b>    |
| <b>Non-operating expenses:</b>               |                      |                      |                      |
| Other non-operating expenses (revenues), net | 1,227,396            | (3,889)              | 5,607                |
| <b>Total expenses</b>                        | <b>\$ 96,917,889</b> | <b>\$ 94,456,806</b> | <b>\$ 94,706,845</b> |

Total expenses increased approximately \$0.7 million before depreciation and approximately \$1.2 million after depreciation. The table below provides an overview of the 2015 expenses and is followed by a chart showing a three year comparison of amounts expended by category.





In 2015, operating expenses increased 1.3% or \$1.2 million to \$95.7 million. Excluding other postemployment benefits and depreciation, which are non-cash expenses, expenses increased \$1.8 million which represents contractual increases for salaries and benefits and capacity additions for added service. The Authority continues to contain costs while providing services to increase their customer base.

Consistent with other transportation authorities, personnel expenses account for the majority of expenses. In 2015, total personnel costs were 60% of total operating expenses, or \$57.1 million, which is a decrease from last year of \$0.3 million. In 2015, contractual salary increases of \$0.7 million were offset by a decrease in other postemployment benefits (OPEB) of \$1.1 million. The OPEB liability decreased due to an increase in employee health care contributions and retirees continuing to move into the Medicare Advantage Programs.

Maintenance increased \$0.4 million due primarily to parts increase of \$0.7 million which was partially offset by reductions in other maintenance lines. The parts expense increase is closely monitored as the Authority continues to replace vehicles past their useful life. Transportation decreased \$1.4 million due to less transportation purchased from Adirondack Trailways (ATL). The Authority acts as a federal funding pass through for ATL and reimburses costs based on actual service provided. Administration and general had the most significant increase which was \$1.8 million. This was due to project design costs, marketing, and professional services.

### March 31, 2014 vs. 2013

Expense increases were largely contained in 2014 while maintaining the same service levels as previous years. A 3% wage increase was contractually obligated and the uncertainty surrounding the Affordable Care Act did not lead to the increase as expected. Other postemployment benefits increased approximately \$0.4 million. To offset increases in these areas, reductions in other areas were made.

Maintenance expense decreased approximately \$1.4 million. The continued influx of new vehicles associated with the fleet replacement program is having a positive impact on expenses. This program, coupled with sound maintenance practices, has created a noticeable decrease in parts expense. By having less part failures, the maintenance department has been able to focus on preventive measures as opposed to focusing on meeting daily service needs.

In 2014, transportation expenses decreased approximately \$.7 million from 2013. This decrease is a result of less purchased transportation. The expense varies from year to year depending on how much federal funding ATL earns for public transit service. In 2014, ATL received \$0.8 million less than 2013.

### Capital Assets and Long-Term Debt

Capital assets, net of accumulated depreciation, are as follows:

|                                | 2015                  | 2014                  | 2013                  |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Land and improvements          | \$ 1,529,981          | \$ 1,529,981          | \$ 1,529,981          |
| Construction-in-progress       | 1,159,294             | 2,251,003             | 2,239,962             |
| Buildings and improvements     | 53,079,317            | 54,825,425            | 55,437,623            |
| Revenue equipment              | 57,538,853            | 54,394,649            | 51,614,095            |
| Service equipment and vehicles | 1,008,983             | 1,154,688             | 1,081,996             |
| Furniture and equipment        | 3,888,358             | 5,253,193             | 7,055,588             |
|                                | <u>\$ 118,204,786</u> | <u>\$ 119,408,939</u> | <u>\$ 118,959,245</u> |

Capital asset additions of \$12.8 million in 2015 and 2014 consisted primarily of revenue equipment offset by disposals of buses and vehicles totaling \$4.3 million in 2015 and \$5.1 million in 2014. Capital asset additions, consisting primarily of revenue and other equipment, totaled \$16.2 million in 2013, offset by disposals of buses and vehicles totaling \$6.4 million.

In 2014, the Authority received the proceeds of a financing arrangement totaling \$6.9 million for vehicles which were purchased in 2015.

### **Factors Impacting the Authority's Future**

Fiscal year 2015 was another successful year as ridership exceeded 17 million, breaking the Authority's all-time high for the second year in a row. The majority of the ridership increase can be attributed to the continued success of the Universal Access program, which allows organizations to pay annually for universal (all inclusive) access throughout the system. This model has been very successful for increasing ridership and several renegotiations have helped increase revenue for the year.

STOA increased approximately \$1 million in fiscal 2015 and through efforts led by The New York Public Transit Association, the Authority received additional capital and operating assistance for next fiscal year.

Moving forward, the Authority's ability to expand and maintain current services will be a challenge. Revenue opportunities are limited and government assistance is not expected to change significantly. Although overall expense increases are kept to a minimum, future wage and benefit programs are a concern as the Authority enters into collective bargaining negotiations with the union.

In fiscal year 2016, the Authority will begin to roll-out their new fare collection system (NFCS) which allows customers to pay and board buses in a more convenient fashion. With this project they will also adjust their fare structure. The Authority anticipates an increase in revenue as a result of these changes.

The Authority maintains a capital budget plan which addresses capital needs over the next five years. A critical funding component of this plan is federal aid, the future of which remains uncertain. The Authority continues to meet with elected officials on the importance of adequate capital funding and are hopeful for a long term transportation bill. At the same time, the Authority is planning two more Bus Rapid Transit (BRT) corridors with limited stop services that mimic light rail. The Washington/Western Avenue BRT corridor and River Front BRT Corridor are two heavily travelled routes that will see additional increases in ridership, along with service enhancements once these programs are implemented.

The capital budget plan also projects fleet replacement requirements. As the Authority continues to replace buses every year, the plan has been modified to take into consideration the improved quality of new buses as well as the noticeable improvement in fleet maintenance. However, the age of the fleet continues to be of concern as the Authority has several vehicles past their useful life.

### **Request for Information**

The management discussion and analysis is intended to provide general information related to Authority operations for fiscal year ended March 31, 2015. Questions concerning this information or requests for additional information can be directed to Michael P. Collins, Vice President of Finance & Administration, Capital District Transportation Authority, 110 Watervliet Avenue, Albany, New York 12206, or telephone 518-437-8330.

# CDTA FINANCIAL STATEMENTS

## BALANCE SHEETS

| March 31,   | 2015                  | 2014                  |
|---|-----------------------|-----------------------|
| <b>Assets</b>   |                       |                       |
| <b>Current assets:</b>                                |                       |                       |
| Cash  | \$ 9,982,112          | \$ 9,033,229          |
| Restricted cash                                       | 42,541                | 6,880,000             |
| Investments   | 21,661,814            | 22,345,767            |
| Government grants receivable                          | 4,398,885             | 959,881               |
| Trade and other receivables                           | 2,327,680             | 2,352,669             |
| Advances to Capital District Transportation Committee | 711,107               | 796,415               |
| Materials, parts and supplies                         | 3,275,774             | 2,910,861             |
| Prepaid expenses                                      | 1,018,047             | 969,251               |
|   | <u>43,417,960</u>     | <u>46,248,073</u>     |
| <b>Noncurrent assets:</b>                             |                       |                       |
| Capital assets, net (Note 4)                          | 118,204,786           | 119,408,939           |
| <b>Total assets</b>                                   | <u>\$ 161,622,746</u> | <u>\$ 165,657,012</u> |
| <b>Liabilities</b>                                    |                       |                       |
| <b>Current liabilities:</b>                           |                       |                       |
| Accounts payable and accrued expenses                 | 5,771,875             | 5,396,868             |
| Current portion of capital lease obligations          | 1,398,003             | 1,376,880             |
| Unearned passenger revenue                            | 1,367,871             | 1,290,210             |
|   | <u>8,537,749</u>      | <u>8,063,958</u>      |
| <b>Noncurrent liabilities:</b>                        |                       |                       |
| Capital lease obligations                             | 10,699,735            | 12,097,737            |
| Estimated provision for claims and settlements        | 9,368,300             | 9,197,800             |
| Other postemployment benefits                         | 36,519,464            | 32,529,152            |
|   | <u>56,587,499</u>     | <u>53,824,689</u>     |
| <b>Total liabilities</b>                              | <u>65,125,248</u>     | <u>61,888,647</u>     |
| <b>Net Position</b>                                   |                       |                       |
| Net investment in capital assets                      | 106,107,048           | 105,934,322           |
| Restricted for capital purchases                      | 42,541                | 6,880,000             |
| Unrestricted  | (9,652,091)           | (9,045,957)           |
| <b>Total net position</b>                             | <u>96,497,498</u>     | <u>103,768,365</u>    |
| <b>Total liabilities and net position</b>             | <u>\$ 161,622,746</u> | <u>\$ 165,657,012</u> |

See accompanying notes.



# STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

| For the years ended March 31,                              | 2015                 | 2014                  |
|--|----------------------|-----------------------|
| <b>Operating revenues:</b>                                 |                      |                       |
| Passenger fares  | \$ 17,325,473        | \$ 16,569,733         |
| Access Transit   | 332,156              | 389,194               |
| Advertising  | 650,733              | 606,654               |
| Rail station parking and rentals                           | 3,253,626            | 3,180,454             |
| <b>Total operating revenues</b>                            | <b>21,561,988</b>    | <b>20,746,035</b>     |
| <b>Operating expenses:</b>                                 |                      |                       |
| Salaries and wages   | 36,484,155           | 35,834,195            |
| Payroll taxes and employee benefits                        | 11,997,659           | 11,766,652            |
| Pension costs  | 2,947,048            | 2,933,299             |
| Other postemployment benefits                              | 5,671,146            | 6,811,540             |
| Maintenance  | 7,103,138            | 6,757,724             |
| Transportation   | 12,140,861           | 13,486,839            |
| Ridership information                                      | 743,113              | 839,873               |
| Administration and general                                 | 4,010,286            | 2,254,371             |
| Insurance, claims and settlements                          | 736,420              | 266,309               |
| Utilities  | 939,093              | 1,157,267             |
| <b>Total operating expenses before depreciation</b>        | <b>82,772,919</b>    | <b>82,108,069</b>     |
| <b>Operating loss before depreciation</b>                  | <b>(61,210,931)</b>  | <b>(61,362,034)</b>   |
| Depreciation   | (12,917,574)         | (12,352,626)          |
| <b>Operating loss</b>                                      | <b>(74,128,505)</b>  | <b>(73,714,660)</b>   |
| <b>Non-operating revenues (expenses):</b>                  |                      |                       |
| Federal operating assistance                               | 15,762,159           | 12,042,581            |
| State and local government funding                         | 37,498,420           | 35,278,731            |
| Mortgage recording tax                                     | 9,675,039            | 9,995,975             |
| Investment income (loss)                                   | 320,424              | (24,532)              |
| Other non-operating revenues (expenses), net               | (1,227,396)          | 3,889                 |
| <b>Total non-operating net revenues</b>                    | <b>62,028,646</b>    | <b>57,296,644</b>     |
| <b>Change in net position before capital contributions</b> | <b>(12,099,859)</b>  | <b>(16,418,016)</b>   |
| Capital contributions                                      | 4,828,992            | 10,278,590            |
| <b>Change in net position</b>                              | <b>(7,270,867)</b>   | <b>(6,139,426)</b>    |
| <b>Net position - beginning of year</b>                    | <b>103,768,365</b>   | <b>109,907,791</b>    |
| <b>Net position - end of year</b>                          | <b>\$ 96,497,498</b> | <b>\$ 103,768,365</b> |

See accompanying notes.

## STATEMENTS OF CASH FLOWS

For the years ended March 31,

2015

2014

### Operating activities:

|   |                     |                     |
|---|---------------------|---------------------|
| Cash received from passengers                     | \$ 17,428,123       | \$ 17,015,692       |
| Cash payments to suppliers for goods and services | (25,541,113)        | (25,427,793)        |
| Cash payments to employees for salaries and wages | (53,109,696)        | (52,166,135)        |
| Other operating revenues received                 | 4,236,515           | 4,176,302           |
| <b>Net operating activities</b>                   | <b>(56,986,171)</b> | <b>(56,401,934)</b> |

### Non-capital financing activities:

|  |                   |                   |
|--|-------------------|-------------------|
| Operating assistance, governmental funding and mortgage recording tax received | 59,496,614        | 60,365,809        |
| Other non-operating revenues received  | 142,697           | 159,280           |
| Advances received  | 85,308            | 431,531           |
| <b>Net non-capital financing activities</b>                                    | <b>59,724,619</b> | <b>60,956,620</b> |

### Capital and related financing activities:

|   |                    |                  |
|---|--------------------|------------------|
| Proceeds from sales of capital assets               | 57,955             | 75,314           |
| Acquisition of capital assets                       | (12,818,351)       | (12,831,588)     |
| Payments for interest                               | (323,118)          | (201,437)        |
| Capital contributed under grants                    | 4,828,992          | 10,278,590       |
| Proceeds (payments) on capital lease obligations    | (1,376,879)        | 6,177,295        |
| <b>Net capital and related financing activities</b> | <b>(9,631,401)</b> | <b>3,498,174</b> |

### Investing activities:

|   |                  |                  |
|---|------------------|------------------|
| Interest received on investments                  | 416,990          | 431,986          |
| Proceeds from sales and maturities of investments | 16,116,991       | 18,642,477       |
| Purchases of investments                          | (15,529,604)     | (17,260,630)     |
| <b>Net investing activities</b>                   | <b>1,004,377</b> | <b>1,813,833</b> |

### Net change in cash

(5,888,576) 9,866,693

Cash - beginning of year

15,913,229 6,046,536

Cash - end of year

\$ 10,024,653 \$ 15,913,229

### Reconciliation of operating loss to net cash used for operating activities:

|  |                 |                 |
|--|-----------------|-----------------|
| Operating loss   | \$ (74,128,505) | \$ (73,714,660) |
| Adjustments to reconcile operating loss to net cash used for operating activities: |                 |                 |
| Depreciation   | 12,917,574      | 12,352,626      |
| Other postemployment benefits  | 3,990,312       | 5,179,551       |
| Changes in assets and liabilities:   |                 |                 |
| Trade and other receivables  | 24,989          | 314,424         |
| Materials, parts and supplies  | (364,913)       | (652,943)       |
| Prepaid expenses   | (48,796)        | (16,518)        |
| Accounts payable and accrued expenses  | 375,007         | 63,351          |
| Unearned passenger revenue   | 77,661          | 131,535         |
| Estimated provision for claims and settlements                                     | 170,500         | (59,300)        |

### Net cash used for operating activities

\$ (56,986,171) \$ (56,401,934)

See accompanying notes.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 1: FINANCIAL REPORTING ENTITY

The Capital District Transportation Authority (the Authority) is a public benefit corporation created by New York State (the State), effective August 1, 1970, under Chapters 460 and 461 of the Laws of 1970 (the Law). The purposes of the Authority, as defined by legislation, are “the continuance, further development and improvement of transportation and other services related thereto, within the Capital District, by railroad, omnibus, marine and air, in accordance with the provisions of the Law.” The Law conveys broad powers to the Authority to fulfill its purposes in Albany, Schenectady, Rensselaer and Saratoga Counties in the State, with a provision for other counties to elect to participate. The properties and income of the Authority are exempt from all Federal and State income and franchise taxes under the provisions of the enabling legislation.

The Authority follows the requirements of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, as well as GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 14, *The Financial Reporting Entity*, which provide guidance to determine whether an affiliated organization is considered a component unit of a financial reporting entity. The Authority is included in the basic financial statements of the State as an enterprise fund.

The Authority’s financial statements include, as blended component units, three public benefit corporations which have been created as operating subsidiaries of the Authority to provide mass transit omnibus operations in the counties of Albany, Schenectady, Rensselaer and Saratoga:

- Capital District Transit System, which acquired the assets and liabilities of the former Schenectady Transit System in 1971.
- Capital District Transportation System Number One, which purchased certain assets of the United Traction Company from Albany County in August 1972.
- Capital District Transportation System Number Two, which provides rural bus service in the counties of Rensselaer and Saratoga and certain demand response (handicapped) services in the cities of Albany, Troy and Schenectady. In April 2003, this entity also commenced operating a Northway commuter bus service that was previously operated by Saratoga County.

The Authority’s financial statements also include as blended component units the accounts of the following two public benefit corporations which were created as subsidiaries of the Authority to provide other transportation related services:

- Access Transit Services, Inc. (Access), incorporated in November 1997, which provides Medicaid transportation services to qualifying individuals in Schenectady and Rensselaer Counties.
- CDTA Facilities, Inc., incorporated in September 2002, which owns and operates the Rensselaer Rail Station and Saratoga Rail Station.



## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The financial statements of the Authority are prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as applicable accounting and financial reporting guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

### Measurement Focus

The Authority reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The Authority'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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

The Authority's policy for defining operating activities in the statements of revenues, expenses and changes in net position are those that generally result from exchange transactions such as payments received for services and payments made to purchase those goods or services. Certain other transactions are reported as non-operating activities and include government funding and investment income.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

### Restricted Cash

Restricted cash held in a custodian account in a financial institution consists of unexpended proceeds from a municipal lease arrangement to purchase transit vehicles (Note 5). The Authority's policy is to use restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

### Investments

The Authority's investment policies comply with the State Comptroller's guidelines for Public Authorities. Investments consist primarily of government obligations, stated at market value. Securities are held by pledging institutions' agents in the Authority's name.

### Materials, Parts and Supplies

Materials, parts and supplies are stated at average cost, net of an allowance for obsolescence of \$350,000 at March 31, 2015 and 2014.

To reduce its exposure to rising fuel costs, the Authority has entered into contracts that fix the prices of 168,000 gallons per month of certain vehicle fuels purchased from May 2015 through May 2016, and May 2016 through May 2017. It is probable the Authority will take delivery of the fuel as specified and, therefore, the contract is considered a normal purchase contract and not subject to the requirements of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on outstanding balances, and consist primarily of amounts due from services provided related to the Authority’s operations and advertising. Management provides for probable uncollectible amounts based on collection history and aging of accounts. Balances outstanding after reasonable collection efforts are written off through a charge to allowance for bad debts and a credit to accounts receivable.

Capital Assets

Capital assets are reported at actual historical cost. For assets placed in service, depreciation is calculated over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

|                                | Capitalization<br>Policy | Estimated<br>Useful Life |
|--------------------------------|--------------------------|--------------------------|
| Buildings and improvements     | \$5,000                  | 10-40 years              |
| Revenue equipment              | \$5,000                  | 4-12 years               |
| Service equipment and vehicles | \$5,000                  | 3-7 years                |
| Furniture and equipment        | \$5,000                  | 5-7 years                |

Compensated Absences

The Authority provides for vacation, sick and compensatory time that is attributable to services already rendered. The liabilities are recorded based on employees’ rates of pay as of the end of the fiscal year, and include all payroll related liabilities. In the event of a voluntary termination, an employee is reimbursed for accumulated vacation days up to a stated maximum. In addition, upon retirement, union represented employees are reimbursed for sixty percent of all accumulated sick days, up to a stated maximum, as specified in contractual agreements.

## Net Position

- Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of the assets.
- Restricted* – consists of assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets whose use is constrained to a particular purpose. Restrictions are imposed by external organizations or federal or state laws.
- Unrestricted* – amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of the above restrictions and are available for general use of the Authority.

## Operating Revenues

The Authority derives passenger revenues from farebox rider payments and the advance sale of transit passes. Amounts received from these advance sales are credited to unearned revenue at the time of sale. As passes are redeemed, passenger revenue is recognized. Unearned passenger revenue represents the face value of unexpired transit passes at year end. Access revenues are primarily comprised of revenues earned from facilitating transportation services for Medicaid qualified individuals. Rail station parking and rental revenues are comprised of parking receipts and rentals earned at the Authority's Rensselaer and Saratoga Rail Stations.

## Operating Assistance and Capital Contributions

The Authority receives operating assistance and capital contributions pursuant to various federal, state, and local government contracts and grant agreements. Operating assistance and capital contributions are recorded as revenue based on annual appropriations or when expenditures have been incurred in compliance with grant agreements. Operating assistance and capital contributions represent 65% of total revenue for the years ended March 31, 2015 and 2014. A significant decrease in this funding may negatively impact future operations.

## NOTE 3: CASH AND INVESTMENTS

The Authority has a written investment policy that applies to all its investments. The policy allows for the following investments:

- Certificates of Deposit in banks doing business in the State which are also members of the Federal Deposit Insurance Corporation (FDIC)
- Deposits in money market accounts in banks specified above
- Money market funds that invest exclusively in obligations of the United States Government or one of its agencies
- Obligations of the State, the United States Government or Agencies of the United States Government, or obligations guaranteed as to principal and interest by one of these entities





The amount of investments by type and maturities at March 31, 2015 and 2014 are presented below:

| March 31, 2015          |             |                      |               |                       |                      |             |
|-------------------------|-------------|----------------------|---------------|-----------------------|----------------------|-------------|
| Investment type         | Rates       | Fair value           | % of total    | Maturities (in Years) |                      |             |
|                         |             |                      |               | Less than 1           | 1-5                  | 5-9         |
| Certificates of Deposit | .3 - 1.8%   | \$ 7,875,999         | 36.4%         | \$ 1,484,405          | \$ 6,391,594         | \$ -        |
| U.S. Treasury notes     | 0 - 0.38%   | 4,248,981            | 19.6%         | 3,524,301             | 724,680              | -           |
| Federal Agency notes    | 0.38 - 5.5% | 9,383,148            | 43.3%         | 944,844               | 8,438,304            | -           |
| Money market funds      | 0.01%       | 153,686              | 0.7%          | 153,686               | -                    | -           |
|                         |             | <u>\$ 21,661,814</u> | <u>100.0%</u> | <u>\$ 6,107,236</u>   | <u>\$ 15,554,578</u> | <u>\$ -</u> |

| March 31, 2014          |            |                      |               |                       |                      |             |
|-------------------------|------------|----------------------|---------------|-----------------------|----------------------|-------------|
| Investment type         | Rates      | Fair value           | % of total    | Maturities (in Years) |                      |             |
|                         |            |                      |               | Less than 1           | 1-5                  | 5-9         |
| Certificates of Deposit | .2 - 2.7%  | \$ 9,540,282         | 42.7%         | \$ 7,825,513          | \$ 1,714,769         | \$ -        |
| Federal Agency notes    | .25 - 5.5% | 12,686,788           | 56.8%         | 3,437,006             | 9,249,782            | -           |
| Money market funds      | 0.01%      | 118,697              | 0.5%          | 118,697               | -                    | -           |
|                         |            | <u>\$ 22,345,767</u> | <u>100.0%</u> | <u>\$ 11,381,216</u>  | <u>\$ 10,964,551</u> | <u>\$ -</u> |

The Authority limits its investments to those investment banks, firms and brokers who have been in business for over five years and have invested over \$500 million in assets for their clients at the time of any investment made by the Authority.

Investments are designated for the following purposes:

|                                      | 2015                 | 2014                 |
|--------------------------------------|----------------------|----------------------|
| Operating                            | \$ 3,862,790         | \$ 4,795,214         |
| Vehicle replacement                  | 2,263,778            | 2,270,163            |
| Capital projects and local match     | 1,230,999            | 1,291,388            |
| Risk retention                       | 5,888,173            | 5,777,343            |
| Workers' compensation self-insurance | 8,416,074            | 8,211,659            |
| Total investments                    | <u>\$ 21,661,814</u> | <u>\$ 22,345,767</u> |

- Operating: funds for future operating contingencies
- Vehicle replacement: funds for the future replacement of vehicles
- Capital projects and local match: funds to pay for future capital projects and provide the local share to match anticipated funding from federal and state grant funds
- Risk retention: funds to cover potential future self-insurance liability claims
- Workers' compensation self-insurance: funds to pay for future workers' compensation self-insurance claims and any retroactive premiums that come due on previous workers' compensation plans maintained with an insurance carrier

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of March 31, 2015 and 2014, none of the Authority's bank deposits were exposed to custodial credit risk.

## NOTE 4: CAPITAL ASSETS

|                                       | April 1,<br>2014 | Additions    | Reclassifications<br>and Disposals | March 31,<br>2015 |
|---------------------------------------|------------------|--------------|------------------------------------|-------------------|
| Non-depreciable capital assets:       |                  |              |                                    |                   |
| Land and improvements                 | \$ 1,529,981     | \$ -         | \$ -                               | \$ 1,529,981      |
| Construction-in-progress              | 2,251,003        | -            | (1,091,709)                        | 1,159,294         |
| Total non-depreciable capital assets  | 3,780,984        | -            | (1,091,709)                        | 2,689,275         |
| Depreciable capital assets:           |                  |              |                                    |                   |
| Buildings and improvements            | 92,934,923       | 1,251,329    | -                                  | 94,186,252        |
| Revenue equipment                     | 126,317,877      | 11,213,368   | (4,195,063)                        | 133,336,182       |
| Service equipment and vehicles        | 4,570,037        | -            | (92,760)                           | 4,477,277         |
| Furniture and equipment               | 16,916,468       | 353,654      | -                                  | 17,270,122        |
| Total depreciable capital assets      | 240,739,305      | 12,818,351   | (4,287,823)                        | 249,269,833       |
| Less accumulated depreciation:        |                  |              |                                    |                   |
| Buildings and improvements            | (38,109,498)     | (2,997,437)  | -                                  | (41,106,935)      |
| Revenue equipment                     | (71,923,228)     | (8,055,943)  | 4,181,842                          | (75,797,329)      |
| Service equipment and vehicles        | (3,415,349)      | (145,705)    | 92,760                             | (3,468,294)       |
| Furniture and equipment               | (11,663,275)     | (1,718,489)  | -                                  | (13,381,764)      |
| Total accumulated depreciation        | (125,111,350)    | (12,917,574) | 4,274,602                          | (133,754,322)     |
| Total depreciable capital assets, net | 115,627,955      | (99,223)     | (13,221)                           | 115,515,511       |
| Total capital assets, net             | \$ 119,408,939   | \$ (99,223)  | \$ (1,104,930)                     | \$ 118,204,786    |

|                                       | April 1,<br>2013 | Additions    | Reclassifications<br>and Disposals | March 31,<br>2014 |
|---------------------------------------|------------------|--------------|------------------------------------|-------------------|
| Non-depreciable capital assets:       |                  |              |                                    |                   |
| Land and improvements                 | \$ 1,529,981     | \$ -         | \$ -                               | \$ 1,529,981      |
| Construction-in-progress              | 2,239,962        | 11,041       | -                                  | 2,251,003         |
| Total non-depreciable capital assets  | 3,769,943        | 11,041       | -                                  | 3,780,984         |
| Depreciable capital assets:           |                  |              |                                    |                   |
| Buildings and improvements            | 90,672,624       | 2,262,299    | -                                  | 92,934,923        |
| Revenue equipment                     | 121,184,185      | 10,104,505   | (4,970,813)                        | 126,317,877       |
| Service equipment and vehicles        | 4,393,122        | 268,543      | (91,628)                           | 4,570,037         |
| Furniture and equipment               | 16,731,268       | 185,200      | -                                  | 16,916,468        |
| Total depreciable capital assets      | 232,981,199      | 12,820,547   | (5,062,441)                        | 240,739,305       |
| Less accumulated depreciation:        |                  |              |                                    |                   |
| Buildings and improvements            | (35,235,001)     | (2,874,497)  | -                                  | (38,109,498)      |
| Revenue equipment                     | (69,570,090)     | (7,294,683)  | 4,941,545                          | (71,923,228)      |
| Service equipment and vehicles        | (3,311,126)      | (195,851)    | 91,628                             | (3,415,349)       |
| Furniture and equipment               | (9,675,680)      | (1,987,595)  | -                                  | (11,663,275)      |
| Total accumulated depreciation        | (117,791,897)    | (12,352,626) | 5,033,173                          | (125,111,350)     |
| Total depreciable capital assets, net | 115,189,302      | 467,921      | (29,268)                           | 115,627,955       |
| Total capital assets, net             | \$ 118,959,245   | \$ 478,962   | \$ (29,268)                        | \$ 119,408,939    |

## NOTE 5: CAPITAL LEASE OBLIGATIONS

In 2014, the Authority entered into a \$6,900,000 Master Lease-Purchase agreement with a financial institution to acquire fifteen transit buses, the unexpended proceeds of which were held in restricted cash at March 31, 2015 and 2014 (Note 2). Lease payments of \$387,928, including interest at 2.33%, are due semi-annually from May 2014 through November 2023.

In 2011, the Authority entered into an \$8,000,000 Master Equipment Lease/Purchase agreement with a financial institution to acquire twenty-five transit buses. The lease agreement consists of a one-year original term with nine consecutive renewal options through November 15, 2021, and contains a \$1 purchase option, exercisable beginning November 2016. Lease payments of \$462,071, including interest at 2.83%, are due semi-annually from May 2012 through November 2021.

Required lease payments subsequent to March 31, 2015 are as follows:

| Years Ending<br>March 31, | Principal            | Interest            |
|---------------------------|----------------------|---------------------|
| 2016                      | \$ 1,398,003         | \$ 301,994          |
| 2017                      | 1,434,638            | 265,359             |
| 2018                      | 1,472,242            | 227,755             |
| 2019                      | 1,510,841            | 189,157             |
| 2020                      | 1,550,461            | 149,537             |
| 2021-2024                 | 4,731,553            | 220,153             |
|                           | <u>\$ 12,097,738</u> | <u>\$ 1,353,955</u> |



## NOTE 6: PUBLIC SUPPORT AND OPERATING ASSISTANCE

The Authority's operations are funded primarily by farebox revenues from passengers and operating subsidy payments from the Federal Transit Administration (FTA) under §5307 and §5309 of the Urban Mass Transportation Administration (UMTA) Act; Federal Department of Transportation; the State; and Albany, Rensselaer, Schenectady and Saratoga Counties.

In addition to FTA funding, other non-operating revenues include the gross receipts tax, which is imposed by the State on gas and oil companies and allocated to public transportation operators, and the mortgage recording tax, which is a tax imposed on substantially all mortgages granted within the Authority's Transportation District and collected by the various counties. Public support and operating assistance recognized for the years ended March 31, 2015 and 2014 were:

|                                     | 2015          | 2014          |
|-------------------------------------|---------------|---------------|
| FTA:                                |               |               |
| Operating assistance                | \$ 15,762,159 | \$ 12,042,581 |
| New York State:                     |               |               |
| Public transit operating assistance | 5,369,320     | 4,074,931     |
| Gross receipts tax                  | 30,212,100    | 29,286,800    |
| Total New York State                | 35,581,420    | 33,361,731    |
| Albany County:                      |               |               |
| Mortgage recording tax              | 3,382,987     | 3,427,728     |
| Operating assistance                | 1,075,437     | 1,075,437     |
| Total Albany County                 | 4,458,424     | 4,503,165     |
| Rensselaer County:                  |               |               |
| Mortgage recording tax              | 1,161,731     | 1,399,186     |
| Operating assistance                | 446,661       | 446,661       |
| Total Rensselaer County             | 1,608,392     | 1,845,847     |
| Schenectady County:                 |               |               |
| Mortgage recording tax              | 1,055,150     | 1,192,652     |
| Operating assistance                | 316,305       | 316,305       |
| Total Schenectady County            | 1,371,455     | 1,508,957     |
| Saratoga County:                    |               |               |
| Mortgage recording tax              | 4,075,171     | 3,976,409     |
| Operating assistance                | 78,597        | 78,597        |
| Total Saratoga County               | 4,153,768     | 4,055,006     |
|                                     | \$ 62,935,618 | \$ 57,317,287 |

## **NOTE 7: ADVANCES TO CAPITAL DISTRICT TRANSPORTATION COMMITTEE**

In accordance with an agreement between the Authority and the New York State Department of Transportation, the Authority functions as the “host agency” for the Capital District Transportation Committee (CDTC). As designated by this agreement, CDTC is the Capital District Regional Transportation Metropolitan Planning Organization and, as such, is the recipient of various Federal and State funded grants relating to regional transportation planning. The Committee’s board is composed of elected and appointed officials from each of the four counties; from each of the eight cities in the four counties; from the New York State Department of Transportation; the Authority; the Capital District Regional Planning Commission; and a member representing the area’s towns and villages. The Authority has no budgetary oversight and no responsibility for CDTC’s deficits or debts. The Authority’s financial statements do not include the assets, liabilities, revenues or expenses of CDTC.

The Authority’s agreement with CDTC provides that the Authority assume certain responsibilities relating to grant management and accounting functions. Additionally, the Authority advances CDTC periodic working capital funds. Such advances, which do not bear interest, total \$711,107 and \$796,415 at March 31, 2015 and 2014.

## **NOTE 8: POSTEMPLOYMENT HEALTHCARE BENEFITS**

The Authority provides postemployment healthcare benefits for retirees meeting eligibility requirements based on date of hire, attainment of retirement age, and years of service. Benefits are provided in the form of insurance premium payments for coverage of eligible retirees and spouses. Employees retiring on or after January 1, 2007 contribute 10-15% of premiums, while employees retiring prior to January 1, 2007 are provided full coverage. Surviving spouses are entitled to continue coverage by paying 100% of the premiums. Benefit provisions and retiree contribution rates are determined through negotiations between the Authority and its employees or the collective bargaining units that represent its employees. The plan does not issue a publicly available financial report.

GASB Statement No. 45 requires that the Authority recognize the cost of postemployment benefits during the periods when employees render the services that will ultimately entitle them to the benefits. This cost is referred to as the annual required contribution (ARC) and includes:

- Amortization of the unfunded actuarial accrued liability (UAAL) for the current year, which is the actuarially-determined, unfunded present value of all future OPEB costs associated with current employees and retirees as of the beginning of the year.
- Normal cost which is the actuarially-determined cost of future OPEB earned in the current year.

The ARC represents an amount that, if funded each year, would ultimately satisfy the UAAL at the end of the amortization period (the Authority is using the maximum period of 30 years) as well as each year’s normal cost during that timeframe. A liability is recognized to the extent that actual funding of the plan is less than the ARC. This liability is reflected on the balance sheets as other postemployment benefits. The Authority’s Board of Directors has the authority to establish a

funding policy for the plan. The current policy is to fund the plan to the extent of premium payments and reimbursements on a pay-as-you-go basis. The following table summarizes the Authority's ARC, the amount actually contributed, and changes in the Authority's net OPEB obligation for the years ended March 31, 2015 and 2014:

|   | 2015          | 2014          |
|---|---------------|---------------|
| Annual required contribution            |               |               |
| Normal cost                             | \$ 2,868,781  | \$ 3,316,472  |
| Amortization of UAAL                    | 3,382,363     | 3,982,714     |
| Annual required contribution            | 6,251,144     | 7,299,186     |
| Interest on OPEB obligation             | 1,301,166     | 1,093,984     |
| ARC adjustment                          | (1,881,164)   | (1,581,630)   |
| Annual OPEB cost                        | 5,671,146     | 6,811,540     |
| Contributions made                      | (1,680,834)   | (1,631,989)   |
| Increase in net OPEB obligation         | 3,990,312     | 5,179,551     |
| Net OPEB obligation - beginning of year | 32,529,152    | 27,349,601    |
| Net OPEB obligation - end of year       | \$ 36,519,464 | \$ 32,529,152 |

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous three years were as follows:

| Year Ended<br>March 31, | OPEB<br>Cost | OPEB Cost<br>Contributed | OPEB<br>Obligation |
|-------------------------|--------------|--------------------------|--------------------|
| 2015                    | \$ 5,671,146 | 29.6%                    | \$ 36,519,464      |
| 2014                    | \$ 6,811,540 | 24.0%                    | \$ 32,529,152      |
| 2013                    | \$ 6,444,593 | 25.2%                    | \$ 27,349,601      |

As of April 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$70,561,109, all of which is unfunded. The annual payroll of employees covered by the Plan was \$36,510,733, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 193%.

The actuarial valuation involves estimates of costs and the impact of events far into the future. Examples include employee turnover and retirement rates, employee and retiree mortality, and changes in healthcare costs and interest rates. The benefits will be subject to routine actuarial valuations in future years and these analyses will reflect revised estimates and assumptions as actual results are compared to past projections and expectations of the future. Similarly, the April 1, 2014 and 2013 valuations reflected benefits and cost sharing in effect at the time. Any changes in these factors will impact the results of future valuations.



The actuarial calculations reflect a long-term perspective and utilize techniques designed to reduce short-term volatility in actuarial accrued liabilities. A summary of the methods and assumptions is provided below:

- Healthcare cost trend: 6.0% - 8.0% next year, ultimately declining to 3.886% in 2076
- Actuarial cost method: Projected unit credit
- Amortization method: 30 years, open, level dollar
- Discount rate: 4.0%
- Mortality: The sex-distinct RP-2014 Blue Collar Mortality Table
- Turnover: Rates of turnover are based on the experience under the New York State Employees' Retirement System (ERS)
- Retirement incidence: Rates of retirement are based on the experience under ERS
- Election percentage: It was assumed that 100% of future retirees eligible for coverage will elect postemployment healthcare benefits. Future retirees were assumed to elect coverage in medical plans at the following rates: CDPHP plan - 60%; MVP plan - 15%; Empire Plan - 25%
- Spousal coverage: 40% of future retirees are assumed to elect spousal coverage upon retirement, 30% of surviving spouses are assumed to continue coverage
- Per capita costs: All retiree plans are offered through the New York State Health Insurance Program (NYSHIP) Empire Plan

## NOTE 9: RETIREMENT PLANS

### Employees of the Authority

The Authority participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing, multiple-employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the New York State and Local Retirement Systems - Employees' Retirement System, 110 State Street, Albany, New York, 12244 or on the internet at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

No employee contribution is required for those hired prior to July 27, 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined on or after July 27, 1976 through December 31, 2009. Participants hired on or after January 1, 2010 and before April 1, 2012 contribute 3% of their gross salary during the length of employment. Contribution rates for participants hired on or after April 1, 2012 are based on annual wages and range from 3% to 6% annually. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by employers to the pension accumulation fund.

The required contributions and rates over the past three years were:

| Year | Contribution |           | Contribution  |
|------|--------------|-----------|---------------|
|      |              |           | Rates         |
| 2015 | \$           | 1,102,050 | 10.9% - 20.3% |
| 2014 | \$           | 1,191,649 | 11.4% - 21.0% |
| 2013 | \$           | 1,109,237 | 10.1% - 18.6% |

The Authority's contributions made to ERS were equal to 100% of the amounts required for each year.

## Deferred Compensation

The Authority offers its employees participation in the Deferred Compensation Plan for Employees of the State (the Plan). The Plan, which is available to all Authority employees, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death or unforeseeable emergency. Plan assets and liabilities are not included in these financial statements.

## Employees of Operating Subsidiaries

Union employees of the Authority's operating subsidiaries (blended component units) are covered by various pension plans (the Plans) that are sponsored by unions that represent those operating subsidiary employees. The Authority contributes to the plans based on negotiated benefits determined under various union agreements. Under these negotiated benefits, all employees with 60 days of service are eligible to participate in the Plans. Both the Authority and its employees contribute on a weekly basis. The Authority's contributions to the Plans are included in amounts recorded for pension expense and amounted to \$2,090,865 and \$1,984,037 for the years ended March 31, 2015 and 2014. The Authority is not obligated to make any other payments to fund the benefits or to meet any expenses of administration, and in the event of termination, the Authority will have no obligation for further contributions to the plans. Therefore, net pension assets and liabilities of the plans are not recorded by the Authority.

## NOTE 10: COMMITMENTS AND CONTINGENCIES

### Risk Management

The Authority is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include economic conditions; collective bargaining disputes; federal, state and local government regulations; and changes in law.

The Authority is also exposed to various risks of loss related to torts; damage to, theft of and destruction of property; errors and omissions; and natural disasters. To limit its exposure, the Authority purchases a variety of insurance policies, subject to specific deductibles and coverage limits. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

## Self-Insured Claims

The Authority assumes liability for personal injury and property damage claims up to \$2 million per occurrence and workers' compensation claims up to \$700,000 per occurrence. The Authority has excess insurance from commercial insurers to cover claims made in excess of these amounts, subject to a general liability coverage limit of \$13 million per occurrence. Estimated liabilities for claims that are not covered by insurance have been reflected in the financial statements. Personal injury and property damage liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated by the Authority based on available information. Workers' compensation liabilities including an estimate of claims that have been incurred but not reported, are estimated based on an actuarial valuation dated May 13, 2015.

The Authority has designated risk reserves of \$14,304,247 and \$13,989,002 at March 31, 2015 and March 31, 2014 (Note 3). The Changes in the reported liabilities are as follows:

| Fiscal Year               | Liability at Beginning | Current Year Claims and Changes in Estimates | Claim Payments | Liability at End |
|---------------------------|------------------------|--|----------------|------------------|
| Workers' compensation     |                        |  |                |                  |
| 2015                      | \$ 8,253,700           | \$ 1,873,400                                 | \$ 1,872,600   | \$ 8,254,500     |
| 2014                      | \$ 8,058,600           | \$ 2,043,400                                 | \$ 1,848,300   | \$ 8,253,700     |
| Personal injury liability |                        |  |                |                  |
| 2015                      | \$ 944,100             | \$ 378,200                                   | \$ 208,500     | \$ 1,113,800     |
| 2014                      | \$ 1,198,500           | \$ (4,500)                                   | \$ 249,900     | \$ 944,100       |

## Grants

The Authority receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. Based on prior experience, Authority management expects any such amounts to be immaterial.

## Litigation

The Authority is involved in legal proceedings which, in the opinion of management, will not have a material adverse effect upon the financial position of the Authority.

## Commitments

In 2014, the Authority entered into a contract to purchase a new fare collection system totaling \$7.7 million, with options for additional purchases of \$1.9 million, of which \$4.1 million was expensed through 2015. The fare collection system is expected to be funded primarily with government grants.

During 2015, the Authority exercised its option to purchase twelve transit buses totaling \$5.7 million with delivery in 2016. Subsequent to March 31, 2015, the Authority exercised its option to purchase twelve transit buses totaling \$5.9 million for delivery in 2017.



## Commitments

In 2014, the Authority entered into a contract to purchase a new fare collection system totaling \$7.7 million, with options for additional purchases of \$1.9 million, of which \$4.1 million was expensed through 2015. The fare collection system is expected to be funded primarily with government grants.

During 2015, the Authority exercised its option to purchase twelve transit buses totaling \$5.7 million with delivery in 2016. Subsequent to March 31, 2015, the Authority exercised its option to purchase twelve transit buses totaling \$5.9 million for delivery in 2017.

## Required Supplementary Information (Unaudited)

### Schedule of Funding Progress for Other Postemployment Benefits

March 31, 2015

| Actuarial<br>Valuation<br>Date | Actuarial Value<br>of Assets | Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(UAAL) | Deficiency<br>of Assets over<br>UAAL | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|--------------------------------|------------------------------|---|--------------------------------------|-----------------|--------------------|--|
| 4/1/2010                       | \$ -                         | \$ 80,721,207   | \$ (80,721,207)                      | 0%              | \$ 33,160,008      | 243%   |
| 4/1/2012                       | \$ -                         | \$ 68,869,227   | \$ (68,869,227)                      | 0%              | \$ 34,835,644      | 198%   |
| 4/1/2014                       | \$ -                         | \$ 70,561,109   | \$ (70,561,109)                      | 0%              | \$ 36,510,733      | 193%   |

# INDEPENDENT AUDITORS' 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

The Board of Directors  
Capital District 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 balance sheet of Capital District Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of March 31, 2015, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2015.

## 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.

## 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 20, 2015

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors  
Capital District Transportation Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Capital District Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of March 31, 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated May 20, 2015.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended March 31, 2015. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.



May 20, 2015







