CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)

Financial Statements as of March 31, 2015 and 2014 Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE STATE OF NEW YORK)

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

June 19, 2015

To the Board of Directors of the
Central New York Regional Transportation
Authority and Subsidiaries:

Report on the Financial Statements
We have audited the accompanying consolidating financial statements of Central New York Regional Transportation Authority and Subsidiaries (the Authority), a discretely presented component unit of the State of New York, as of and for the year ended March 31, 2015, and the related notes to the consolidating financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidating 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 consolidating financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 consolidating financial statements.

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the respective financial position of Central New York Regional Transportation Authority and Subsidiaries as of March 31, 2015, and the respective changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements
The consolidating financial statements as of March 31, 2014 were audited by Testone, Marshall & Discenza, LLP, who merged with Bonadio & Co., LLP as of January 1, 2015, and whose report dated June 20, 2014, expressed an unmodified opinion on those statements.

Report on Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and Supplemental Schedule of Other Postemployment Benefits Plan Schedule of Funding Progress and Supplemental Schedule of Pension Plans Schedule of Funding Progress on pages 33 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of Central New York Regional Transportation Authority and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central New York Regional Transportation Authority and Subsidiaries' internal control over financial reporting and compliance.

Bonadio & Co., LLP

This management's discussion and analysis (MD&A) of the Central New York Regional Transportation Authority and Subsidiaries (the Authority) is intended to provide an overview of the consolidating financial statements of the Authority for the fiscal years ended March 31, 2015 and 2014. We encourage readers to consider the information presented here in conjunction with the Authority's consolidating financial statements which immediately follow this section.

Overview of the Consolidating Financial Statements

The consolidating financial statements of the Authority are prepared using the accrual basis of accounting, which requires that transactions are recorded when they occur, not when the related cash receipt or disbursement occurs. The basic financial statements consist of:

- Statements of Net Position (Deficit)
- Statements of Revenues, Expenses and Changes in Net Position (Deficit)
- Statements of Cash Flows

Statements of Net Position (Deficit) present information on the assets and liabilities, with the differences reflected as net position (deficit).

Statements of Revenues, Expenses and Changes in Net Position (Deficit) report the operating revenues and expenses, and non-operating revenues and expenses for the fiscal year with the difference being net income or loss. Net income or loss combined with transfer of funds determines the change in net position (deficit) for the fiscal year. That change, combined with the previous year's net position total, reconciles to the net position (deficit) total at the end of this fiscal year.

Statements of Cash Flows report the sources and uses of cash from operating, non-capital financing, capital and related financing and investing activities. The net result of these activities, added to the beginning of the year cash and cash equivalents balance, reconciles to the total cash and cash equivalents balance at the end of the fiscal year.

The consolidating financial statements also include notes that further explain certain information in the financial statements and provide more detailed data.

Financial Analysis

Summary of Net Position (Deficit)

	March 31 2015	March 31 2014
Assets:		
Current assets	$ 21,090,430	$ 19,274,423
Designated assets	-	99,156
Capital assets – net of accumulated depreciation	95,311,721	101,251,354
Total assets	$ 116,402,151	$ 120,624,933
Liabilities:		
Current liabilities	$ 9,033,784	$ 6,459,248
Long-term liabilities	103,922,463	93,208,023
Total liabilities	$ 112,956,247	$ 99,667,271
Net Position (Deficit):		
Unrestricted	(91,865,817)	(80,293,692)
Net investment in capital assets	95,311,721	101,251,354
Total net position (deficit)	3,445,904	20,957,662
Total liabilities and net position (deficit)	$ 116,402,151	$ 120,624,933

March 31, 2015 vs. March 31, 2014

The changes in total net position (deficit) over time serve as a useful indicator of the Authority's financial position. The Authority's assets exceeded liabilities by $3.4 million at March 31, 2015, which constitutes a $17.5 million decrease from March 31, 2014 due primarily to a net effect of $2 million increase in Grants Receivable, $5.9 million decrease in net capital assets and a $13.3 million increase in liabilities.

Current assets, comprised mainly of cash and cash equivalents, cash and cash equivalents - designated, accounts receivable, materials and supplies and prepaid expenses, increased approximately $1.8 million, or 9% due primarily to the increase in Grants receivable attributable to funds expended in March 2015 for a fare box replacement project in the amount of $1.5 million and an additional $1.3 million in operating assistance recorded in March 2015 to offset net losses.

Net capital assets decreased $5.9 million due to additions offset by disposals and related accumulated depreciation.

Current liabilities increased $2.6 million or 40% due to the increase of onetime accruals associated with the fare box project in the amount of $1.5 million and other various grant funded projects. Long term liabilities increased $10.7 million or 11% from 2014, primarily due to the liability for other postemployment benefits (OPEB) required to be accrued by *Governmental Accounting Standards Board Statement #45 (GASB 45)*. These postemployment benefits reflect the cost of current and future retiree health care. Although this is a significant increase in this expense, the rate of increase has slowed down over prior year when it increased by 16%. A change in benefits practice was implemented during fiscal year ended March 31, 2012 whereby newly hired employees would no longer be entitled to post-retirement health care, therefore it is anticipated that the OPEB accrual entry will begin to decline.

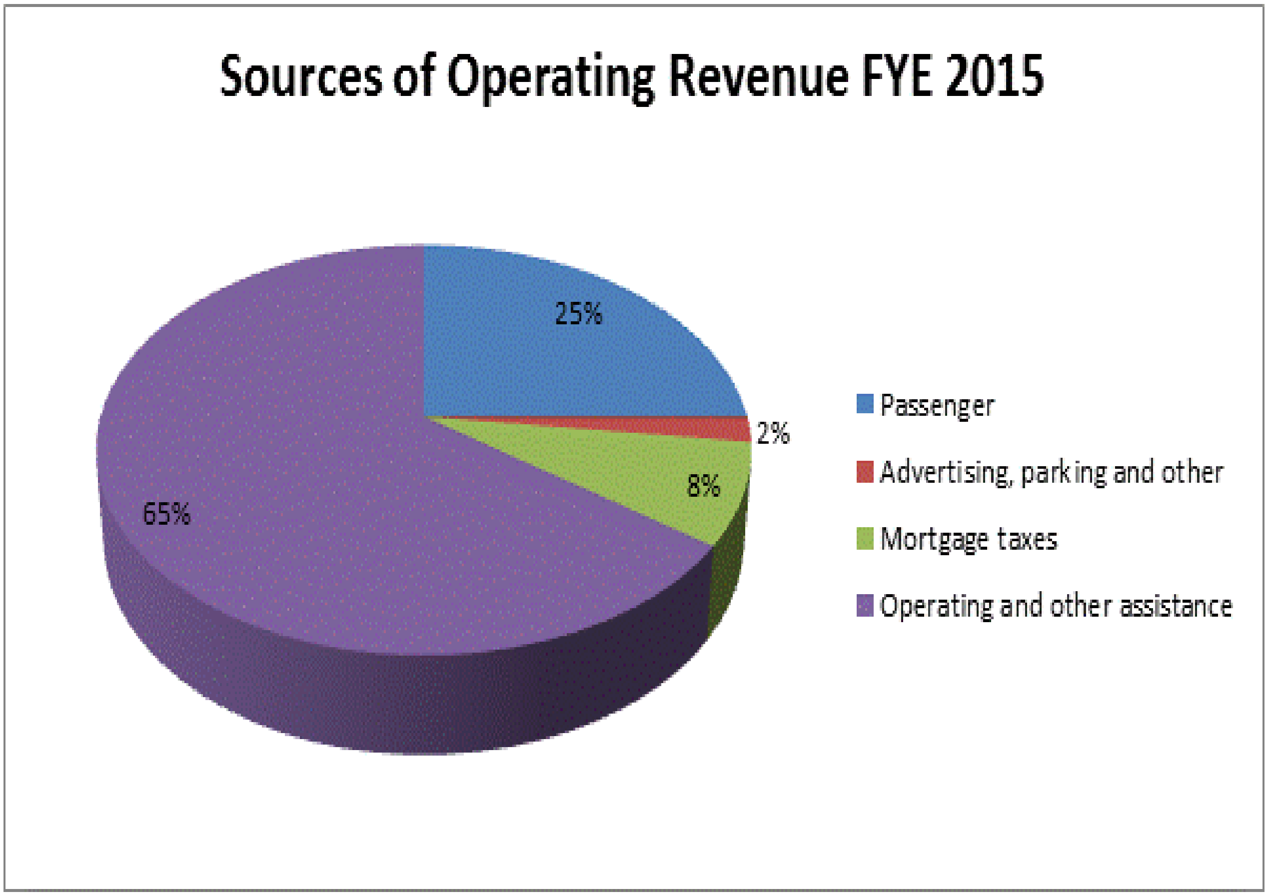
Summary of Revenues, Expenses and Changes in Net Position (Deficit)

	March 31	
	2015	2014
Operating Revenues:		
Passenger	$ 15,917,940	$ 15,423,942
Advertising, parking and other	1,140,174	1,565,217
Mortgage taxes	5,143,947	5,627,593
Operating and other assistance	42,302,932	38,920,042
Total operating revenues	64,504,993	61,536,794
Operating Expenses:		
Maintenance of equipment and facilities	13,475,957	12,406,003
Downtown transfer hubs	797,816	718,175
Fuel	2,837,000	3,223,765
Transportation	19,037,813	19,061,816
Purchased transportation	2,566,341	2,537,847
Marketing and public information	679,402	633,350
Human resources	396,197	456,465
Insurance and risk management	1,834,588	2,167,450
General administration	4,240,834	3,911,575
Employee benefits and payroll taxes	30,037,560	29,176,043
Depreciation expense	10,035,813	10,513,494
Total operating expenses	85,939,321	84,805,983
Operating loss	(21,434,328)	(23,269,189)
Non - Operating Revenues	3,922,570	5,177,223
Change in Net Position	(17,511,758)	(18,091,966)
Net Position - Beginning of Year	20,957,662	39,049,628
Net Position - End of Year	$ 3,445,904	$ 20,957,662

Summary of Revenues, Expenses and Changes in Net Position (Deficit) (Continued)

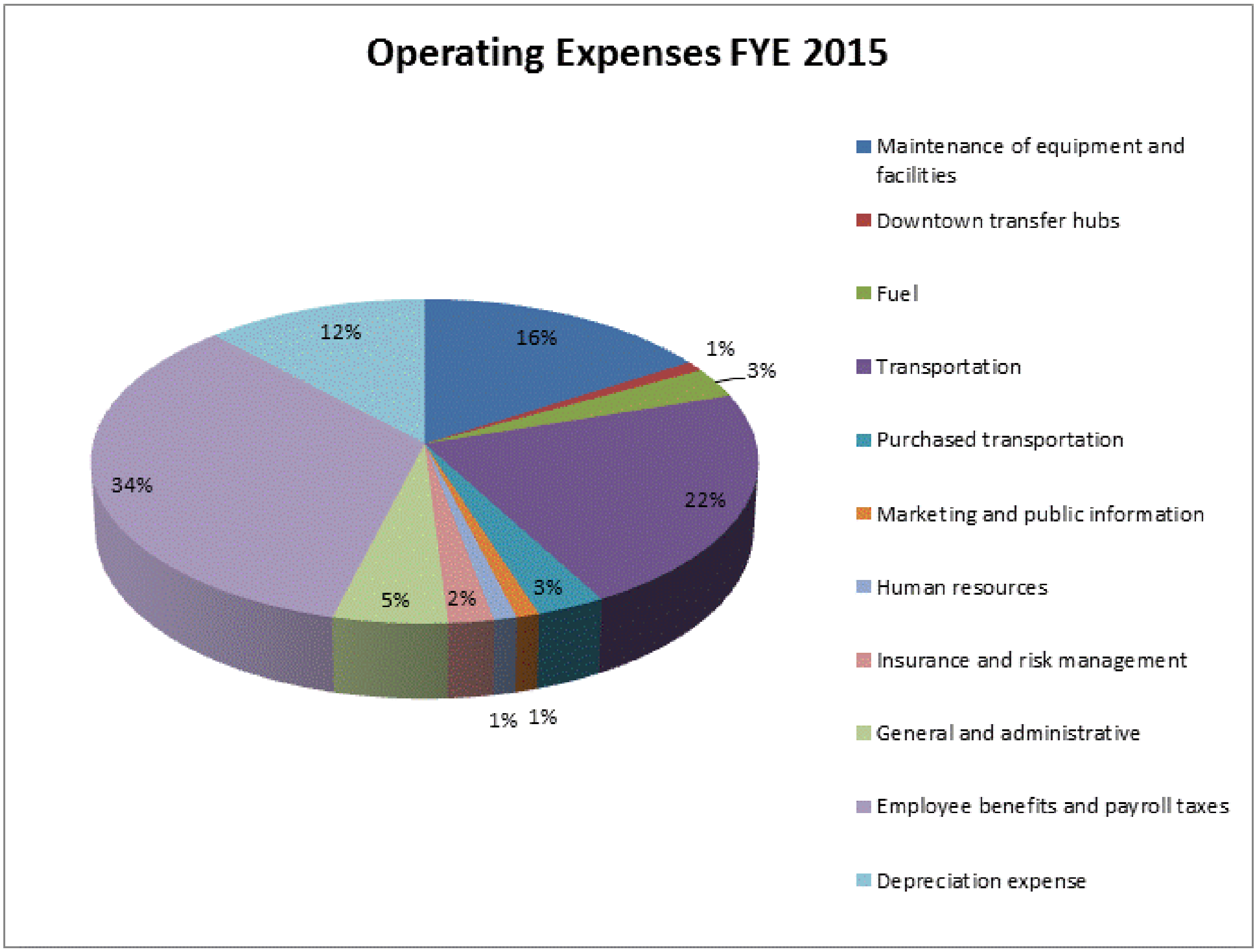
The Authority ended 2015 in a total net position of $3.4 million; a $17.5 million or 84% decrease over 2014.

Significant items affecting the revenues, expenses and changes in net position (deficit) are as follows:



Operating revenues increased approximately $3 million or 5% from $61.5 million in FYE 2014 to $64.5 million in FYE 2015. This is primarily attributable to additional funds drawn down from federal grants for preventive maintenance and operating assistance in the amount of $1,977,440 to offset the operating loss. While fare box revenues lagged slightly below prior year additional service provided under institutional transportation service contracts resulted in approximately $500,000 of additional revenue over prior year. Also contributing was a modest increase of $845,000 in State Operating Assistance. Additional reserves of $360,000 for doubtful trade accounts receivable and a decrease of $480,000 in mortgage recording tax were the two major negative impacts on revenue.

Summary of Revenues, Expenses and Changes in Net Position (Deficit) (Continued)



Operating expenses increased by $1.1 million or 1% from $84.8 million in FY 2014 to $85.9 million in FY 2015 due to the net effect of the following:

- Maintenance expense increased by approximately $1 million primarily due to repairs on buses no longer covered under warranty and cost of replacement parts increasing considerably in FY15. An adjustment for obsolete parts of $350,000 was also made in FY15.
- Fuel expense decreased approximately $387,000 due to a $386,250 CNG credit which was part of tax extenders legislation passed by Congress late in December 2014.
- Changes in reserves for claims will fluctuate year to year as certain cases develop and there were reductions of $423,000 in prior year claims reserves in FY15. Also claims paid activity for both current year and prior year claims was reduced compared to FY14 Risk.
- Workers Compensation increased $334,000, 16% over PY due to increased premiums from negative claims experience. Healthcare expenses increased over $2,100,000, 34% over PY, due to increases in the number of claims, expense per claim, and increases in prescription expense.
- Contributions paid for other postemployment benefits (OPEB) increased by $1.5 million or 59% in FY 2015, which is in line with the overall in healthcare cost.

Capital Assets

Capital contributions are received from the Federal Government, New York State and the Authority. The following is a schedule of the Authority's capital assets:

	March 31	
	2015	2014
Not being depreciated:		
Land	$ 5,002,337	$ 5,002,337
Construction in progress	6,039,381	2,961,669
Subtotal	11,041,718	7,964,006
Other capital assets:		
Improvements	2,986,821	2,986,821
Buildings	68,742,687	68,428,996
Revenue vehicles	85,891,111	86,528,371
Other equipment	14,315,350	19,200,968
Furniture and office equipment	6,061,437	5,980,003
Subtotal	177,997,406	183,125,159
Total capital assets	189,039,124	191,089,165
Less accumulated depreciation	(93,727,403)	(89,837,811)
Net capital assets	$ 95,311,721	$ 101,251,354

To help achieve its mission, the Authority is continually investing in its transit vehicles and other capital assets and has established two primary capital goals: (1) replacement of fleet and facilities at the end of their federally mandated minimum useful lives and (2) maintenance of all capital assets in a "state of good repair." Initiatives beyond these goals are undertaken on the basis of the public interest and the cost/benefit of the project.

Signature Projects FYE 2015

The hardware install for the CAD/AVL (Computer Aided Dispatch/Automated Vehicle Locator) project for the entire Fixed Route Fleet was completed in FY 2014. Voice communication is fully operational for all counties. Centro of Oneida has a fully implemented CAD/AVL system that went live in the city of Utica in September of 2013. Work continues into FY 2016 with a projected go live date of late FY 2016 for all other remaining operations.

Outlook for the Authority's future:

Statewide transit operating assistance (STOA) is the largest single source of funding for the Authority's Centro bus operations, constituting 46% of operating revenues. The FY 2015 enacted budget reflected a change in the NYS Finance Law to add another component named Upstate Additional Mass Transit Operating Assistance (MTOA) Aid. The significant difference with the Upstate Additional Aid mandated that this portion of aid would increase by the NYS sales tax growth factor. Unfortunately this legislation was reversed in the FY 2016 executive budget. In addition, the FY 2016 executive budget provided for no increase in STOA to Centro or to any of the other upstate transit authorities. The lack of any increase in STOA as well as a flat mortgage recording tax revenue projection proved devastating to Centro's FY 2016 preliminary budget.

Outlook for the Authority's future (Continued):

After weeks of negotiation between the Governor and the New York State Legislature, agreement was reached to increase the STOA allocation and to establish a new accelerated capital transit fund for upstate transit properties. Both these changes to the executive budget came at the last minute after Centro officials held six public hearings in four counties detailing significant potential service reductions affecting thousands of transit dependent citizens. Again, the unpredictability of New York State support for public transportation in upstate requires transit managers across the state to focus time and talent on managing annual emergent funding issues. Upstate transit systems continue to be burdened with unpredictable funding which impedes their ability to properly manage the systems and steward public funds appropriately beyond the next 12 month fiscal year window. Further, the lack of predictable growth in state dedicated funding does not allow Upstate transit systems to provide consistent transit service or plan for routine capital replacement.

However, we are seeing progress. Since June 1, 2015, legislation designed to develop more stable, predictable funding streams has been introduced in both houses of the New York State legislature. As discussed above, transit systems require revenue that grows with the level of service demanded by the public and with operating expenses required to provide the service. Despite implementing efficiencies, the cost to provide that transit service increases each year.

The legislation being introduced would rectify the long-standing structural imbalancing with upstate transit funding by providing a one-time increase in state aid and also provide for automatic annual increases at the same percentage as revenues provided to Downstate transit systems. Since Downstate transit systems currently benefit from several inflation-sensitive revenue sources that provide for annual growth in state aid, this legislation will provide upstate transit systems with a growth in state aid similar to Downstate transit systems. Passage of this legislation would significantly assist Upstate transit agencies in managing the growing demand on their systems and allow them to better plan for future needs.

Other revenue sources such as mortgage recording tax (MRT) and passenger fares continue to fluctuate. MRT, which has decreased every year since 2008/2009 and rebounded in FY 2013, grossly underperformed again in FY 2015. A significant factor in MRT decline is the exemptions granted by local Industrial Development Agency's (IDA's). IDA's often offer payment in lieu of taxes (PILOT) agreements which exempt payment of MRT. This equates to a loss of several hundred thousand dollars of revenue per year to Centro. The weak real estate sales market in Central New York combined with IDA's granting exemption from payment of MRT contributes to the unpredictability and difficulty in budgeting revenue.

In order to fund major bus and facility projects, much of Authority's regular federal program funding emanates from the formula capital funds made available through federal surface transportation legislation. Due to the nature of the federal process, the amount of future federal funding available to the Authority is challenging to predict. The current federal authorization legislation (MAP-21) expired September 30, 2014 and was extended first through May 31, 2015 and again through July 31, 2015 by continuing resolution. Congress has continually passed stopgap measures with this most recent extension being the 33rd temporary fix for transportation funding since 2008. This lack of desire by the Congress and President to negotiate a 6 year transportation bill has made it impossible for transportation agencies across the United States to plan on a stable stream of capital funding to purchase buses and to maintain or upgrade infrastructure. This compounds the problem with unpredictable insufficient operating funding at the state level.

Outlook for the Authority's future (Continued):

Following are allotment of funds included in the NYS FY 2015 budget:

Bond Act Funds (Authorized in 2005 to 2009 (five years)

In 2005 NYS enacted the Transportation Bond Act which included $50 million for non MTA transit systems to enhance public transportation services in communities outside the New York metropolitan area. Funding was originally restricted to cover the incremental additional cost of purchasing hybrid-electric, compressed natural gas, or other alternate fuel buses instead of traditional diesel technology, helping to expand the State's efforts to improve air quality.

In the NYS FY 2015 budget there were two separate allotments of funds. One allotment is for $10 million and one for $16.4 million.

The first allotment is a $10 million allocation for the fifth year of the Bond Act. This $10 million was never made available for distribution. These funds are now unrestricted and will be available for distribution <u>for capital projects</u> after an MOU is signed by the leadership of the Assembly and Senate and then by the Governor. The Assembly and Senate will each control distribution of $5m ($10m total) through a competitive process and determine which properties will be awarded the funds. Although the allocation of the $10 million has still **<u>not</u>** been determined and completed, the Authority continues to work with our respective Assembly and Senate members to secure funding for projects submitted.

The second allotment is $16.4 million which represents the collective unused portion of the Bond Act Funds over the first four years of the authorized period. Each upstate property has a set amount of funds available to them. The Authority amount of unused funds is $1.58 million for Onondaga County and $200,000 for Oneida County. We have received approved grant applications from NYSDOT, signed grant agreements are anticipated the fall of 2015.

$5 Million New York Works Funding

This allotment was available for distribution for capital projects though a discretionary process managed through the New York State Department of Transportation (NYSDOT) with representatives from the Governor's office participating in the process to select the recipients. The $5 million has been allocated with no opportunity for the Authority to compete for those funds

The GASB 45 OPEB liability does not require funding, and the Authority did not set aside such funding during the year. As anticipated the OPEB accrual entry has begun to decline as newly hired employees, both salaried and non-salaried, will no longer be entitled to participate with post-retirement health care, a change in benefits practice which occurred during the fiscal year ended March 31, 2012.

Copies of this report are located on www.centro.org.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF NET POSITION (DEFICIT)
MARCH 31, 2015 AND 2014

	Central New York Regional Transportation Authority		CNY Centro, Inc.		Centro of Oswego, Inc.	
	2015	2014	2015	2014	2015	2014
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 6,001,219	$ 5,264,484	$ 31,520	$ 77,981	$ 325	$ 325
Cash and cash equivalents - designated	3,746,961	3,625,000	-	-	-	-
Accounts receivable:						
Trade and other (net of allowance of $730,000 and $370,000 for 2015 and 2014, respectively)	905,523	825,191	1,217,554	1,280,308	66,184	20,216
Operating assistance	-	-	-	570,467	3,750	26,320
Grants	-	54,231	3,036,080	1,475,532	1,717	103,067
Materials and supplies	-	-	2,842,893	3,238,553	-	-
Prepaid expenses and other current assets	35,648	54,409	695,207	666,574	31,182	28,349
Total current assets	10,689,351	9,823,315	7,823,254	7,309,415	103,158	178,277
CASH AND CASH EQUIVALENTS - DESIGNATED	-	99,156	-	-	-	-
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	-	-	68,574,155	72,319,898	1,613,261	1,885,277
DUE FROM (TO) AFFILIATES, NET	1,360,428	1,090,805	1,993,180	638,487	159,482	33,764
Total assets	$ 12,049,779	$ 11,013,276	$ 78,390,589	$ 80,267,800	$ 1,875,901	$ 2,097,318
LIABILITIES AND NET POSITION (DEFICIT)						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 35,964	$ 72,768	$ 3,986,483	$ 1,847,529	$ 53,330	$ 22,638
Accrued salaries	32,556	20,860	503,214	504,419	35,970	35,566
Accrued liabilities and benefits	64,084	33,065	1,578,398	1,556,883	91,008	81,005
Estimated claims payable	-	-	831,400	831,400	28,436	28,436
Deferred compensation	121,961	-	-	-	-	-
Total current liabilities	254,565	126,693	6,899,495	4,740,231	208,744	167,645
OTHER POSTEMPLOYMENT BENEFITS	1,279,339	1,160,001	61,656,260	55,624,262	4,045,956	3,622,848
ESTIMATED CLAIMS PAYABLE	-	-	1,482,231	1,843,355	9,000	1,900
DEFERRED COMPENSATION	-	99,156	-	-	-	-
Total liabilities	1,533,904	1,385,850	70,037,986	62,207,848	4,263,700	3,792,393
NET POSITION (DEFICIT):						
Unrestricted	10,515,875	9,627,426	(60,221,552)	(54,259,946)	(4,001,060)	(3,580,352)
Net investment in capital assets	-	-	68,574,155	72,319,898	1,613,261	1,885,277
Total net position (deficit)	10,515,875	9,627,426	8,352,603	18,059,952	(2,387,799)	(1,695,075)
Total liabilities and net position (deficit)	$ 12,049,779	$ 11,013,276	$ 78,390,589	$ 80,267,800	$ 1,875,901	$ 2,097,318

Centro of Cayuga, Inc.		Centro Call-A-Bus, Inc.		Centro of Oneida, Inc.		Intermodal Transportation Center, Inc.		Consolidated	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
$ 350	$ 350	$ -	$ -	$ 3,262	$ 3,262	$ 2,438	$ 2,438	$ 6,039,114	$ 5,348,840
-	-	-	-	-	-	-	-	3,746,961	3,625,000
14,070	17,856	28,656	13,067	11,811	84,894	3,216	2,071	2,247,014	2,243,603
40,599	40,603	-	32,225	-	128,788	-	-	44,349	798,403
731	34,414	4,998	15,158	1,574,772	848,915	30,900	36,091	4,649,198	2,567,408
-	-	-	-	602,920	559,039	-	-	3,445,813	3,797,592
25,681	24,078	3,282	3,229	106,994	99,695	19,987	17,243	917,981	893,577
81,431	117,301	36,936	63,679	2,299,759	1,724,593	56,541	57,843	21,090,430	19,274,423
-	-	-	-	-	-	-	-	-	99,156
1,036,996	1,236,943	291,636	578,499	9,727,709	10,461,758	14,067,964	14,768,979	95,311,721	101,251,354
163,464	138,465	420,483	390,845	(2,691,685)	(832,589)	(1,405,352)	(1,459,777)	-	-
$ 1,281,891	$ 1,492,709	$ 749,055	$ 1,033,023	$ 9,335,783	$ 11,353,762	$ 12,719,153	$ 13,367,045	$ 116,402,151	$ 120,624,933
$ 44,565	$ 52,874	$ 305,716	$ 306,096	$ 455,646	$ 203,001	$ 82,491	$ 60,437	$ 4,964,195	$ 2,565,343
29,745	29,362	3,813	9,372	112,303	130,168	-	-	717,601	729,747
101,787	105,103	52,083	48,305	343,255	341,077	12,015	11,323	2,242,630	2,176,761
92,729	92,729	34,832	34,832					987,397	987,397
-	-	-	-	-	-	-	-	121,961	-
268,826	280,068	396,444	398,605	911,204	674,246	94,506	71,760	9,033,784	6,459,248
3,535,169	3,133,759	12,643,411	10,777,397	17,964,518	15,979,166	202,578	180,881	101,327,231	90,478,314
371	-	-	-	1,103,630	785,298	-	-	2,595,232	2,630,553
-	-	-	-	-	-	-	-	-	99,156
3,804,366	3,413,827	13,039,855	11,176,002	19,979,352	17,438,710	297,084	252,641	112,956,247	99,667,271
(3,559,471)	(3,158,061)	(12,582,436)	(10,721,478)	(20,371,278)	(16,546,706)	(1,645,895)	(1,654,575)	(91,865,817)	(80,293,692)
1,036,996	1,236,943	291,636	578,499	9,727,709	10,461,758	14,067,964	14,768,979	95,311,721	101,251,354
(2,522,475)	(1,921,118)	(12,290,800)	(10,142,979)	(10,643,569)	(6,084,948)	12,422,069	13,114,404	3,445,904	20,957,662
$ 1,281,891	$ 1,492,709	$ 749,055	$ 1,033,023	$ 9,335,783	$ 11,353,762	$ 12,719,153	$ 13,367,045	$ 116,402,151	$ 120,624,933

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	Central New York Regional Transportation Authority		CNY Centro, Inc.		Centro of Oswego, Inc.	
	2015	2014	2015	2014	2015	2014
OPERATING REVENUES:						
Passenger	$ -	$ -	$ 12,953,685	$ 12,620,462	$ 756,679	$ 568,636
Advertising, parking and other (net of bad debt allowance of $360,000 and $250,000 for 2015 and 2014, respectively)	315,487	316,140	(2,133)	412,916	353	189
Mortgage taxes	5,143,947	5,627,593	-	-	-	-
Operating and other assistance	-	-	26,071,404	22,717,755	2,233,746	1,812,396
Total operating revenues	5,459,434	5,943,733	39,022,956	35,751,133	2,990,778	2,381,221
OPERATING EXPENSES:						
Maintenance of equipment and facilities	-	-	8,593,119	7,993,890	713,891	654,830
Downtown transfer hubs	-	-	612,117	588,821	-	-
Fuel	-	-	915,007	1,153,534	390,620	409,059
Transportation	-	-	11,053,109	11,201,392	1,378,995	1,280,687
Purchased transportation	-	-	-	-	-	-
Marketing and public information	-	-	411,471	346,421	37,534	39,323
Human resources	-	-	196,132	258,216	23,083	21,737
Insurance and risk management	31,397	27,621	1,148,274	1,840,710	81,008	36,857
General and administrative	586,879	584,416	1,476,118	1,322,818	271,344	243,598
Employee benefits and payroll taxes	264,864	320,820	20,622,047	19,101,088	1,084,621	1,154,806
Depreciation expense	-	-	7,147,452	7,411,570	349,865	319,747
Total operating expenses	883,140	932,857	52,174,846	51,218,460	4,330,961	4,160,644
OPERATING INCOME (LOSS)	4,576,294	5,010,876	(13,151,890)	(15,467,327)	(1,340,183)	(1,779,423)
NON-OPERATING REVENUES:						
Grants received for capital additions	-	-	3,240,673	3,667,427	62,279	24,654
Gain on disposal of capital assets	-	-	17,142	17,201	2,400	-
Total non-operating revenues	-	-	3,257,815	3,684,628	64,679	24,654
NET INCOME (LOSS) BEFORE TRANSFERS	4,576,294	5,010,876	(9,894,075)	(11,782,699)	(1,275,504)	(1,754,769)
TRANSFER OF FUNDS:						
Transfer of funds - operating	(3,441,783)	(4,952,773)	-	1,271,062	567,210	1,015,882
Transfer of funds - capital	(246,062)	(459,099)	186,726	389,825	15,570	1,700
Total transfers	(3,687,845)	(5,411,872)	186,726	1,660,887	582,780	1,017,582
CHANGES IN NET POSITION	888,449	(400,996)	(9,707,349)	(10,121,812)	(692,724)	(737,187)
NET POSITION (DEFICIT) - BEGINNING OF YEAR	9,627,426	10,028,422	18,059,952	28,181,764	(1,695,075)	(957,888)
NET POSITION (DEFICIT) - END OF YEAR	$ 10,515,875	$ 9,627,426	$ 8,352,603	$ 18,059,952	$ (2,387,799)	$ (1,695,075)

Centro of Cayuga, Inc.		Centro Call-A-Bus, Inc.		Centro of Oneida, Inc.		Intermodal Transportation Center, Inc.		Consolidated	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
$ 415,198	$ 414,432	$ 566,933	$ 607,327	$ 1,225,445	$ 1,213,085	$ -	$ -	$ 15,917,940	$ 15,423,942
253	216	-	-	4,332	44,104	821,882	791,652	1,140,174	1,565,217
-	-	-	-	-	-	-	-	5,143,947	5,627,593
2,209,095	1,981,496	4,501,134	4,718,368	7,287,553	7,690,027	-	-	42,302,932	38,920,042
2,624,546	2,396,144	5,068,067	5,325,695	8,517,330	8,947,216	821,882	791,652	64,504,993	61,536,794
790,203	777,300	690,613	632,130	2,199,497	1,843,417	488,634	504,436	13,475,957	12,406,003
-	-	-	-	185,699	129,354	-	-	797,816	718,175
367,941	418,437	286,978	288,740	875,510	953,545	944	450	2,837,000	3,223,765
1,189,832	1,157,462	1,909,922	2,000,009	3,502,259	3,417,987	3,696	4,279	19,037,813	19,061,816
3,750	5,000	2,562,591	2,532,847	-	-	-	-	2,566,341	2,537,847
38,000	44,806	112,600	121,300	30,840	31,000	48,957	50,500	679,402	633,350
23,750	22,765	69,200	66,700	84,032	87,047	-	-	396,197	456,465
26,831	27,051	21,516	24,382	448,122	140,392	77,440	70,437	1,834,588	2,167,450
276,472	249,794	944,958	869,153	518,567	473,085	166,496	168,711	4,240,834	3,911,575
1,086,666	1,000,614	2,432,785	2,862,613	4,519,542	4,704,714	27,035	31,388	30,037,560	29,176,043
203,767	192,414	289,818	547,324	1,336,861	1,334,590	708,050	707,849	10,035,813	10,513,494
4,007,212	3,895,643	9,320,981	9,945,198	13,700,929	13,115,131	1,521,252	1,538,050	85,939,321	84,805,983
(1,382,666)	(1,499,499)	(4,252,914)	(4,619,503)	(5,183,599)	(4,167,915)	(699,370)	(746,398)	(21,434,328)	(23,269,189)
1,880	36,043	2,667	256,962	561,752	1,117,605	6,331	56,943	3,875,582	5,159,634
-	-	5,046	-	22,400	388	-	-	46,988	17,589
1,880	36,043	7,713	256,962	584,152	1,117,993	6,331	56,943	3,922,570	5,177,223
(1,380,786)	(1,463,456)	(4,245,201)	(4,362,541)	(4,599,447)	(3,049,922)	(693,039)	(689,455)	(17,511,758)	(18,091,966)
777,489	887,735	2,097,084	1,778,094	-	-	-	-	-	-
1,940	731	296	-	40,826	60,516	704	6,327	-	-
779,429	888,466	2,097,380	1,778,094	40,826	60,516	704	6,327	-	-
(601,357)	(574,990)	(2,147,821)	(2,584,447)	(4,558,621)	(2,989,406)	(692,335)	(683,128)	(17,511,758)	(18,091,966)
(1,921,118)	(1,346,128)	(10,142,979)	(7,558,532)	(6,084,948)	(3,095,542)	13,114,404	13,797,532	20,957,662	39,049,628
$ (2,522,475)	$ (1,921,118)	$ (12,290,800)	$ (10,142,979)	$ (10,643,569)	$ (6,084,948)	$ 12,422,069	$ 13,114,404	$ 3,445,904	$ 20,957,662

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	Central New York Regional Transportation Authority		CNY Centro, Inc.		Centro of Oswego, Inc.	
	2015	2014	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:						
Passenger receipts	$ -	$ -	$ 12,953,685	$ 12,620,462	$ 710,711	$ 557,157
Mortgage tax receipts	5,073,315	5,556,961	-	-	-	-
Operating assistance	-	-	26,641,871	22,198,988	2,256,316	1,973,726
Receipts from grants	54,231	7,982	-	-	101,350	190,893
Other operating receipts	305,787	345,054	60,621	-	353	189
Payments to vendors and suppliers	(276,367)	(232,211)	(2,978,918)	(4,584,971)	(1,368,625)	(1,410,965)
Payments and benefits to employees	(426,260)	(520,349)	(28,605,955)	(26,760,217)	(1,822,714)	(1,695,250)
Payments for insurance and risk management	(13,698)	(72,486)	(6,805,904)	(5,897,904)	(321,283)	(291,432)
Net cash from operating activities	4,717,008	5,084,951	1,265,400	(2,423,642)	(443,892)	(675,682)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating transfers	(3,711,406)	(6,172,945)	(1,354,693)	1,940,204	441,492	675,682
Net cash from noncapital financing activities	(3,711,406)	(6,172,945)	(1,354,693)	1,940,204	441,492	675,682
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from grants received for capital additions	-	-	3,240,673	3,667,427	62,279	24,654
Transfers in (out) - capital	(246,062)	(459,099)	186,726	389,825	15,570	1,700
Purchase of capital assets	-	-	(3,401,709)	(4,057,253)	(77,849)	(26,354)
Payments on long-term debt	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	17,142	17,201	2,400	-
Net cash from capital and related financing activities	(246,062)	(459,099)	42,832	17,200	2,400	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	759,540	(1,547,093)	(46,461)	(466,238)	-	-
BALANCES - beginning of year	8,988,640	10,535,733	77,981	544,219	325	325
BALANCES - end of year	$ 9,748,180	$ 8,988,640	$ 31,520	$ 77,981	$ 325	$ 325
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	$ 4,576,294	$ 5,010,876	$ (13,151,890)	$ (15,467,327)	$ (1,340,183)	$ (1,779,423)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	-	-	7,147,452	7,411,570	349,865	319,747
Bad debt	-	-	360,000	250,000		
Changes in operating assets and liabilities:						
Accounts receivable:						
Trade and other	(80,332)	(41,718)	(297,246)	(766,982)	(45,968)	(11,479)
Operating assistance	-	-	570,467	(518,767)	22,570	161,330
Grants	54,231	7,982	(1,560,548)	(246,903)	101,350	190,893
Materials and supplies	-	-	395,660	(296,637)	-	-
Prepaid expenses and other current assets	18,761	(36,678)	(28,633)	(68,449)	(2,833)	(18)
Accounts payable and accrued expenses	(36,804)	2,494	2,138,954	68,497	30,692	(16,362)
Other accrued expenses	42,715	(3,393)	20,310	189,939	10,407	18,214
Other postemployment benefits	119,338	123,338	6,031,998	6,783,586	423,108	444,016
Estimated claims payable	-	-	(361,124)	237,831	7,100	(2,600)
Deferred compensation	22,805	22,050	-	-	-	-
Total adjustments	140,714	74,075	14,417,290	13,043,685	896,291	1,103,741
Net cash from operating activities	$ 4,717,008	$ 5,084,951	$ 1,265,400	$ (2,423,642)	$ (443,892)	$ (675,682)

Centro of Cayuga, Inc.		Centro Call-A-Bus, Inc.		Centro of Oneida, Inc.		Intermodal Transportation Center, Inc.		Consolidated	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
$ 418,984	$ 403,180	$ 566,933	$ 607,327	$ 1,225,445	$ 1,213,085	$ -	$ -	$ 15,875,758	$ 15,401,211
-	-	-	-	-	-	-	-	5,073,315	5,556,961
2,209,099	2,099,693	4,533,359	4,686,143	7,416,341	7,561,239	-	-	43,056,986	38,519,789
33,683	307,227	10,160	309,738	-	-	5,191	143,222	204,615	959,062
253	216	-	-	77,415	1,545	820,737	791,022	1,265,166	1,138,026
(1,299,077)	(1,383,961)	(5,203,098)	(4,998,535)	(3,256,088)	(3,374,250)	(607,480)	(847,258)	(14,989,653)	(16,832,151)
(1,876,224)	(1,723,138)	(1,890,964)	(1,989,243)	(6,687,316)	(6,310,128)	(83,839)	(94,386)	(41,393,272)	(39,092,711)
(239,208)	(216,025)	(88,890)	(59,870)	(657,059)	(527,365)	(80,184)	(73,831)	(8,206,226)	(7,138,913)
(752,490)	(512,808)	(2,072,500)	(1,444,440)	(1,881,262)	(1,435,874)	54,425	(81,231)	886,689	(1,488,726)
752,490	512,808	2,067,446	1,444,440	1,859,096	1,521,365	(54,425)	78,446	-	-
752,490	512,808	2,067,446	1,444,440	1,859,096	1,521,365	(54,425)	78,446	-	-
1,880	36,043	2,667	256,962	561,752	1,117,605	6,331	56,943	3,875,582	5,159,634
1,940	731	296	-	40,826	60,516	704	6,327	-	-
(3,820)	(36,774)	(2,955)	(256,962)	(602,812)	(1,178,121)	(7,035)	(63,270)	(4,096,180)	(5,618,734)
-	-	-	-	-	(85,329)	-	-	-	(85,329)
-	-	5,046	-	22,400	388	-	-	46,988	17,589
-	-	5,054	-	22,166	(84,941)	-	-	(173,610)	(526,840)
-	-	-	-	-	550	-	(2,785)	713,079	(2,015,566)
350	350	-	-	3,262	2,712	2,438	5,223	9,072,996	11,088,562
$ 350	$ 350	$ -	$ -	$ 3,262	$ 3,262	$ 2,438	$ 2,438	$ 9,786,075	$ 9,072,996
$ (1,382,666)	$ (1,499,499)	$ (4,252,914)	$ (4,619,503)	$ (5,183,599)	$ (4,167,915)	$ (699,370)	$ (746,398)	$ (21,434,328)	$ (23,269,189)
203,767	192,414	289,818	547,324	1,336,861	1,334,590	708,050	707,849	10,035,813	10,513,494
		-	-	-	-	-	-	360,000	250,000
3,786	(11,252)	(15,589)	(975)	73,083	(42,559)	(1,145)	(630)	(363,411)	(875,595)
4	118,197	32,225	(32,225)	128,788	(128,788)	-	-	754,054	(400,253)
33,683	307,227	10,160	309,738	(725,857)	(399,810)	5,191	143,222	(2,081,790)	312,349
-	-	-	-	(43,881)	(92,606)	-	-	351,779	(389,243)
(1,603)	597	(53)	2,940	(7,299)	(2,142)	(2,744)	(3,394)	(24,404)	(107,144)
(8,309)	(56,873)	(380)	40,767	252,645	(252,661)	22,054	(210,087)	2,398,852	(424,225)
(2,933)	17,032	(1,781)	13,409	(15,687)	47,409	692	3,539	53,723	286,149
401,410	419,349	1,866,014	2,294,085	1,985,352	2,244,750	21,697	24,668	10,848,917	12,333,792
371	-	-	-	318,332	23,858	-	-	(35,321)	259,089
-	-	-	-	-	-	-	-	22,805	22,050
630,176	986,691	2,180,414	3,175,063	3,302,337	2,732,041	753,795	665,167	22,321,017	21,780,463
$ (752,490)	$ (512,808)	$ (2,072,500)	$ (1,444,440)	$ (1,881,262)	$ (1,435,874)	$ 54,425	$ (81,231)	$ 886,689	$ (1,488,726)

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

RECONCILIATION OF DESIGNATED AND UNRESTRICTED CASH AND CASH EQUIVALENTS TO TOTAL CASH AND CASH EQUIVALENTS

	Unrestricted	Current Designated	Non-current Designated	Total
March 31, 2015	$ 6,039,114	$ 3,746,961	$ -	$ 9,786,075
March 31, 2014	$ 5,348,840	$ 3,625,000	$ 99,156	$ 9,072,996

1. THE ORGANIZATION

The Central New York Regional Transportation Authority (the Authority or CNYRTA) was created in 1970 by an act of the New York State Legislature to provide for the continuance, further development and improvement of public transportation and other related services within Onondaga County. In ensuing years, Oswego, Cayuga and Oneida joined the Authority which is now Central New York Regional Transportation Authority and Subsidiaries. The Authority is considered a component unit of the State of New York.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statements

The consolidating financial statements include the accounts of the Authority and its public benefit subsidiary corporations, CNY Centro, Inc., Centro of Oswego, Inc., Centro of Cayuga, Inc., Centro of Oneida, Inc., Centro Call-A-Bus, Inc. and the Intermodal Transportation Center, Inc. CNY Centro, Inc., Centro of Oswego, Inc., Centro of Cayuga, Inc., Centro of Oneida, Inc. and Centro Call-A-Bus provide public bus transportation. Intermodal Transportation Center, Inc. owns and operates the William F. Walsh Regional Transportation Center, which serves as a hub for local and intercity bus and passenger rail transportation.

The accounts of the Authority include the activities of Centro Parking, Inc., a public benefit subsidiary corporation. Revenue and expenses for Centro Parking, Inc. are as follows:

	2015	2014
Parking revenues	$ 310,718	$ 305,045
Facility maintenance	(80,499)	(81,337)
General and administrative	(35,269)	(34,965)
Net income	$ 194,950	$ 188,743
Assets	$ 2,792,789	$ 2,593,424
Liabilities	$ 249,143	$ 244,727

Measurement Focus and Basis of Accounting

The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board. The Authority operates as a proprietary fund and utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used. Fund equity is classified as net position (deficit).

Cash and Cash Equivalents

Cash equivalents include money market accounts and all highly liquid investments with a maturity of three months or less when purchased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consist primarily of amounts due from customers for services provided and for advertising. Management records an allowance for doubtful accounts based on past collection experience and an analysis of outstanding amounts. When appropriate collection efforts are exhausted, the account is written off. Management has established an allowance for doubtful accounts for the years ended March 31, 2015 and 2014 in the total amount of $730,000 and $370,000, respectively.

Mortgage Recording Tax

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

Materials and Supplies Inventory

Materials and supplies inventory consists primarily of replacement parts for revenue vehicles and parts for the CNG fueling station. Materials and supplies are valued at the lower-of-cost or market with cost determined using the first-in, first-out method.

Capital Assets and Depreciation

Assets acquired by the Authority are recorded at cost, including the Authority's local share of a grant, if any. In general, the Authority capitalizes all expenditures for capital assets in excess of $5,000; however, any item procured with any portion of federal or state funds is capitalized regardless of cost. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the assets, as determined by industry standards, range from 5 to 40 years.

Net Position

GASB requires the classification of net position into three components – net investment in capital assets, restricted and unrestricted. The Authority does not have a restricted net position as of March 31, 2015 or 2014. The classifications the Authority has are defined as follows:

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

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

Operating Revenues and Expenses

Operating revenues and expenses include all revenues and expenses used to fund the general operations of the Authority. Grants received for capital additions, along with funds used to finance the Authority's local share of additions, are considered non-operating revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Assistance Funds and Authority Transfers

The Authority administers and disburses all operating assistance funds received from various governmental agencies. The funds are recorded upon notification from the agency of the amount of assistance, and are reflected in income in accordance with the terms and periods covered by the specific assistance notification.

In addition to the operating assistance received from the various governmental agencies, the Authority transfers funds to its subsidiaries to meet the unsubsidized cost of operations.

The following amounts were used to fund the service costs of the operating companies:

	2015					
	CNY Centro, Inc.	Centro of Oswego, Inc.	Centro of Cayuga, Inc.	Centro Call-A-Bus, Inc.	Centro of Oneida, Inc.	Total
Operating assistance:						
United States Department of Transportation:						
Rural and Small Urbanized Area Operating	$ 54,900	$ 189,800	$ 168,500	$ -	$ 3,247,399	$ 3,660,599
New Freedom	83,508	-	-	15,250	-	98,758
Special Reimbursements – Maintenance and Tire Leasing	5,330,696	-	-	-	-	5,330,696
New York State Department of Transportation:						
Regular operating – STOA	17,655,204	1,938,300	1,878,204	4,356,996	3,500,004	29,328,708
Special Reimbursements – Maintenance and Tire Leasing	666,333	-	-	-	-	666,333
Other New York State:						
Temporary Assistance for Needy Families (TANF)	-	-	-	-	25,000	25,000
City of Oswego	-	15,000	-	-	-	15,000
Onondaga County	2,280,763	-	-	128,888	-	2,409,651
Oneida County	-	-	-	-	515,150	515,150
Oswego County	-	90,646	-	-	-	90,646
Cayuga County	-	-	162,391	-	-	162,391
Subtotal	26,071,404	2,233,746	2,209,095	4,501,134	7,287,553	42,302,932
Authority transfers	-	567,210	777,489	2,097,084	-	3,441,783
TOTAL	$ 26,071,404	$ 2,800,956	$ 2,986,584	$ 6,598,218	$ 7,287,553	$ 45,744,715

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Assistance Funds and Authority Transfers (Continued)

	2014					
	CNY Centro, Inc.	Centro of Oswego, Inc.	Centro of Cayuga, Inc.	Centro Call-A-Bus, Inc.	Centro of Oneida, Inc.	Total
Operating assistance:						
United States Department of Transportation:						
Rural and Small Urbanized Area Operating	$ 53,300	$ 184,300	$ 163,600	$ -	$ 340,000	$ 741,200
Job Access/Reverse Commute (JARC)	-	-	-	43,504	138,569	182,073
New Freedom	218,315	-	-	13,768	-	232,083
Special Reimbursements – Maintenance and Tire Leasing	4,463,922	-	-	-	900,000	5,363,922
New York State Department of Transportation:						
Regular operating – STOA	15,130,008	1,507,596	1,655,496	4,532,196	5,658,804	28,484,100
Special Reimbursements – Maintenance and Tire Leasing	558,010	-	-	-	112,500	670,510
Other New York State:						
Temporary Assistance for Needy Families (TANF)	-	-	-	-	25,000	25,000
City of Fulton	-	15,000	-	-	-	15,000
City of Oswego	-	15,000	-	-	-	15,000
Onondaga County	2,281,200	-	-	128,900	-	2,410,000
Oneida County	-	-	-	-	515,154	515,154
Oswego County	-	90,500	-	-	-	90,500
Cayuga County	-	-	162,400	-	-	162,400
Other Local	13,000	-	-	-	-	13,000
Subtotal	22,717,755	1,812,396	1,981,496	4,718,368	7,690,027	38,920,042
Authority transfers	1,271,062	1,015,882	887,735	1,778,094	-	4,952,773
TOTAL	$ 23,988,817	$ 2,828,278	$ 2,869,231	$ 6,496,462	$ 7,690,027	$ 43,872,815

Recent Accounting Pronouncements

In June 2012, GASB issued GASB statement No. 68, "*Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27.*" This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB No. 68 are effective for fiscal years beginning after June 15, 2014 and will be applicable for the Authority's year ending March 31, 2016. The Authority is currently evaluating the impact of this statement.

In November 2013, the GASB issued Statement No. 71, "*Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*", and is required to be implemented by the Authority simultaneously with GASB Statement No. 68 for the fiscal year ended March 31, 2016. This statement addresses the issue regarding application of the transition provision of GASB Statement No. 68 related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Authority is currently evaluating the impact of this statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

3. CASH AND CASH EQUIVALENTS

New York State governs the Authority and its subsidiaries' investment policies. Permitted investments are subject to various conditions and include bank certificates, certificates of deposit, obligations of the State of New York or the United States government, certain repurchase agreements and permitted bonds and notes.

Designated cash and cash equivalents

Designated cash and cash equivalents are used to fund the self-insurance reserve (see Note 6) and to fund a supplemental deferred compensation plan (see Note 5).

	2015	2014
Self-insurance reserve	$ 3,625,000	$ 3,625,000
Deferred compensation plan	121,961	99,156
Total Designated Cash and Cash Equivalents	$ 3,746,961	$ 3,724,156

Deposits

At March 31, 2015 and 2014, the carrying amount of the Authority and its subsidiaries' bank deposits was $9,786,075 and $9,072,996, respectively and the bank balances were $10,223,645 and $9,828,063, respectively. These bank balances were fully insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by qualifying investments held in the pledging bank's trust department by a third-party trustee.

4. CAPITAL ASSETS AND DEPRECIATION

Capital assets consisted of the following:

	March 31, 2015							
	CNY Centro, Inc	Centro of Oswego, Inc	Centro of Cayuga, Inc	Centro Call-A-Bus, Inc.	Centro of Oneida, Inc.	Intermodal Transportation Center, Inc.	2015 Total	2014 Total
Land	$ 4,275,143	$ 6,400	$ 8,052	$ -	$ -	$ 712,742	$ 5,002,337	$ 5,002,337
Construction in progress	5,719,321	77,849	-	-	238,960	3,251	6,039,381	2,961,669
Improvements	141,808	53,349	59,295	-	635,371	2,096,998	2,986,821	2,986,821
Buildings	44,274,142	1,961,490	1,577,478	84,075	782,619	20,062,883	68,742,687	68,428,996
Revenue vehicles	63,565,598	3,356,248	3,945,787	4,522,434	10,501,044	-	85,891,111	86,528,371
Other equipment	10,910,210	467,885	283,206	29,016	2,619,118	5,915	14,315,350	19,200,968
Furniture and office equipment	4,942,466	38,749	46,553	50,017	755,607	228,045	6,061,437	5,980,003
Total	133,828,688	5,961,970	5,920,371	4,685,542	15,532,719	23,109,834	189,039,124	191,089,165
Less: accumulated depreciation	65,254,533	4,348,709	4,883,375	4,393,906	5,805,010	9,041,870	93,727,403	89,837,811
Total	$ 68,574,155	$ 1,613,261	$ 1,036,996	$ 291,636	$ 9,727,709	$ 14,067,964	$95,311,721	$ 101,251,354

Capital asset activity for the year ended March 31, 2015:

	Total Balance at March 31, 2014	Increases	Decreases	Total Balance at March 31, 2015
Not being depreciated:				
Land	$ 5,002,337	$ -	$ -	$ 5,002,337
Construction on progress	2,961,669	3,077,712	-	6,039,381
Subtotal	7,964,006	3,077,712	-	11,041,718
Other capital assets:				
Improvements	2,986,821	-	-	2,986,821
Buildings	68,428,996	313,691	-	68,742,687
Revenue Vehicles	86,528,371	-	(637,260)	85,891,111
Other Equipment	19,200,968	623,343	(5,508,961)	14,315,350
Furniture and Office Equipment	5,980,003	81,434	-	6,061,437
Subtotal	183,125,159	1,018,468	(6,146,221)	177,997,406
Total capital assets	191,089,165	4,096,180	(6,146,221)	189,039,124
Accumulated depreciation:				
Improvements	740,269	193,598	-	933,867
Buildings	29,198,325	2,081,948	-	31,280,273
Revenue Vehicles	42,623,759	6,235,106	(637,260)	48,221,605
Other Equipment	12,260,560	1,176,619	(5,508,961)	7,928,218
Furniture and Office Equipment	5,014,898	348,542	-	5,363,440
Total	89,837,811	10,035,813	(6,146,221	93,727,403
Net capital assets	$ 101,251,354	$ (5,939,633)	$ -	$ 95,311,721

4. CAPITAL ASSETS AND DEPRECIATION (Continued)

Capital asset activity for the year ended March 31, 2014:

	Total Balance at March 31, 2013	Increases	Decreases	Total Balance at March 31, 2014
Not being depreciated:				
Land	$ 5,049,119	$ -	$ (46,782)	$ 5,002,337
Construction on progress	842,244	3,560,613	(1,441,188)	2,961,669
Subtotal	5,891,363	3,560,613	(1,487,970)	7,964,006
Other capital assets:				
Improvements	3,268,326	46,782	(328,287)	2,986,821
Buildings	67,470,878	1,354,130	(396,012)	68,428,996
Revenue Vehicles	90,692,598	256,962	(4,421,189)	86,528,371
Other Equipment	17,675,557	1,730,511	(205,100)	19,200,968
Furniture and Office Equipment	5,859,201	157,706	(36,904)	5,980,003
Subtotal	184,966,560	3,546,091	(5,387,492)	183,125,159
Total capital assets	190,857,923	7,106,704	(6,875,462)	191,089,165
Accumulated depreciation:				
Improvements	777,519	291,037	(328,287)	740,269
Buildings	27,528,339	2,065,998	(396,012)	29,198,325
Revenue Vehicles	40,525,087	6,519,861	(4,421,189)	42,623,759
Other Equipment	11,214,326	1,251,334	(205,100)	12,260,560
Furniture and Office Equipment	4,666,538	385,264	(36,904)	5,014,898
Total	84,711,809	10,513,494	(5,387,492)	89,837,811
Net capital assets	$ 106,146,114	$ (3,406,790)	$ (1,487,970)	$ 101,251,354

Total depreciation expense charged to operating expenses was $10,035,813 and $10,513,494 for the years ended March 31, 2015 and 2014, respectively.

5. DEFERRED COMPENSATION PLANS

The Authority and subsidiaries offer their employees optional participation in the New York State Deferred Compensation Plan which was created under Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their wages until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

5. DEFERRED COMPENSATION PLANS (Continued)

Amendments by the Small Business Jobs Protection Act of 1996 and the Internal Revenue Code require the deferred amounts to be set aside in trust for the exclusive benefit of the participants. During the year ended March 31, 1998, the Authority adopted Government Auditing Standards Board No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Under this standard, plan assets and the related liability are no longer the Authority's property. The Plan Administrator manages all investments and makes payments upon employees' retirement. The Section 457 Deferred Compensation designated cash and investment account and the related deferred compensation liability are no longer recorded on the financial statements of the Authority.

Additionally, the Authority established a deferred compensation plan in 2009. For the years ended March 31, 2015 and 2014, contributions to the plan were $22,500 and $22,050, respectively.

6. ESTIMATED CLAIMS PAYABLE AND SELF-INSURANCE RESERVE

The Authority is self-insured for individual, personal injury and property damage claims up to $1,500,000 for automobile liability and $1,000,000 for general liability for any one occurrence. In addition, the Authority is self-insured for employee health benefits claims up to $250,000, for any one occurrence, with a $1,250,000 lifetime claim maximum. The Authority was self-insured for worker's compensation claims until June 1, 2000 at which time it became fully insured. The Authority utilizes third-party administrators to oversee the two self-insured programs. Reserves for outstanding claims, which include specific incremental costs, are included in estimated claims payable at March 31, 2015 and 2014. The Authority has designated $3,625,000 of net position at March 31, 2015 and 2014 as a special reserve (See Note 3).

The Authority is involved in several lawsuits which have arisen in the ordinary course of its business. The Authority believes it has meritorious defenses and intends to vigorously defend these cases. However, the ultimate outcome of this litigation cannot presently be determined. Management believes that the reserves for claims payable, established by third party administrators, are sufficient to cover any probable claims.

The changes in estimated claims payable:

Balance March 31, 2014	Current Year Claims and Changes in Estimates	Claims Payments	Balance March 31, 2015	Amount Due within One Year
$ 3,617,950	$ 10,683,787	$ 10,719,108	$ 3,582,629	$ 987,397

Balance March 31, 2013	Current Year Claims and Changes in Estimates	Claims Payments	Balance March 31, 2014	Amount Due within One Year
$ 3,358,861	$ 10,219,309	$ 9,960,220	$ 3,617,950	$ 987,397

7. GRANT ASSISTED PROJECTS

Grant assisted projects in progress at March 31, 2015 consisted of:

	Total Amount of Project	Total Amount Expended	Balance March 31, 2015
Purchase replacement vehicles	$ 16,773,700	$ 15,227,416	$ 1,546,284
Replacement CAD/AVL system	5,118,750	4,303,071	815,679
Bus replacements, maintenance and office rehabilitation	11,507,000	10,397,471	1,109,529
New Freedom – Onondaga County Dept. of Youth and Aging	285,732	199,954	85,778
Bus stop signs and posts, replacement bus shelters, computer hardware and software, replacement support vehicles Onondaga and Oneida, maintenance facility renovations Oneida, engineering services	9,088,660	8,114,172	974,488
Bus stop signs and posts, computer hardware, Syracuse service trucks, Syracuse supervisory vehicles, Onondaga preventive maintenance	12,357,670	9,986,889	2,370,781
MCI bus replacements	1,552,330	-	1,552,330
Onondaga preventive maintenance, Oneida operating assistance	6,809,815	-	6,809,815
Renovation and rehabilitation of Oneida facility	645,000	634,288	10,712
Oswego CAD/AVL system - New Freedom	187,500	77,849	109,651
Replacement farebox system	2,561,191	1,537,166	1,024,025
New Freedom funding	416,802	323,918	92,884

In connection with the above projects, the Authority is committed to participate with its own funds in amounts not to exceed approximately $1,600,000.

8. PENSION PLANS

The Authority and its subsidiaries provide retirement benefits to substantially all full-time employees through salaried and non-salaried pension plans. In addition, the Authority participates in the New York State and Local Employees' Retirement System (ERS) for certain employees of Centro of Oneida, Inc.

Actuarial valuations of an ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the consolidating financial statement, present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Pension Plans for Salaried and Non-Salaried Employees of CNY Centro, Inc., Centro of Oswego, Inc., Centro of Cayuga, Inc. and Centro Call-A-Bus (Referred to as the Centro Plans)

CNY Centro, Inc., Centro of Oswego, Inc., Centro of Cayuga, Inc. and Centro Call-A-Bus provide retirement benefits to salaried and non-salaried full-time employees (hired before the dates where these plans were closed, as noted below) through non-contributory defined benefit salaried and non-salaried plans. The non-salaried and salaried pension plans issue stand-alone financial reports. Benefits become fully vested after five years of credited service for the salaried plan and ten years of credited service for the non-salaried plan. Salaried employees hired after September 1, 2011 are not eligible to participate in the defined benefit salaried plan. Non-salaried employees hired after August 3, 2011 are not eligible to participate in the defined benefit non-salaried plan. Full-time employees hired after these dates must participate in the new 401(a) defined contribution plans created for the 3% employer contributions made and are further required by labor agreement or company policy to contribute at least 3% of their wages to the New York State Deferred Compensation Plan (see Note 5) .

Centro Defined Benefit Plans

Centro Non-Salaried Employees Retirement Plan

This plan is a single employer non-contributory defined benefit pension plan for employees who are members in good standing with the Amalgamated Transit Union, Local Division 580, hired prior to August 2, 2011. Retirement benefits for plan members who complete at least 25 years of service is equal to $65 ($54.53 if less than 25 years of benefit service) times the member's years of benefit service. Normal retirement age is 62. Plan members may retire as early as 55 with 25 years of service but benefits will be reduced by .5% for each month that the actual retirement date precedes the normal retirement date. Retirement benefits are negotiated with the Union. The Board of Directors appoints a Retirement Committee and the Committee establishes the funding policy and reviews this policy annually. Although not required, it has been the policy of the Authority to fund between the minimum and the maximum actuarial determined contribution, which consists of the normal cost, plus the amortization of the unfunded accrued liability, including liabilities arising from plan amendments and changes in actuarial assumptions, over 10 years for the maximum and 30 years for the minimum contribution. The actuarial valuation used to calculate the pension liability for the measurement date of March 31, 2015 was performed as of April 1, 2014. Resulting amounts were rolled forward to the measurement date as allowed under GASB Statement No. 67.

8. PENSION PLANS (Continued)

Centro Non-Salaried Employees Retirement Plan (Continued)
Other information regarding this plan as of March 31, 2015 is as follows:

Components of the net pension liability:		
Total pension liability	$	38,154,820
Plan fiduciary net position		27,565,617
Net pension liability	$	10,589,203
Plan fiduciary net position as a percentage of the total pension liability		72%

Plan membership:

Inactive members or beneficiaries currently receiving benefits	234
Inactive plan members entitled to but not yet receiving benefits	39
Active plan members	247
Total	520

Actuarial determined contribution:

Minimum contribution	$	1,302,004
Maximum contribution	$	1,690,593
Contribution recorded and deposited	$	1,302,004
Contribution accrued	$	-

Components of the annual pension contribution expense:

Normal costs	$	743,192
Amortization of unfunded liability		473,634
Interest		85,178
Total	$	1,302,004

Actuarial assumptions:

Method used to value investments: Fair market value
Inflation rate: 2%
Salary increase: 3.5%
Investment rate of return: 7%, net of pension plan investment expense, including inflation
Discount rate: 7%
Actuarial cost method: Unit credit method used to calculate funding of the plan

For the three years ended March 31, 2015, 2014 and 2013:

Available assets were sufficient to fund 72%, 75% and 80%, respectively, of the net pension liability of the non-salaried plan.
Annual pension costs were $1,302,004, $1,333,883 and $1,297,910, respectively. For these years 100% of the pension costs were contributed.
The net pension liability was $10,589,203, $6,736,201 and $6,203,194, respectively.

8. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan

This plan is a single employer non-contributory defined benefit pension plan that provides pensions for full-time, non-union employees hired prior to September 1, 2011. Retirement benefits for plan members who complete at least 25 years of service is equal to 1/50th (1/60th if less than 25 years of benefit service) of the member's average monthly earnings times the years of benefit service. The maximum benefit is equal to 70% of average monthly earnings. Normal retirement age is the earlier of age 62 with 5 years of service, or, age 57 with 30 years of service. Plan members may retire as early as age 55 with 5 years of service but benefits will be reduced by .5% for each month that the retirement date precedes the normal retirement date. Similar to the non-salaried plan, the Retirement Committee establishes and reviews the funding policy. The funding policy of the Committee has been to fund between the minimum and maximum actuarial determined contribution. The actuarial valuation used to calculate the pension liability for the measurement date of March 31, 2015 was performed as of April 1, 2014. Resulting amounts were rolled forward to the measurement date as allowed under GASB Statement No. 67.

Other information regarding this plan as of March 31, 2015 is as follows:

Components of the net pension liability:

Total pension liability	$ 28,309,669
Plan fiduciary net position	24,100,761
Net pension liability	$ 4,208,908
Plan fiduciary net position as a percentage of the total pension liability	85%

Plan membership:

Inactive members or beneficiaries currently receiving benefits	52
Inactive plan members entitled to but not yet receiving benefits	22
Active plan members	86
Total	160

Actuarial determined contribution:

Minimum contribution	$ 1,130,634
Maximum contribution	$ 1,415,616
Contribution recorded and deposited	$ 1,130,634
Contribution accrued	$ -

Components of the annual pension contribution expense:

Normal costs	$ 709,314
Amortization of unfunded liability	347,353
Interest	73,967
Total	$ 1,130,634

8. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan (Continued)
Actuarial assumptions and other information:

Method used to value investments: Fair market value
Inflation rate: 2%
Salary increase: 4.2%
Investment rate of return: 7%, net of pension plan investment expense, including inflation
Discount rate: 7%
Actuarial cost method: Entry age normal, level percent of payroll
Covered employee payroll: $5,825,861
Net liability as a percentage of covered employee payroll: 72.25%

For the three years ended March 31, 2015, 2014 and 2013:

Available assets were sufficient to fund 85%, 79% and 79%, respectively, of the net pension liability of the salaried plan.
Annual pension cost were $1,130,634, $1,330,393 and $1,148,621, respectively. For these years 100% of the pension costs were contributed.
The net pension liability was $4,208,908, $6,416,395 and $4,322,313, respectively.

Centro Defined Contribution Plans

Salaried employees of CNY Centro, Centro of Oswego, Centro of Cayuga and Centro Call-A-Bus hired after September 1, 2011 and non-salaried employees of those companies hired after August 3, 2011 must participate in the new 401(a) defined contribution pension plans to which the employer will make a maximum contribution of 3% of wages on behalf of each employee. Separately, by collective bargaining agreement or by company policy, employees must contribute at least 3% of wages into the New York State Deferred Compensation Plan (see Note 5) on their own behalf. Only full-time employees are eligible to participate in the 401(a) plans. Benefits in the 401(a) employer contributions vest after ten years of service for the non-salaried plan and after five years of service for the salaried plan. For the years ended March 31, 2015 and 2014, employer contributions to the 401(a) plans were $84,151 and $45,799, respectively. Employee contributions to the plan were $153,022 and $85,096 for the years ended March 31, 2015 and 2014, respectively.

8. **PENSION PLANS (Continued)**

Pension Plans for Salaried and Non-Salaried Employees of Centro of Oneida, Inc.

Utica Transit Service Corporation Pension Plan

This plan is a single employer defined benefit plan that provides pensions for any employee that is a member of the United Public Service Employees Union Local 424. Employees make mandatory contributions pursuant to the terms of the plan. This plan issues a stand-alone financial report. The monthly retirement benefit for plan members is equal to $60 (effective January 1, 2014) times years of credited service, plus one-twelfth of 10% of employee contributions, accumulated without interest. Normal retirement age is the later of age 65 or 5 years of service. Plan members may retire as early as age 55 with 10 years of service but benefit will be reduced by 4% for each year that the actual retirement date precedes age 60. Contributions to this plan are not actuarially determined. Contributions are made by the employer and the participant members pursuant to the collective bargaining agreement currently in force. For the plan year ended December 31, 2014 the contribution rate as a percent of wages equaled 4% for employee contributions and 10% for employer contributions. The actuarial valuation used to calculate total pension liability for the measurement date of December 31, 2014 was performed as of December 31, 2014.

Other information regarding this plan as of December 31, 2014 is as follows:

Components of the net pension liability:

Total pension liability	$ 5,819,283
Plan fiduciary net position	6,559,643
Net pension asset	$ (740,360)
Plan fiduciary net position as a percentage of the total pension asset	113%
Employer contributions to the plan	$ 249,268

Plan membership:

Inactive members or beneficiaries currently receiving benefits	39
Inactive plan members entitled to but not yet receiving benefits	17
Inactive plan members due to transfer out of union	5
Active plan members	65
Total	126

8. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan (Continued)
Actuarial assumptions:

Method used to value investments: Fair market value
Inflation rate: 2%
Salary increase: NA
Investment rate of return: 7%, net of pension plan investment expense, including inflation
Discount rate: 7%

For the three years ended December 31, 2014, 2013 and 2012:

Available assets were sufficient to fully fund the net pension liability of this plan.
Annual pension costs were $249,268, $230,848 and $226,625. For these years 100% of the pension costs were contributed and there was no net pension liability.

Pension Plan with the New York State and Local Employees' Retirement System
The Authority participates in the ERS for salaried employees of Centro of Oneida, Inc., non-salaried employees that were former employees of Rome VIP. The ERS is a cost sharing multiple public employer defined benefit retirement system (System). The System provides for retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The System offers a wide range of plan benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits vest after five years of credited service.

All participating employers are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to participating employers. The System is noncontributory except for employees who joined the ERS between July 26, 1976 and December 31, 2009, who contribute 3% of their salary during the first 10 years of service. Employees who joined ERS after January 1, 2010 must contribute 3% of their salary for all their years of service. Employee contributions are deducted by employers from employees' paychecks and are sent currently to the System.

As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the control of the funds. The System issues publicly available reports that include financial statements and required supplementary information. This report may be obtained by writing to:

The New York State and Local Employees' Retirement System
Governor Alfred E. Smith State Office Building
Albany, New York 12244

The Authority is required to contribute based upon actuarially-determined rates. The required contributions were $208,743, $245,774 and $239,090 for the years ended March 31, 2015, 2014, and 2013, respectively. All required contributions were made when due. Total payroll for the Authority's employees covered by the system for the years ended March 31, 2015, 2014, and 2013 was approximately $1,350,000, $1,290,000, and $1,110,000, respectively.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Authority provides certain postemployment benefits (OPEB) to its retired employees under a single-employer, self-insured benefit plan. The plan provides medical, dental and prescription drug coverage to retirees and their covered dependents. For salaried employees hired after September 1, 2011 and for non-salaried employees hired after August 3, 2011, the Authority no longer offers OPEB for these new employees. The financial information for the Authority's plan is contained solely within these consolidating financial statements.

Funding Policy

The contribution requirements of the salaried plan members were established and may be amended by the Board of Directors. Contribution requirements of the union employees were established and may be re-negotiated in future bargaining agreements. Contribution requirements are established on an annual premium equivalent rate calculated by a third party administrator based on a projected pay-as-you-go financing requirement. For the year ended March 31, 2015 the Authority contributed $3,823,628 to the total cost of the plan. Plan members receiving benefits contributed $76,692. For the year ended March 31, 2014 the Authority contributed $2,372,561 to the total cost of the plan. Plan members receiving benefits contributed $68,333.

The tables below indicate the required contribution rates for the various employee groups. The retiree contributions are frozen at the dollar amount at retirement and the Authority contribution increases as the premium increases.

Salaried Retirees After January 1, 2008:

	Years of Service			
	5-10	10-20	20-30	30 +
Medical and dental	10%	7%	5%	3%

Salaried individuals who retired prior to January 1, 2008 were not required to contribute toward the plan; however, there are certain individuals who receive Medicare Part B reimbursement, in exchange for paying a portion of the medical benefits.

Union Retirees Hired Before June 29, 2007:

	Years of Service				
	0-5	5-10	10-15	15-20	20 +
Medical	100%	15%	10%	5%	0%
Dental	0%	0%	0%	0%	0%

Union Retirees Hired After June 29, 2007:

	Years of Service					
	0-5	5-10	10-15	15-20	20-25	25 +
Medical	100%	50%	15%	10%	5%	0%
Dental	0%	0%	0%	0%	0%	0%

Centro of Oneida, Inc. retirees (salaried and union) pay 15% of the medical and dental premiums at retirement beginning January 1, 2008. Prior to January 1, 2008, Oneida retirees were not required to contribute towards the plan.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Authority's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortized amount of any unfunded actuarially accrued liabilities (UAAL) over a period of thirty years. The following table shows the components of the Authority's annual OPEB cost for the years ended March 31, 2015 and 2014, the amount actually contributed to the Plan, and the changes in the Authority's net OPEB obligation.

	March 31, 2015	March 31, 2014
Annual required contribution	$ 16,501,922	$ 16,288,450
Interest on net OPEB Obligation	3,166,741	2,735,058
Adjustment to ARC	(4,919,426)	(4,248,822)
Total ARC	14,749,237	14,774,686
Contributions	(3,900,320)	(2,440,894)
Increase in OPEB Obligation	10,848,917	12,333,792
Net OPEB Obligation at March 31, 2014	90,478,314	78,144,522
Net OPEB Obligation at March 31, 2015	$ 101,327,231	$ 90,478,314

For the year's ended March 31, 2015, 2014 and 2013, annual OPEB costs were $14,749,237 $14,774,686 and $18,087,868, respectively. The percentage of annual OPEB costs contributed to the plan was 26%, 17% and 16% for the years ended March 31, 2015, 2014 and 2013, respectively.

Funded Status and Funding Progress

As of April 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $248,322,721 and there were no Plan assets. The covered payroll (annual payroll of active employees covered by the Plan) was approximately $29.2 million, and the ratio of the liability to the covered payroll was 850%.

Actuarial valuations of an ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the consolidating financial statements, present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

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

In the April 1, 2014 actuarial valuation the Entry Age Normal Cost Method was used. The actuarial assumptions include a 3.5% investment rate of return, which is based on the portfolio of the Authority's general assets used to pay these benefits, an annual medical cost trend ranging from 6% to 7%, decreasing to 3.886% in fiscal year 2076 and an annual prescription drug trend of 8% decreasing to 3.886% in fiscal 2076. The 3.886% is considered the ultimate rate. The UAAL is being amortized based on a level percentage of payroll on an open basis. The remaining amortization period at March 31, 2015 is thirty years.

10. RECLASSIFICATION

Certain amounts have been reclassified to reflect information and assumptions at March 31, 2015. These reclassifications had no effect on the total change in net position or total net position as previously reported.

11. OTHER BUSINESS MATTERS

As of March 31, 2015, the Authority had a negative unrestricted net position of $91,865,817 resulting from eight years of recording expense entries for other postemployment benefits. The Authority is dependent upon New York State and Federal capital, operating and other assistance; loss of this assistance would be extremely detrimental to the Authority's public transit operations.

Management is confident that both New York State and the Federal government will continue to a fund a significant portion of the Authority's operating and capital costs, as they have traditionally done so for decades. Public transportation would not exist without significant operating and capital subsidies.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES

SUPPLEMENTAL SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED MARCH 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry AGE	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
4/1/14	$ -	$248,322,721	$248,322,721	0%	$ 29,211,135	850%
4/1/13	$ -	$186,647,125	$186,647,125	0%	$ 28,417,177	657%
4/1/12	$ -	$210,198,822	$210,198,822	0%	$ 27,460,564	765%

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES

SUPPLEMENTAL SCHEDULE OF PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED MARCH 31, 2015

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Overfunded) Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
CENTRO SALARIED PLAN:							
	4/1/14	$ 24,100,761	$ 28,309,669	$ 4,208,908	85%	$ 5,825,861	72%
	4/1/13	$ 19,701,051	$ 26,117,446	$ 6,416,395	75%	$ 6,186,340	104%
	4/1/12	$ 17,758,186	$ 22,080,499	$ 4,322,313	80%	$ 5,971,661	72%
CENTRO NON-SALARIED PLAN:							
	4/1/14	$ 27,565,617	$ 38,154,820	$ 10,589,203	72%	$ 16,680,374	63%
	4/1/13	$ 24,709,579	$ 31,445,780	$ 6,736,201	79%	$ 16,697,278	40%
	4/1/12	$ 23,452,790	$ 29,655,984	$ 6,203,194	79%	$ 15,814,528	39%
UTICA TRANSIT SERVICE CORPORATION PLAN:							
	12/31/14	$ 6,559,643	$ 5,819,283	$ (740,360)	113%		
	12/31/13	$ 6,299,279	$ 5,730,458	$ (568,821)	110%		
	12/31/12	$ 5,441,517	$ 5,372,815	$ (68,702)	101%		

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 19, 2015

To the Board of Directors of the
Central New York Regional Transportation
Authority and Subsidiaries:

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 consolidating financial statements of Central New York Regional Transportation Authority and Subsidiaries (the Authority), a discretely presented component unit of the State of New York, as of and for the year ended March 31, 2015, and the related notes to the consolidating financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidating 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 consolidating 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 consolidating financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's consolidating 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 consolidating 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP