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

Financial Statements and Required Reports Under the Uniform Guidance, New York State Single Audit and New York State Public Authorities Law as of March 31, 2018 and 2017

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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REGIONAL TRANSPORTATION AUTHORITY
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(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 22, 2018

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

Report on the Consolidating 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 years ended March 31, 2018 and 2017, 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 Consolidating 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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INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of Central New York Regional Transportation Authority and Subsidiaries as of March 31, 2018 and 2017, 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.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Other Postemployment Benefits Plan Schedule of Funding Progress, Schedules of Changes in the Net Pension Liability (Asset) and Related Ratios for Single Employer Pension Plans, Schedule of Contributions for Single Employer Pension Plans, Notes to the Schedule of Contributions for Single Employer Pension Plans, Schedule of Proportionate Share of Net Pension Liability (Asset)-Cost Sharing Multiple Employer Plan and Schedule of Contributions-Pension Plans-Cost Sharing Multiple Employer Plan 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 22, 2018, 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 solely 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 the effectiveness of the Authority's 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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2018 and 2017. 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 Consolidating Statements of Net Position (Deficit)

	March 31	
	2018	2017
Assets and Deferred Outflows of Resources:		
Current assets	$ 37,476,079	$ 35,589,450
Net pension asset		
Capital assets – net of accumulated depreciation	100,186,103	93,487,509
Total noncurrent assets	100,186,103	93,487,509
Total Assets	137,662,182	129,076,959
Deferred outflows – relating to pensions	4,119,203	5,918,874
Total Assets and Deferred Outflows of Resources	$ 141,781,385	$ 134,995,833
Liabilities, Deferred Inflows of Resources and Net Position:		
Current liabilities	$ 24,727,262	$ 22,374,469
Long-term liabilities	166,820,688	155,001,159
Total liabilities	191,547,950	177,375,628
Deferred revenue	354,492	459,240
Deferred inflows – relating to pensions	1,285,312	599,638
Total deferred inflows of resources	1,639,804	1,058,878
Net Position (Deficit):		
Unrestricted	(151,592,472)	(136,926,182)
Net investment in capital assets	100,186,103	93,487,509
Total net position (deficit)	(51,406,369)	(43,438,673)
Total Liabilities, Deferred Inflows and Net Position (Deficit)	$ 141,781,385	$ 134,995,833

March 31, 2018 vs. March 31, 2017

The changes in total net position (deficit) over time serve as a useful indicator of the Authority's financial position. The 2018 fiscal year ended with a decrease to net position of approximately $8 million from March 31, 2017 due primarily to a net effect of $1.9 million increase in current assets, $6.7 million increase in noncurrent assets, $1.8 million decrease in deferred outflows – relating to pensions, $2.4 million increase in current liabilities, $11.8 million increase in total long-term liabilities and $.6 million increase in deferred inflows of resources.

Summary of Consolidating Statements of Net Position (Deficit) (Continued)

Current assets, comprised mainly of cash and cash equivalents, cash and cash equivalents - designated, receivables, due from affiliates, materials and supplies and prepaid expenses, increased approximately $1.9 million or 5% from 2017. This is due primarily to the net effect of $.375 million permanent decrease in cash reserves from two large claims paid in October 2017, a $4.6 million decrease in grant receivable due mainly to the large transit bus purchase in March 2017 which was reimbursed in April 2017 and May 2017, $5.9 million increase in due from affiliates which combined with due to affiliates results in a zero balance, a $1.3 million increase in prepaid expense due to the advancement of funds to Travelers Insurance Group to cover the cost of worker compensation claims paid.

Noncurrent assets, consisting of net pension asset and net capital assets, increased by $6.7 million or 7% from 2017 due to an increase in capital assets associated with additions offset by disposals and the related accumulated depreciation as well as the depreciation expense

Deferred outflows – relating to pensions decreased $1.8 million or 30% from 2017 due to a combination of differences between expected and actual experience, changes of assumptions, and net difference between projected and actual earnings on pension plan investments

Current liabilities increased $2.3 million or 11% from 2017. This is attributable mainly to the net effect of a $3.7 million decrease in accounts payable and accrued expenses due primarily to the pay down of a $4 million transit bus payable from prior year and $.9 million additional worker compensation administrative expenses identified near year end, a $.1 million increase in accrued liabilities and benefits due to the timing of vacation and sick time and an increase of $5.9 million due to affiliates which combined with due from affiliates results in a zero balance.

Long-term liabilities increased $11.8 million or 8% from 2017. This is due primarily to a $12 million increase in the liability for other postemployment benefits (OPEB) required to be accrued by *Governmental Accounting Standards Board Statement #45 (GASB 45).* The accrual entry required for GASB 45 compliance is determined by a certified actuary, and incorporates multiple assumptions about future health care cost trends, employee retention levels, mortality rates and other technical factors. Currently there is no requirement to fund OPEB. Another contributing factor is a $.5 million or 2% decrease in net pension liability required by the new *Governmental Accounting Standards Board #68 (GASB 68) Accounting and Reporting for Pensions.* GASB 68 requires the recording of the net pension liability which is the difference between the total pension liability; measured as the portion of the actuarial present value of projected benefit payments that is provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's market value of the plan assets. Currently there is no requirement to fund net pension liability. 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 and the defined benefit pension benefits. And lastly there was a $.2 million or 5% increase in estimated claims payable due to an adjustment in worker compensation claims reserves.

Deferred revenue decreased $.1 million or 23% from 2017 due primarily to a decrease in the Compressed Natural Gas tax credit.

Deferred inflows of resources relating to pensions increased by $.7 million or >100% from 2017 due to differences between expected and actual experience

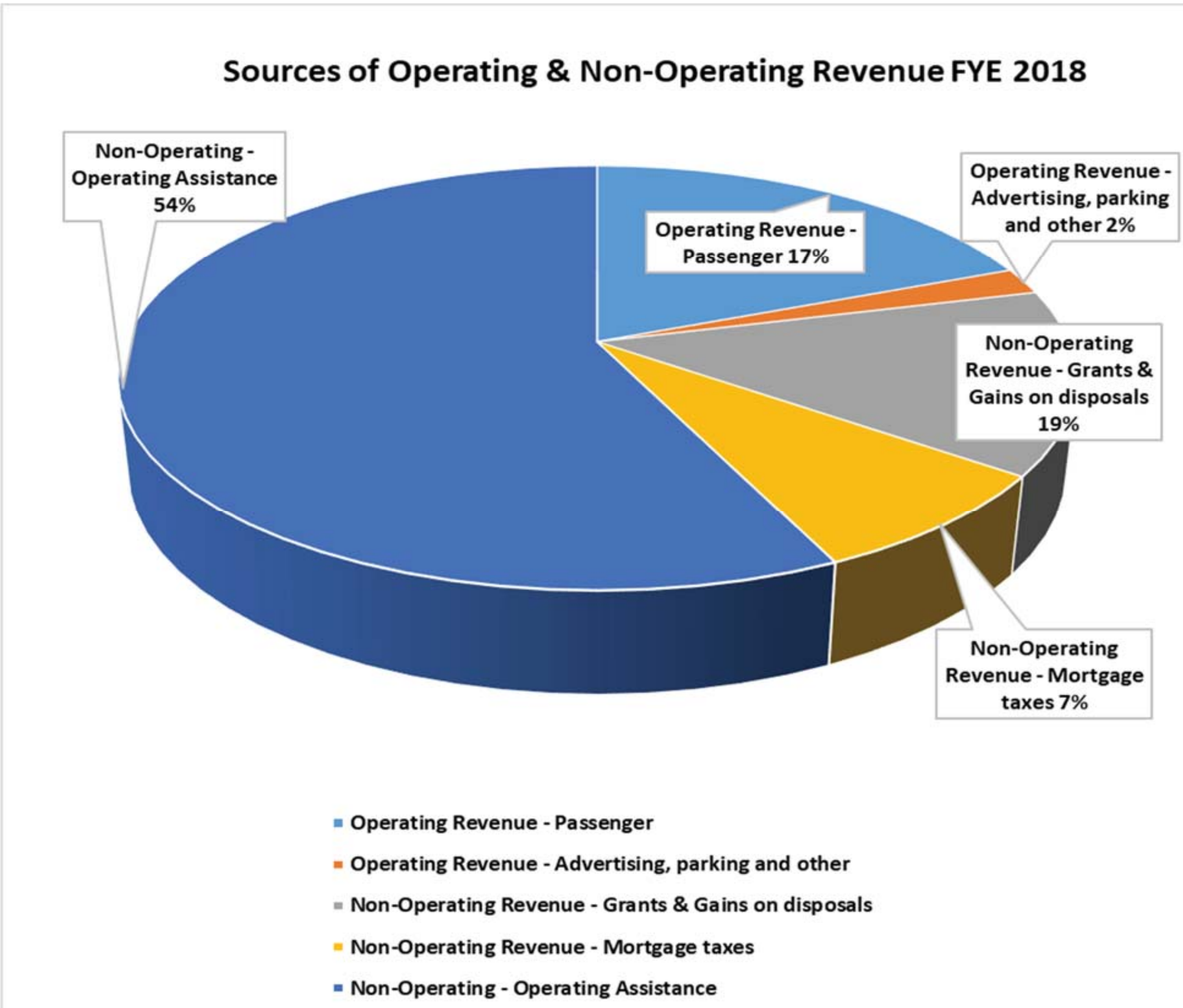
Summary of Revenues, Expenses and Changes in Net Position (Deficit)

	March 31 2018	March 31 2017
Operating Revenues:		
Passenger	$ 14,967,826	$ 14,899,965
Advertising, parking and other	1,750,396	1,745,255
Total operating revenues	16,718,222	16,645,220
Operating Expenses:		
Maintenance of equipment and facilities	14,408,067	14,313,058
Downtown transfer hubs	991,300	910,502
Transportation Operations	4,078,809	3,906,345
Purchased transportation	3,070,834	2,408,245
Service and Business Development	1,124,827	1,135,074
Drivers Wages	15,207,245	14,907,643
Information Systems	1,493,806	1,409,794
General and Administrative	2,816,225	2,810,183
Fuel	1,372,163	2,403,514
Insurance and risk management	1,261,414	1,388,993
Workers compensation	4,260,782	2,818,810
Medical and dental	7,865,214	7,405,333
Pension	5,650,095	5,187,637
Other post-employment benefits	16,195,829	18,746,077
Other employee benefits and payroll taxes	3,153,529	3,089,039
Depreciation expense	10,785,146	10,496,997
Total operating expenses	93,735,285	93,337,244
Operating loss	(77,017,063)	(76,692,024)
Non - Operating Revenues	69,049,367	61,416,115
Change in Net Position	(7,967,696)	(15,275,909)
Net Position - Beginning of Year	(43,438,673)	(28,162,764)
Net Position - End of Year	$ (51,406,369)	$ (43,438,673)

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

The Authority ended 2018 in a total net (deficit) of $(51) million; a $8 million or 18.4% decrease over 2017.

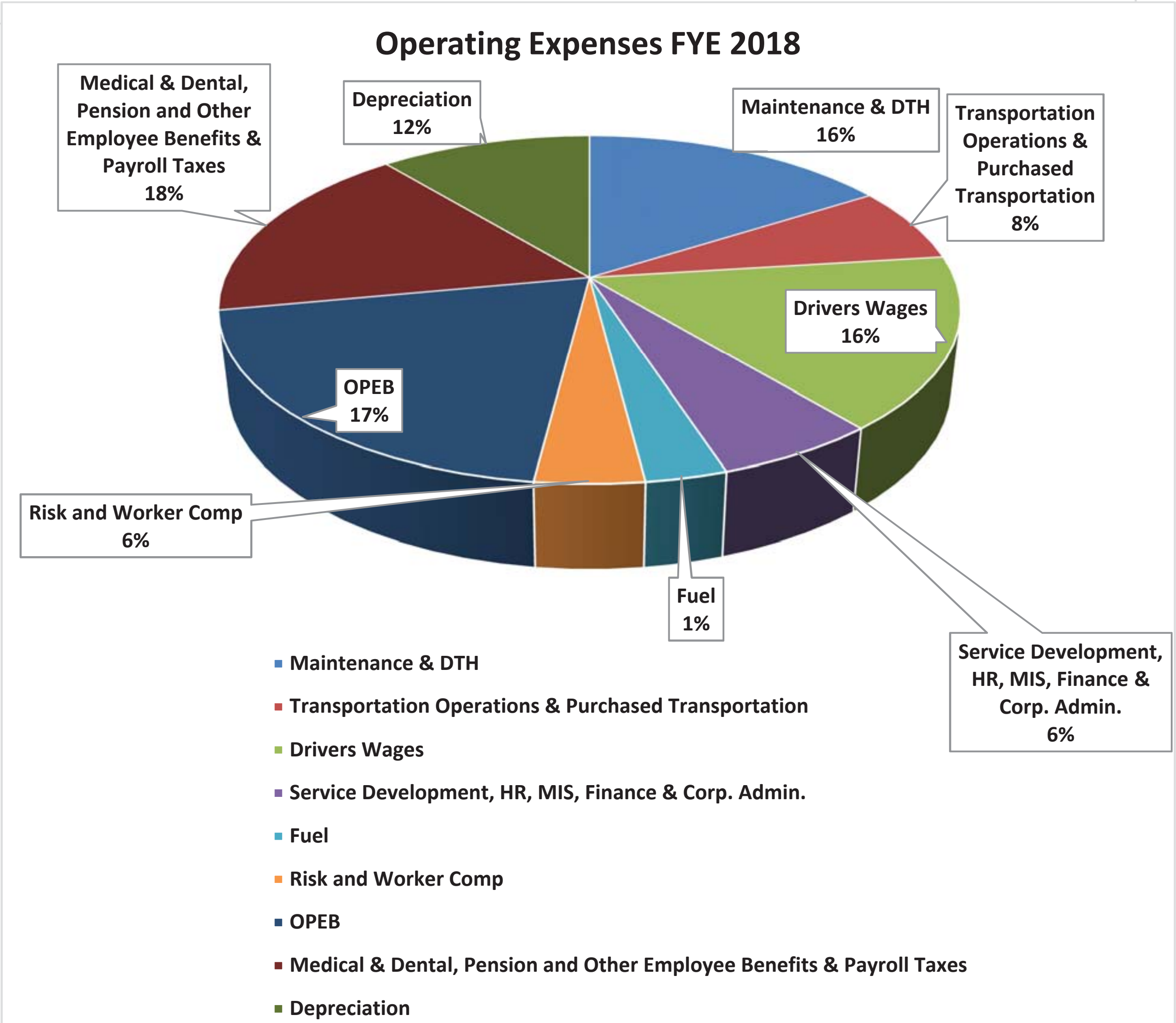
Significant items affecting the revenues, expenses and changes in net position (deficit) are as follows:



Operating revenues consisting of passenger revenue and advertising, parking and other remained consistent from FYE 2017 to FYE 2018.

Non-operating revenues consisting of federal and state grants, mortgage taxes and operating and other assistance increased $7.6 million or 12% from $61.4 million in FYE 2017 to $69 million in FYE 2018. This is due mainly to a $5.4 million increase in federal and state grants received primarily for revenue vehicle replacement, a $.6 million increase in Statewide Mass Transportation Operating Assistance (STOA) $4 million increase in federal and state preventive maintenance offset by a $2.4 million decrease in Accelerated Transit Capital funds from New York State.

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



Operating expenses increased slightly by $.4 million or .43% from $93.3 million in FY 2017 to $93.7 million in FY 2018 due to the net effect of the following:

- The Syracuse Downtown Transfer Hub expense increased $.1 million or 8.9% due primarily to various expenses that include repairs associated with a water main break, an elevator repair, higher utility expense due to the longer winter season, signage replacement and other miscellaneous one-time expenses.
- Purchased Transportation increased $.7 million or 27.5% in order to fill mandated Call-A-Bus service since there are fewer Centro and Peace drivers available. Additionally, demand for service has increased over prior year.
- Information Systems increased $.1 million or 6% due primarily to the increased cost of transit operations software.
- Fuel expense decreased $1 million or 42.9% primarily due to various factors reducing costs in the marketplace. Also there is an additional three months of the Compressed Natural Gas Tax Credit recognized in the current year in the amount of $.1 million.

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

- Risk management decreased $.1 million or 9.1% due to a combination of adjustment to self-insured claims reserves, a decrease in legal fees associated with settling claims and an increase in premiums paid for General Liability and Property Insurance. Changes in reserves for claims will fluctuate year to year as certain cases develop. There were three large dollar claims reserved in FYE 2017 that settled in FYE 2018.
- Workers compensation increased by $1.4 million or 51.2%. The CNYRTA switched from PERMA, a guaranteed cost policy, to Travelers Insurance Group, a deductible program August 1, 2015. Although significant expense reductions were realized during the first year of the contract, claims expense have continued to increase double-digit percentages over the past two years. Although management has taken steps to reduce costs through claims management, loss control and enhanced safety actions, additional measures are being considered to assist in the mitigation of the rising cost of the worker compensation program.
- The Medical & Dental expense increased $.5 million or 6.2% which is in line with the national trend for 2018.
- Pension expense increased $.5 million or 8.9%. Although annual pension contributions to the plan were consistent with prior year, the unfunded actuarial GASB 68 calculation represents the entire variance.
- Other Post-Employment Benefits (OPEB) decreased by $2.5 million or 13.6% in FYE 2018, which is determined by a certified actuary, and incorporates multiple assumptions about future health care cost trends, employee retention levels, mortality rates and other technical factors. Although the expense increased in FYE 2018, it did so at a lower rate of increase from FYE 2017 when the increase was 20.6%.
- Depreciation expense increased $.3 million or 2.75% which is a result of the addition of assets as well as aging of existing assets.
- The remaining net increase of $.4 million is comprised of individual percentage variances less than 5%.

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	
	2018	2017
Not being depreciated:		
Land	$ 5,002,337	$ 5,002,337
Construction in progress	-	-
Subtotal	5,002,337	5,002,337
Other capital assets:		
Improvements	3,240,387	3,056,307
Buildings	71,302,636	71,154,859
Revenue vehicles	105,127,092	91,753,178
Other equipment	23,519,138	23,260,212
Furniture and office equipment	2,392,349	2,724,771
Subtotal	205,581,602	191,949,327
Total capital assets	210,583,939	196,951,664
Less accumulated depreciation	(110,397,836)	(103,464,155)
Net capital assets	$ 100,186,103	$ 93,487,509

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 2018

New York State Budget

New York State operating assistance (STOA) makes up a significant portion (about 49%) of the CNYRTA's Fiscal Year 2017-2018 operating budget. The Fiscal Year 2017-2018 budget increases in operating assistance and capital allocations reflected the work of Centro management and coordination with the New York Public Transportation Association (NYPTA). Centro, along with our NYPTA partners, worked intensely with the Executive Chamber and our New York State legislative delegation to educate them on the importance of public transportation in Upstate New York. In the final enacted FY 2017-18 budget Upstate transportation received a 1.98% increase in STOA, although far from the increase being advocated. It is important to note that New York State operating assistance fluctuates each year and over the last twelve years the average overall increase is well under two percent. The unpredictable nature in STOA funding year over year makes it impossible to plan transportation services for the citizens and business in our four-county service area.

Signature Projects FYE 2018 (Continued)

Federal Budget Proposal – Transportation Legislation

The Trump administration's Fiscal Year 2018-19 budget is devastating to public transportation agencies across the county. The cuts the Administration are suggesting in its Fiscal Year 2018-19 budget mirror the reductions in its proposed Fiscal Year 2017-18 budget which Congress already rejected in the Fiscal Year 2017-18 appropriations process. The Administration proposes a 19% decrease in funding (compared to FY 2017-18) for the U.S. Department of Transportation. This amounts to a cut of $3.7 billion from FY 2017-18 enacted levels of $15.6 billion of discretionary dollars, and $600 million less than the previous budget proposal.

This budget, like the last budget, does not address the issue of long-term solvency of the Highway Trust Fund (HTF), and does fully fund HTF programs. It does, however, propose, like last year, to phase out the Capital Investment Grants program. This program was authorized at a level of $2.3 billion by Congress in the Fixing America's Surface Transportation (FAST) Act. We will continue to work with our federal legislators and our partners in the American Public Transportation Association (APTA) to strongly oppose the administration's budget.

Interstate Route 81 Project

The Route 81 replacement project timeline was changed when Governor Cuomo required the inclusion of a study pertaining to the development of a tunnel option as one of the construction alternatives. Centro continues its role as a partner in the ongoing process to develop plans with the New York State Department of Transportation (NYSDOT), the Syracuse Metropolitan Transportation Council (SMTC), and many other community stakeholders regarding the Route 81project. Centro role will coordinate the process to develop a commuter Park-N-Ride system as part of a much larger system to attempt to mitigate traffic congestion issues in the downtown Syracuse area. It is anticipated that there will be a material financial impact due to the operational costs necessary to adjust Centro bus service.

Day Pass

Centro introduced a Day Pass option for customers in Syracuse and Utica. The pass allows customers to pay one price for unlimited rides over a 24-hour period. Centro customers have taken more than 160,000 rides using the Day Pass thus far.

State Fair

It was a record-breaking year for Centro's popular Park-N-Ride shuttle services for the New York State Fair. Centro provided more than 258,000 rides to and from the Main Gate of the Fair during its 12-day run. That set an all-time record in the 40+ year history of the service and was a 40% increase over the previous year. New locations at Destiny USA and Long Branch Park helped bolster the ridership, as did a newly revamped New York State Fairgrounds that attracted a record number of fairgoers as more than 1.1 million people attended the 2016 New York State Fair.

FTA Triennial Review

Every three years transit agencies across the country are evaluated by the Federal Transit Administration (FTA) to ensure they are following federal regulations regarding how federal grant funds are spent. This comprehensive *triennial review* is thorough and consists of a desk review of many of our records, as well as a site visit where FTA representatives physically inspect the property and interview staff members. The areas evaluated include procurement practices, financial management and capacity, maintenance, ADA/paratransit service, satisfactory continuing control practices, legal and service planning.

The 2017 review was completed and Centro attained a perfect score indicating no deficiencies were found. Further, this success is amplified because this perfect score was earned for the fifth consecutive triennial review! This level of success is a testament to the hard work and dedication of each of our employees over this eighteen-year period.

Signature Projects FYE 2018 (Continued)

Syracuse Metropolitan Area Regional Transit Study – Phase 1

The Syracuse Metropolitan Transportation Council concluded its two-year study to determine the feasibility of an enhanced transportation system in the City of Syracuse. The "SMART1" study, commissioned by Centro, focused on two corridors: The James Street / Eastwood – South Avenue/ OCC corridor and Syracuse University – DestinyUSA / Regional Transportation Center corridor. The study recommends a mixed traffic Bus Rapid Transit (BRT) system along each of the corridors. Efforts will now begin to explore funding options to pay for the estimated $34M up front capital costs and $8M annual operating costs.

SMS Real-Time Arrival Information

Centro began offering customers access to bus arrival times at any Centro bus stop via text message. The SMS text service, available on any cell phone, follows Centro's recent launch of the GoCentroBus mobile app, which displays real-time transit information on smartphones or tablets.
To receive bus arrival information, Centro can text the word GOCENTROBUS (followed by a stop ID number) to the easy-to-remember short code 41411. Customers who are unsure of their stop number can easily look it up via the Bus Tracker page on Centro's website.

New Max Pass and Day Pass Program Expansion

In November, Centro began offering new pass options to its customers. The new pass options included an Adult and Reduced Fare MAX Pass in all its properties, along with Day Passes in Auburn, Oswego, Rome, and Fulton. Priced at the cost of five round-trip fares, the MAX Pass provides customers with unlimited rides for seven consecutive calendar days. Additionally, customers traveling on Centro buses in Auburn, Oswego, Fulton, and Rome now have the option of purchasing Day Passes. Day Passes were previously only offered in Syracuse and Utica.

State Fair Park-N-Ride Service Expansion

Centro offered new features for its 2017 New York State Fair express bus service including round-trip tickets, additional bus service, and new Park-N-Ride locations. Not only did Centro offer its express bus service to the Main Gate each day of the 2017 New York State Fair from multiple Park-N-Ride locations throughout Central New York, it also sold round-trip passes at its busiest Park-N-Ride locations in order to move people quicker. Fairgoers were able to purchase their round-trip passes from sales representatives located on site at Destiny USA, Long Branch Park, ShoppingTown Mall, Camillus Mall, and Fingerlakes Mall prior to boarding the buses. To help alleviate traffic congestion and move Fairgoers even quicker, New York State Governor Andrew M. Cuomo called upon regional transit authorities from around the State to provide additional bus service to and from the Fairgrounds. Centro Operations personnel coordinated the effort with assistance from Capital District Transportation Authority, Regional Transit Service (Rochester), and Niagara Frontier Transportation Authority (Buffalo) who collectively provided a total of 16 buses at designated locations, including the brand-new John Glenn/Farrell Road Park-N-Ride location. For the 13-day event, 297,105 rides were provided to customers from various Park-N-Ride locations across Onondaga, Cayuga, and Oswego counties directly to the Fair's Main Gate during the 2017 Fair. That number represents a 17% increase in rides from 2016. Centro also provided shuttle rides to 279,815 Fairgoers from the State Fair's Parking Lots to the Main Gate.

Signature Projects FYE 2018 (Continued)

Centro Partners with Syracuse City School District to offer "Blessings in a Backpack"
Centro executives, board members, and employees assembled and delivered 600 bags of food to the students at the Dr. King Elementary School in Syracuse kicking off a year-long commitment to providing meals to Syracuse City School District students in need. Students at Dr. King Elementary School received backpacks filled with healthy food each weekend throughout the school year thanks to the Blessings in a Backpack program. The national child hunger relief non-profit organization implemented the program as part of a City of Syracuse Public Schools Backpack Coalition Program, which supports existing school programs that provide food for hungry students during the weekends and extended breaks.

Two Main Transfer Locations on the Move
Centro relocated its main transfer point service the City of Rome to West Dominick Street in November due to the closure of the Liberty Street Parking Garage. The garage has housed Centro's public information Center since 2005. The move to W. Dominick St. is only temporary, and Centro will permanently move its transfer location near City Hall on W. Liberty Street later in 2018.
In Auburn, Centro will relocate its main transfer location from Loop Rd. to Dill St. to make way for a new Welcome Center. The change will go into effect in late Spring and moves Common Center closer to Lattimore Hall, which houses Cayuga Community College students who use Centro to travel to / from the college.

New Service in Baldwinsville and Midland /Salina Corridor
To meet the changing needs of its riders, Centro offered service adjustments providing more access to popular destinations. In May Centro began offering seasonal weekend bus service to Lakeview Park and the New York State Fairgrounds. The new service provides express bus trips from the Centro Transit Hub in downtown Syracuse to the Loop the Lake Trail off Exit 7 of Route 690 and the Main Gate of the Fairgrounds. Trips operate every Saturday and Sunday from late May to early September. In addition to this new seasonal service, Centro's *Sy 82* Baldwinsville bus line also provides year-round service to the Loop the Lake location at select times Monday through Friday.
Centro implemented route enhancements to its *Sy 10* S. Salina St – Nedrow and *Sy 54* Midland Ave – Valley Dr. bus lines. Service improvements include:

- Increased frequency of service to/from The Bernardine Apartments and Valley Vista Apartments, including more direct connections to Valley Plaza
- Increased frequency of service on Seneca Turnpike and S. Salina St – south of Valley Plaza
- Increased frequency of service to Nedrow
- Access to Tops Valley Plaza via the *Sy 54* Midland Ave bus line
- Simplified routing for *Sy 10* S. Salina St and *Sy 54* Midland Ave bus lines

Centro added service to River Mall on its *Sy 82* Baldwinsville – Lakeland bus route. The change provides customers with Monday-Friday service to River Mall. Previously, the *Sy 82* Baldwinsville – Lakeland bus route only traveled as far as Rite Aid on Downer St.

CENTRO Receives 2017 InterFaith Works Award
Centro was honored to be among the eight recognized agencies, companies, and businesses during the 2017 InterFaith Works of Central New York Leadership Award Dinner.

The theme for 2017 "Inextricably Bound Together" embodies each of the award recipients who were recognized as being inextricably bound together with the communities they serve in the most essential ways. Centro was recognized for its commitment to the community and the role it plays in the lives of the people it serves. Particularly, how Centro's Travel Training and Shopper Bus programs helps provide independence, and therefore, dignity to individuals.

Signature Projects FYE 2018 (Continued)

CENTRO Adds New Fixed route and Paratransit Vehicles to its Fleet
Centro took delivery of 36 new transit buses and 12 new paratransit buses in 2017, each replacing an older vehicle that had reached the end of its useful life. The transit buses, 33 of which are now on the road in Syracuse and 3 in Auburn, were manufactured by the Gillig Corporation. Each of the 40-foot vehicles is fueled by Compressed Natural Gas (CNG) – the most cost-effective propulsion system in the Centro fleet. The four 30-foot buses are diesel powered.

In January 2018, Centro added 12 new Coach & Equipment Ford Phoenix buses to its Call-A-Bus paratransit fleet - three in Utica and the remaining nine in Syracuse. The new vehicles are gasoline powered and offer riders a quieter, more comfortable ride.

The acquisition of these vehicles is part of a 5-year plan to replace more than 100 buses within Centro's Syracuse and Utica fleets. The multi-year replacement plan was designed to minimize capital cost expenditures within a given year.

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

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

CONSOLIDATING STATEMENTS OF NET POSITION (DEFICIT)
MARCH 31, 2018 AND 2017

	Central New York Regional Transportation Authority		CNY Centro, Inc.		Centro of Oswego, Inc.	
	2018	2017	2018	2017	2018	2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS:						
Cash and cash equivalents	$ 718,732	$ 1,471,223	$ 2,751,272	$ 1,795,165	$ 325	$ 325
Cash and cash equivalents - designated	3,250,000	3,625,000	-	-	-	-
Accounts receivable:						
Trade and other	954,082	1,353,005	1,262,408	866,299	67,236	48,087
Mortgage tax	335,195	370,871	-	-	-	-
Operating assistance	-	-	-	570,247	3,750	26,393
Grants	-	-	814,553	1,926,604	-	1,871,014
Due from affiliates	17,800,451	11,922,534	-	-	234,559	2,214
Materials and supplies	-	-	3,320,561	3,397,946	-	-
Prepaid expenses and other current assets	17,501	13,740	3,774,888	2,449,313	6,291	4,894
Total current assets	23,075,961	18,756,373	11,923,682	11,005,574	312,161	1,952,927
NONCURRENT ASSETS:						
Net pension asset	-	-	-	-	-	-
Capital assets, net of accumulated depreciation	-	-	74,784,855	66,406,365	2,833,578	3,193,901
Total noncurrent assets	-	-	74,784,855	66,406,365	2,833,578	3,193,901
TOTAL ASSETS	23,075,961	18,756,373	86,708,537	77,411,939	3,145,739	5,146,828
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows - relating to pensions	100,999	110,314	2,622,097	3,398,836	151,539	186,790
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 23,176,960	$ 18,866,687	$ 89,330,634	$ 80,810,775	$ 3,297,278	$ 5,333,618
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 32,958	$ 56,983	$ 1,524,838	$ 1,298,899	$ 74,389	$ 1,757,224
Accrued salaries	31,464	24,573	403,833	422,723	29,760	32,211
Accrued liabilities and benefits	7,337	23,804	1,575,155	1,523,493	119,366	113,510
Estimated claims payable	-	-	831,400	831,400	28,436	28,436
Due to affiliates	-	-	4,124,082	2,573,384	-	-
Total current liabilities	71,759	105,360	8,459,308	6,649,899	251,951	1,931,381
LONG-TERM LIABILITIES						
Other postemployment benefits	1,667,388	1,546,216	84,163,179	77,135,174	5,908,598	5,326,970
Net pension liability	381,933	366,431	17,230,381	17,021,850	1,140,940	1,134,863
Estimated claims payable	-	-	4,223,699	3,764,639	47,241	10,209
Total long-term liabilities	2,049,321	1,912,647	105,617,259	97,921,663	7,096,779	6,472,042
TOTAL LIABILITIES	2,121,080	2,018,007	114,076,567	104,571,562	7,348,730	8,403,423
DEFERRED INFLOWS OF RESOURCES:						
Deferred revenue	-	-	350,000	447,508	-	-
Deferred inflows - relating to pensions	-	-	750,260	209,946	66,479	18,841
Total deferred inflows of resources	-	-	1,100,260	657,454	66,479	18,841
NET POSITION (DEFICIT):						
Unrestricted	21,055,880	16,848,680	(100,631,048)	(90,824,606)	(6,951,509)	(6,282,547)
Net investment in capital assets	-	-	74,784,855	66,406,365	2,833,578	3,193,901
Total net position (deficit)	21,055,880	16,848,680	(25,846,193)	(24,418,241)	(4,117,931)	(3,088,646)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	$ 23,176,960	$ 18,866,687	$ 89,330,634	$ 80,810,775	$ 3,297,278	$ 5,333,618

Centro of Cayuga, Inc.		Centro Call-A-Bus, Inc.		Centro of Oneida, Inc.		Intermodal Transportation Center, Inc.		Consolidated	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
$ 350	$ 350	$ -	$ -	$ 3,462	$ 3,462	$ 2,385	$ 2,385	$ 3,476,526	$ 3,272,910
-	-	-	-	-	-	-	-	3,250,000	3,625,000
20,247	7,628	45,639	30,317	82,705	66,292	2,767	900	2,435,084	2,372,528
-	-	-	-	-	-	-	-	335,195	370,871
-	40,599	-	32,222	128,789	-	-	-	132,539	669,461
-	1,496,812	92,205	-	306,419	542,078	-	-	1,213,177	5,836,508
161,823	399,282	371,193	350,806	-	-	-	-	18,568,026	12,674,836
-	-	-	-	843,377	789,810	-	-	4,163,938	4,187,756
5,340	5,441	8,941	3,551	42,202	40,593	46,431	62,048	3,901,594	2,579,580
187,760	1,950,112	517,978	416,896	1,406,954	1,442,235	51,583	65,333	37,476,079	35,589,450
-	-	-	-	-	-	-	-	-	-
2,267,509	2,478,819	1,326,992	655,719	7,008,088	8,071,626	11,965,081	12,681,079	100,186,103	93,487,509
2,267,509	2,478,819	1,326,992	655,719	7,008,088	8,071,626	11,965,081	12,681,079	100,186,103	93,487,509
2,455,269	4,428,931	1,844,970	1,072,615	8,415,042	9,513,861	12,016,664	12,746,412	137,662,182	129,076,959
151,539	166,409	292,938	381,990	800,091	1,674,535	-	-	4,119,203	5,918,874
$ 2,606,808	$ 4,595,340	$ 2,137,908	$ 1,454,605	$ 9,215,133	$ 11,188,396	$ 12,016,664	$ 12,746,412	$ 141,781,385	$ 134,995,833
$ 37,467	$ 1,806,669	$ 337,529	$ 234,985	$ 228,278	$ 766,317	$ 56,349	$ 46,419	$ 2,291,808	$ 5,967,496
22,868	24,817	21,166	19,107	93,918	84,705	3,127	-	606,136	608,136
90,233	87,782	35,648	39,168	426,228	337,105	19,928	11,742	2,273,895	2,136,604
47,729	47,729	34,832	34,832	45,000	45,000	-	-	987,397	987,397
-	-	-	-	12,594,467	8,444,275	1,849,477	1,657,177	18,568,026	12,674,836
198,297	1,966,997	429,175	328,092	13,387,891	9,677,402	1,928,881	1,715,338	24,727,262	22,374,469
5,320,201	4,762,807	18,153,726	16,433,077	24,483,764	22,448,066	435,409	362,705	140,132,265	128,015,015
999,756	993,679	1,958,014	1,930,235	416,861	1,212,728	-	-	22,127,885	22,659,786
2,761	1,290	-	-	286,837	550,220	-	-	4,560,538	4,326,358
6,322,718	5,757,776	20,111,740	18,363,312	25,187,462	24,211,014	435,409	362,705	166,820,688	155,001,159
6,521,015	7,724,773	20,540,915	18,691,404	38,575,353	33,888,416	2,364,290	2,078,043	191,547,950	177,375,628
-	-	-	-	-	-	4,492	11,732	354,492	459,240
66,479	16,150	66,479	24,225	335,615	330,476	-	-	1,285,312	599,638
66,479	16,150	66,479	24,225	335,615	330,476	4,492	11,732	1,639,804	1,058,878
(6,248,195)	(5,624,402)	(19,796,478)	(17,916,743)	(36,703,923)	(31,102,122)	(2,317,199)	(2,024,442)	(151,592,472)	(136,926,182)
2,267,509	2,478,819	1,326,992	655,719	7,008,088	8,071,626	11,965,081	12,681,079	100,186,103	93,487,509
(3,980,686)	(3,145,583)	(18,469,486)	(17,261,024)	(29,695,835)	(23,030,496)	9,647,882	10,656,637	(51,406,369)	(43,438,673)
$ 2,606,808	$ 4,595,340	$ 2,137,908	$ 1,454,605	$ 9,215,133	$ 11,188,396	$ 12,016,664	$ 12,746,412	$ 141,781,385	$ 134,995,833

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	Central New York Regional Transportation Authority		CNY Centro, Inc.		Centro of Oswego, Inc.	
	2018	2017	2018	2017	2018	2017
OPERATING REVENUES:						
Regular line passenger	$ -	$ -	$ 6,068,624	$ 5,996,603	$ 307,914	$ 318,763
Special line passenger	-	-	6,242,368	6,158,548	454,706	501,134
Subcontract charter	-	-	38,184	43,946	-	-
Advertising, parking and other	325,166	325,315	463,474	485,668	47,222	17,562
Total operating revenues	325,166	325,315	12,812,650	12,684,765	809,842	837,459
OPERATING EXPENSES:						
Maintenance of equipment and facilities	78,074	77,768	9,236,168	9,128,395	720,495	912,167
Downtown transfer hubs	-	-	809,716	749,400	-	-
Transportation operations	-	-	1,631,205	1,293,303	321,812	293,582
Purchased transportation	-	-	-	-	-	-
Service and business development	-	-	769,602	610,708	42,000	73,486
Drivers wages	-	-	9,793,651	9,520,004	1,076,666	1,043,436
Information Systems	-	-	1,247,541	1,191,434	29,871	23,782
General and administrative	528,242	607,124	474,580	382,057	265,102	265,439
Fuel	-	-	286,027	795,362	228,282	355,531
Insurance and risk management	15,176	14,597	967,178	1,345,082	45,037	39,446
Workers compensation	4,818	4,881	3,298,890	2,239,117	124,269	137,221
Medical and dental	60,018	53,146	5,404,596	5,295,013	307,844	265,863
Pension	95,080	86,588	4,123,400	3,187,131	263,902	188,924
Other post employment benefits	121,172	147,514	10,702,454	12,060,198	696,989	832,860
Other employee benefits and payroll taxes	20,562	21,706	2,239,790	2,166,411	119,266	113,182
Depreciation expense	-	-	7,761,197	7,690,714	360,323	295,940
Total operating expenses	923,142	1,013,324	58,745,995	57,654,329	4,601,858	4,840,859
OPERATING INCOME (LOSS)	(597,976)	(688,009)	(45,933,345)	(44,969,564)	(3,792,016)	(4,003,400)
NON-OPERATING REVENUES:						
Grants received for capital additions	-	-	15,012,784	6,094,591	-	1,871,014
Gain on disposal of capital assets	-	-	18,132	18,239	1,630	-
Mortgage taxes	6,108,285	6,072,059	-	-	-	-
Operating and other assistance:						
Local assistance	-	-	2,280,982	2,280,989	105,573	105,573
State assistance	-	-	19,133,453	20,349,521	2,417,528	2,653,206
Federal assistance	-	-	6,933,138	3,412,726	238,000	216,000
Total operating and other assistance	-	-	28,347,573	26,043,236	2,761,101	2,974,779
Total non-operating revenues	6,108,285	6,072,059	43,378,489	32,156,066	2,762,731	4,845,793
NET INCOME (LOSS) BEFORE TRANSFERS	5,510,309	5,384,050	(2,554,856)	(12,813,498)	(1,029,285)	842,393
TRANSFER OF FUNDS:						
Transfer of funds - capital	(1,303,109)	(1,411,677)	1,126,904	758,158	-	207,891
Total transfers	(1,303,109)	(1,411,677)	1,126,904	758,158	-	207,891
CHANGES IN NET POSITION	4,207,200	3,972,373	(1,427,952)	(12,055,340)	(1,029,285)	1,050,284
NET POSITION (DEFICIT) - BEGINNING OF YEAR	16,848,680	12,876,307	(24,418,241)	(12,362,901)	(3,088,646)	(4,138,930)
NET POSITION (DEFICIT) - END OF YEAR	$ 21,055,880	$ 16,848,680	$ (25,846,193)	$ (24,418,241)	$ (4,117,931)	$ (3,088,646)

Centro of Cayuga, Inc.		Centro Call-A-Bus, Inc.		Centro of Oneida, Inc.		Intermodal Transportation Center, Inc.		Consolidated	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
$ 358,196	$ 376,218	$ 466,428	$ 451,581	$ 1,008,587	$ 1,026,481	$ -	$ -	$ 8,209,749	$ 8,169,646
20,978	25,091	-	-	1,841	1,600	-	-	6,719,893	6,686,373
-	-	-	-	-	-	-	-	38,184	43,946
11,514	10,977	3,300	3,061	93,380	84,639	806,340	818,033	1,750,396	1,745,255
390,688	412,286	469,728	454,642	1,103,808	1,112,720	806,340	818,033	16,718,222	16,645,220
578,510	637,014	622,048	645,907	2,571,485	2,344,675	601,287	567,132	14,408,067	14,313,058
-	-	-	-	181,584	161,102	-	-	991,300	910,502
303,516	296,197	1,080,154	1,206,184	737,322	813,279	4,800	3,800	4,078,809	3,906,345
12,000	11,000	3,058,834	2,397,245	-	-	-	-	3,070,834	2,408,245
42,000	74,464	99,600	183,000	123,625	135,959	48,000	57,457	1,124,827	1,135,074
852,472	840,735	747,411	855,542	2,737,045	2,647,926	-	-	15,207,245	14,907,643
31,500	26,130	75,957	62,632	91,824	83,390	17,113	22,426	1,493,806	1,409,794
261,971	272,538	588,627	668,631	462,788	443,392	234,915	171,002	2,816,225	2,810,183
205,534	321,128	143,038	227,549	509,282	703,631	-	313	1,372,163	2,403,514
34,558	35,114	31,272	(18,163)	66,041	(125,404)	102,152	98,321	1,261,414	1,388,993
96,306	77,943	60,586	52,686	671,095	302,946	4,818	4,016	4,260,782	2,818,810
332,991	168,699	367,631	353,308	1,391,834	1,269,037	300	267	7,865,214	7,405,333
229,419	196,157	408,480	321,762	529,814	1,207,075	-	-	5,650,095	5,187,637
662,571	866,247	1,720,649	2,094,694	2,219,290	2,656,056	72,704	88,508	16,195,829	18,746,077
99,584	101,300	206,656	220,379	454,663	454,652	13,008	11,409	3,153,529	3,089,039
247,016	161,952	250,779	219,894	1,449,833	1,413,807	715,998	714,690	10,785,146	10,496,997
3,989,948	4,086,618	9,461,722	9,491,250	14,197,525	14,511,523	1,815,095	1,739,341	93,735,285	93,337,244
(3,599,260)	(3,674,332)	(8,991,994)	(9,036,608)	(13,093,717)	(13,398,803)	(1,008,755)	(921,308)	(77,017,063)	(76,692,024)
32,137	1,496,813	829,846	600,532	305,864	703,530	-	-	16,180,631	10,766,480
4,876	-	-	27,830	1,930	-	-	-	26,568	46,069
-	-	-	-	-	-	-	-	6,108,285	6,072,059
162,396	162,396	128,888	128,888	515,154	515,154	-	-	3,192,993	3,193,000
2,349,178	2,457,055	6,732,593	6,530,683	3,500,000	3,500,000	-	-	34,132,752	35,490,465
212,000	192,000	-	2,316	2,025,000	2,025,000	-	-	9,408,138	5,848,042
2,723,574	2,811,451	6,861,481	6,661,887	6,040,154	6,040,154	-	-	46,733,883	44,531,507
2,760,587	4,308,264	7,691,327	7,290,249	6,347,948	6,743,684	-	-	69,049,367	61,416,115
(838,673)	633,932	(1,300,667)	(1,746,359)	(6,745,769)	(6,655,119)	(1,008,755)	(921,308)	(7,967,696)	(15,275,909)
3,570	310,187	92,205	66,726	80,430	55,565	-	13,150	-	-
3,570	310,187	92,205	66,726	80,430	55,565	-	13,150	-	-
(835,103)	944,119	(1,208,462)	(1,679,633)	(6,665,339)	(6,599,554)	(1,008,755)	(908,158)	(7,967,696)	(15,275,909)
(3,145,583)	(4,089,702)	(17,261,024)	(15,581,391)	(23,030,496)	(16,430,942)	10,656,637	11,564,795	(43,438,673)	(28,162,764)
$ (3,980,686)	$ (3,145,583)	$ (18,469,486)	$ (17,261,024)	$ (29,695,835)	$ (23,030,496)	$ 9,647,882	$ 10,656,637	$ (51,406,369)	$ (43,438,673)

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	Central New York Regional Transportation Authority		CNY Centro, Inc.		Centro of Oswego, Inc.	
	2018	2017	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:						
Passenger receipts	$ -	$ -	$ 12,349,176	$ 12,199,097	$ 743,471	$ 825,442
Other operating receipts	325,166	325,315	67,365	1,181,836	47,222	17,562
Payments to vendors and suppliers	(389,147)	(435,631)	(4,941,766)	(5,877,897)	(1,121,220)	(1,408,622)
Payments and benefits to employees	(2,690)	(993,770)	(34,342,533)	(33,048,362)	(2,347,626)	(2,253,401)
Payments for insurance and risk management	(23,755)	(19,345)	(3,774,837)	(2,921,158)	(85,726)	(98,375)
Net cash from operating activities	(90,426)	(1,123,431)	(30,642,595)	(28,466,484)	(2,763,879)	(2,917,394)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:						
Mortgage tax receipts	6,143,961	6,070,291	-	-	-	-
Operating assistance	-	-	28,917,820	25,533,989	2,783,744	3,161,136
Operating transfers	(5,877,917)	(6,688,892)	1,550,698	2,777,085	(232,345)	(34,610)
Net cash from noncapital financing activities	266,044	(618,601)	30,468,518	28,311,074	2,551,399	3,126,526
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from grants received for capital additions	-	-	16,124,835	7,921,196	1,871,015	1,717
Transfers in (out) - capital	(1,303,109)	(1,411,677)	1,126,904	758,158	-	207,891
Purchase of capital assets	-	-	(16,139,687)	(6,852,749)	(1,660,165)	(418,740)
Proceeds from sale of capital assets	-	-	18,132	69,236	1,630	-
Net cash from capital and related financing activities	(1,303,109)	(1,411,677)	1,130,184	1,895,841	212,480	(209,132)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,127,491)	(3,153,709)	956,107	1,740,431	-	-
BALANCES - beginning of year	5,096,223	8,249,932	1,795,165	54,734	325	325
BALANCES - end of year	$ 3,968,732	$ 5,096,223	$ 2,751,272	$ 1,795,165	$ 325	$ 325
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	$ (597,976)	$ (688,009)	$ (45,933,345)	$ (44,969,564)	$ (3,792,016)	$ (4,003,400)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	-	-	7,761,197	7,690,714	360,323	295,940
Changes in operating assets and liabilities:						
Accounts receivable:						
Trade and other	398,923	(622,977)	(396,109)	696,168	(19,149)	5,545
Materials and supplies	-	-	77,385	(336,158)	-	-
Prepaid expenses and other current assets	(3,761)	132	(1,325,575)	(993,838)	(1,398)	(86)
Accounts payable and accrued expenses	(24,025)	19,998	225,939	(518,623)	(22,670)	16,105
Other accrued expenses	(9,576)	(2,240)	32,772	79,625	3,405	27,724
Other postemployment benefits	121,172	147,514	7,028,005	8,555,790	581,628	708,066
Pension	24,817	22,151	1,525,584	538,853	88,966	24,617
Deferred revenue	-	-	(97,508)	127,508	-	-
Estimated claims payable	-	-	459,060	663,041	37,032	8,095
Total adjustments	507,550	(435,422)	15,290,750	16,503,080	1,028,137	1,086,006
Net cash from operating activities	$ (90,426)	$ (1,123,431)	$ (30,642,595)	$ (28,466,484)	$ (2,763,879)	$ (2,917,394)

Centro of Cayuga, Inc.		Centro Call-A-Bus, Inc.		Centro of Oneida, Inc.		Intermodal Transportation Center, Inc.		Consolidated	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
$ 366,554	$ 403,777	$ 451,106	$ 438,953	$ 1,010,428	$ 1,028,081	$ -	$ -	$ 14,920,735	$ 14,895,350
11,514	10,977	3,300	3,061	76,967	64,649	797,233	827,109	1,328,767	2,430,509
(1,024,658)	(1,186,976)	(4,663,743)	(4,487,207)	(3,057,811)	(2,054,286)	(712,612)	(681,713)	(15,910,957)	(16,132,332)
(1,989,150)	(1,904,392)	(2,474,525)	(2,663,786)	(7,325,265)	(7,104,315)	(112,864)	(74,868)	(48,594,653)	(48,042,894)
(131,999)	(113,119)	(97,248)	(61,818)	(1,003,464)	(1,737,299)	(164,057)	(226,601)	(5,281,086)	(5,177,715)
(2,767,739)	(2,789,733)	(6,781,110)	(6,770,797)	(10,299,145)	(9,803,170)	(192,300)	(156,073)	(53,537,194)	(52,027,082)
-	-	-	-	-	-	-	-	6,143,961	6,070,291
2,764,172	2,956,352	6,893,703	6,629,665	5,911,365	6,040,154	-	-	47,270,804	44,321,296
237,459	(406,120)	(20,387)	109,563	4,150,192	4,125,685	192,300	117,289	-	-
3,001,631	2,550,232	6,873,316	6,739,228	10,061,557	10,165,839	192,300	117,289	53,414,765	50,391,587
1,528,950	731	737,641	604,271	541,523	340,861	-	38,731	20,803,964	8,907,507
3,570	310,187	92,205	66,726	80,430	55,565	-	13,150	-	-
(1,771,289)	(71,417)	(922,052)	(667,258)	(386,295)	(759,095)	-	(13,150)	(20,879,488)	(8,782,409)
4,877	-	-	27,830	1,930	-	-	-	26,569	97,066
(233,892)	239,501	(92,206)	31,569	237,588	(362,669)	-	38,731	(48,955)	222,164
-	-	-	-	-	-	-	(53)	(171,384)	(1,413,331)
350	350	-	-	3,462	3,462	2,385	2,438	6,897,910	8,311,241
$ 350	$ 350	$ -	$ -	$ 3,462	$ 3,462	$ 2,385	$ 2,385	$ 6,726,526	$ 6,897,910
$ (3,599,260)	$ (3,674,332)	$ (8,991,994)	$ (9,036,608)	$ (13,093,717)	$ (13,398,803)	$ (1,008,755)	$ (921,308)	$ (77,017,063)	$ (76,692,024)
247,016	161,952	250,779	219,894	1,449,833	1,413,807	715,998	714,690	10,785,146	10,496,997
(12,620)	2,468	(15,322)	(12,628)	(16,413)	(19,990)	(1,867)	1,569	(62,557)	50,155
-	-	-	-	(53,567)	(88,997)	-	-	23,818	(425,155)
101	(1,011)	(5,390)	(69)	(1,609)	72,216	15,617	(35,756)	(1,322,015)	(958,412)
(33,619)	16,654	102,544	(58,987)	(538,039)	570,551	9,930	(10,612)	(279,940)	35,086
502	2,658	(1,461)	(9,999)	98,336	23,981	11,313	(671)	135,291	121,078
557,394	678,563	1,720,649	2,094,694	2,035,698	2,478,229	72,704	88,508	12,117,250	14,751,364
71,276	22,366	159,085	60,132	83,716	777,810	-	-	1,953,444	1,445,929
-	-	-	-	-	-	(7,240)	7,507	(104,748)	135,015
1,471	949	-	(27,226)	(263,383)	(1,631,974)	-	-	234,180	(987,115)
831,521	884,599	2,210,884	2,265,811	2,794,572	3,595,633	816,455	765,235	23,479,869	24,664,942
$ (2,767,739)	$ (2,789,733)	$ (6,781,110)	$ (6,770,797)	$ (10,299,145)	$ (9,803,170)	$ (192,300)	$ (156,073)	$ (53,537,194)	$ (52,027,082)

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK REGIONAL
TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

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

	Unrestricted	Current Designated	Total
March 31, 2018	$ 3,476,526	$ 3,250,000	$ 6,726,526
March 31, 2017	$ 3,272,910	$ 3,625,000	$ 6,897,910

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 discretely presented 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:

	2018	2017
Parking revenues	$ 323,207	$ 321,212
Facility maintenance	(78,162)	(77,769)
General and administrative	(40,421)	(44,865)
Net income	$ 204,624	$ 198,578
Assets	$ 3,453,138	$ 3,219,730
Liabilities	$ 317,107	$ 288,322

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 considers the receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

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.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows of resources for its pension amounts as described in Note 10.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has deferred inflows of resources resulting from its pension amounts as described in Note 10. The Authority also has deferred inflows of resources for unearned revenue.

Pension Plans

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to the various defined benefit pension plans, and pension expense, information about the fiduciary net position of the defined benefit pension plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the various plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair market value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 restricted net position as of March 31, 2018 or 2017. 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.”

Revenues

Amounts reported as operating revenue are from providing services in connection with the Authority’s ongoing transportation operations. The principal operating revenues of the Authority include customer fares, special transit fares, advertising, and parking revenue. All revenues not meeting this definition are reported as non-operating revenues.

Expenses

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

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, and 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

At March 31, 2018 and 2017 designated cash and cash equivalents, with a balance of $3,250,000 and $3,625,000, respectively, is used to fund the self-insurance reserve (see Note 6).

Deposits

At March 31, 2018 and 2017, the carrying amount of the Authority and its subsidiaries’ bank deposits was $6,726,526 and $6,897,910, respectively and the bank balances were $7,599,724 and $7,367,734, 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, 2018							
	CNY Centro, Inc	Centro of Oswego, Inc	Centro of Cayuga, Inc	Centro Call-A-Bus, Inc	Centro of Oneida, Inc.	Intermodal Transportation Center, Inc.	2018 Total	2017 Total
Land	$ 4,275,143	$ 6,400	$ 8,052	$ -	$ -	$ 712,742	$ 5,002,337	$ 5,002,337
Construction in progress	-	-	-	-	-	-	-	-
Improvements	181,505	53,348	59,295	-	849,241	2,096,998	3,240,387	3,056,307
Buildings	46,444,940	1,961,490	1,644,979	84,075	1,101,552	20,065,600	71,302,636	71,154,859
Revenue vehicles	80,521,824	4,824,052	4,234,014	4,329,379	11,217,823	-	105,127,092	91,753,178
Other equipment	19,393,013	631,929	371,057	29,016	3,051,634	42,489	23,519,138	23,260,212
Furniture and office equipment	1,931,360	37,250	44,560	50,017	190,731	138,431	2,392,349	2,724,771
Total	152,747,785	7,514,469	6,361,957	4,492,487	16,410,981	23,056,260	210,583,939	196,951,664
Less: accumulated depreciation	77,962,930	4,680,891	4,094,448	3,165,495	9,402,893	11,091,179	110,397,836	103,464,155
Total	$74,784,855	$2,833,578	$ 2,267,509	$ 1,326,992	$ 7,008,088	$ 11,965,081	$100,186,103	$93,487,509

Capital asset activity for the year ended March 31, 2018:

	Total Balance at March 31, 2017	Increases	Decreases	Total Balance at March 31, 2018
Not being depreciated:				
Land	$ 5,002,337	$ -	$ -	$ 5,002,337
Construction on progress	-	-	-	-
Subtotal	5,002,337	-	-	5,002,337
Other capital assets:				
Improvements	3,056,307	184,080	-	3,240,387
Buildings	71,154,859	147,777	-	71,302,636
Revenue Vehicles	91,753,178	16,784,457	(3,410,543)	105,127,092
Other Equipment	23,260,212	293,024	(34,098)	23,519,138
Furniture and Office Equipment	2,724,771	74,402	(406,824)	2,392,349
Subtotal	191,949,327	17,483,740	(3,851,465)	205,581,602
Total capital assets	196,951,664	17,483,740	(3,851,465)	210,583,939
Accumulated depreciation:				
Improvements	1,303,448	187,764	-	1,491,212
Buildings	35,482,583	2,164,653	-	37,647,236
Revenue Vehicles	53,799,412	6,148,719	(3,410,543)	56,537,588
Other Equipment	10,528,969	2,128,429	(34,098)	12,623,300
Furniture and Office Equipment	2,349,743	155,581	(406,824)	2,098,500
Total	103,464,155	10,785,146	(3,851,465)	110,397,836
Net capital assets	$ 93,487,509	$ 6,698,594	$ -	$ 100,186,103

4. CAPITAL ASSETS AND DEPRECIATION (Continued)

Capital asset activity for the year ended March 31, 2017:

	Total Balance at March 31, 2016	Increases	Decreases	Total Balance at March 31, 2017
Not being depreciated:				
Land	$ 5,002,337	$ -	$ -	$ 5,002,337
Construction on progress	253,378	-	(253,378)	-
Subtotal	5,255,715	-	(253,378)	5,002,337
Other capital assets:				
Improvements	3,026,519	29,788	-	3,056,307
Buildings	69,799,459	1,394,785	(39,385)	71,154,859
Revenue Vehicles	85,896,307	8,490,372	(2,633,501)	91,753,178
Other Equipment	21,177,987	2,489,429	(407,204)	23,260,212
Furniture and Office Equipment	6,111,935	27,161	(3,414,325)	2,724,771
Subtotal	186,012,207	12,431,535	(6,494,415)	191,949,327
Total capital assets	191,267,922	12,431,535	(6,747,793)	196,951,664
Accumulated depreciation:				
Improvements	1,129,071	174,377	-	1,303,448
Buildings	33,381,664	2,147,962	(47,043)	35,482,583
Revenue Vehicles	50,422,754	5,958,214	(2,581,556)	53,799,412
Other Equipment	8,887,274	2,056,236	(414,541)	10,528,969
Furniture and Office Equipment	5,589,813	160,208	(3,400,278)	2,349,743
Total	99,410,576	10,496,997	(6,443,418)	103,464,155
Net capital assets	$ 91,857,346	$ 1,934,538	$ (304,375)	$ 93,487,509

Total depreciation expense charged to operating expenses was $10,785,146 and $10,496,997 for the years ended March 31, 2018 and 2017, respectively.

5. DEFERRED COMPENSATION PLANS

The Authority and subsidiaries offer their employees 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. For salaried and non-salaried full time employees participating in the defined contribution plans, there is a mandatory employee contribution of 3% of the employees' salary to the State Deferred Compensation Plan.

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 utilizes a third-party administrator to oversee their self-insured health program. The Authority was self-insured for worker's compensation claims until June 1, 2000 at which time it became fully insured. The Authority has \$150,000 deductible which is per accident, per employee. The Authority funds the insurance reserve monthly with the insurance carrier to cover all deductibles that they are responsible for.

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.

Reserves for outstanding claims, which include specific incremental costs, are included in estimated claims payable at March 31, 2018 and 2017. The Authority has designated \$3,250,000 and \$3,625,000 of net position at March 31, 2018 and 2017, respectively as a special reserve (See Note 3).

The changes in estimated claims payable:

Balance March 31, 2017	Current Year Claims and Changes in Estimates	Claims Payments	Balance March 31, 2018	Amount Due Within One Year
$ 5,313,755	$ 9,136,960	$ 8,902,780	$ 5,547,935	$ 987,397

Balance March 31, 2016	Current Year Claims and Changes in Estimates	Claims Payments	Balance March 31, 2017	Amount Due Within One Year
$ 6,300,870	$ 8,229,075	$ 9,216,190	$ 5,313,755	$ 987,397

7. INTER-COMPANY BORROWINGS AND COST ALLOCATIONS

For cash management purposes, most disbursements are made from one bank account which is recorded on Central New York Regional Transportation Authority's books. A single payroll cash account is maintained on CNY Centro, Inc.'s books and is used to pay payroll for all companies. These cash management practices are one of the main reasons why inter-company due from and due to affiliates exist. The other main reason inter-company due from and due to affiliates exist is that certain administrative costs are allocated from CNY Centro, Inc. to the various companies. These costs are originally recorded in CNY Centro, Inc. and allocated based on estimates of time incurred or revenue vehicle miles, as appropriate. These due from and due to affiliate accounts are short-term in nature.

The following schedule summarizes inter-company net receivables and payables at March 31:

	2018	
	Due From Affiliates	Due To Affiliates
Central New York Regional Transporation Authority	$ 17,800,451	$ -
CNY Centro, Inc.	-	4,124,082
Centro of Oswego, Inc.	234,559	-
Centro of Cayuga, Inc.	161,823	-
Centro Call-A-Bus, Inc.	371,193	-
Centro of Oneida, Inc.	-	12,594,467
Intermodal Transportation Center, Inc.	-	1,849,477
Total	$ 18,568,026	$ 18,568,026

	2017	
	Due From Affiliates	Due To Affiliates
Central New York Regional Transporation Authority	$ 11,922,534	$ -
CNY Centro, Inc.	-	2,573,384
Centro of Oswego, Inc.	2,214	-
Centro of Cayuga, Inc.	399,282	-
Centro Call-A-Bus, Inc.	350,806	-
Centro of Oneida, Inc.	-	8,444,275
Intermodal Transportation Center, Inc.	-	1,657,177
Total	$ 12,674,836	$ 12,674,836

8. 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:

	2018					
	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	$ 74,000	$ 238,000	$ 212,000	$ -	$ 2,000,000	$ 2,524,000
New Freedom	-	-	-	-	-	-
Special Reimbursements – Preventative Maintenance	6,859,138	-	-	-	-	6,859,138
New York State Department of Transportation:						
Regular operating – STOA	18,276,003	2,417,528	2,349,178	6,717,593	3,500,000	33,260,302
Special Reimbursements – Preventative Maintenance	857,450	-	-	-	-	857,450
Other New York State:						
Temporary Assistance for Needy Families (TANF)	-	-	-	-	25,000	25,000
New York State Office for the Aging		-	-	15,000	-	15,000
City of Oswego	-	15,000	-	-	-	15,000
Onondaga County	2,280,982	-	-	128,888	-	2,409,870
Oneida County	-	-	-	-	515,154	515,154
Oswego County	-	90,573	-	-	-	90,573
Cayuga County	-	-	162,396	-	-	162,396
Total	28,347,573	2,761,101	2,723,574	6,861,481	6,040,154	46,733,883

	2017					
	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	$ 67,000	$ 216,000	$ 192,000	$ -	$ 2,000,000	$ 2,475,000
New Freedom	4,398	-	-	2,316	-	6,714
Special Reimbursements – Preventative Maintenance	3,341,328	-	-	-	-	3,341,328
New York State Department of Transportation:						
Regular operating – STOA	17,469,956	2,653,206	2,457,055	6,530,683	3,500,000	32,610,900
Special Reimbursements – Preventative Maintenance	2,879,565	-	-	-	-	2,879,565
Other New York State:						
Temporary Assistance for Needy Families (TANF)	-	-	-	-	25,000	25,000
City of Oswego	-	15,000	-	-	-	15,000
Onondaga County	2,280,989	-	-	128,888	-	2,409,877
Oneida County	-	-	-	-	515,154	515,154
Oswego County	-	90,573	-	-	-	90,573
Cayuga County	-	-	162,396	-	-	162,396
Total	$ 26,043,236	$ 2,974,779	$ 2,811,451	$ 6,661,887	$ 6,040,154	$ 44,531,507

9. GRANT ASSISTED PROJECTS

Grant assisted projects in progress at March 31, 2018 consisted of:

	Total Amount of Project	Total Amount Expended	Balance March 31, 2018
Expansion paratransit vehicles	$ 257,000	$ 256,962	$ 38
Oneida Call-A-Bus replacement vehicles	600,000	598,220	1,780
Bus stop signs and posts, replacement bus shelters, computer hardware and software	9,088,660	8,817,728	270,932
Bus stop signs and posts, computer hardware, Syracuse service trucks, Syracuse supervisory vehicles	12,357,670	12,357,502	168
30’ Bus replacements	4,066,314	3,742,029	324,285
Onondaga preventive maintenance, Oneida operating assistance	17,328,392	16,432,623	895,769
Renovation and rehabilitation of Oneida facility	645,000	642,051	2,949
Utica garage renovations	532,000	238,517	293,483
Replacement fare box system	2,561,191	2,508,865	52,326
CNG Fueling Station Rehab	3,221,473	-	3,221,473
40’ Bus replacements	2,737,722	-	2,737,722
Facility renovations, rehab and improvement	1,158,500	147,779	1,010,721
Oneida Call-A- Bus replacement, Bus stop signs, computer software, Syracuse and Oneida supervisory vehicles, 30' buses, shop equipment, Onondaga preventive maintenance, Oneida operating assistance	11,432,080	11,109,114	322,966
40’ bus replacements, call a bus replacement, support vehicles, computer hardware, CNG Station, Onondaga preventative maintenance, Oneida operating assistance	25,478,847	20,422,805	5,056,042

In connection with the above projects, the Authority is committed to participate with its own funds in amounts not to exceed approximately $648,000.

10. 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.

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

Plan Description
The Authority administers the Centro Non-Salaried Employees Retirement Plan (CNSERP), a single employer non-contributory defined benefit pension plan that provides pensions for employees of CNY Centro, Inc., Centro of Oswego, Inc., Centro of Cayuga, Inc. and Centro Call-A-Bus who are members in good standing with the Amalgamated Transit Union, Local Division 580 (the union), hired before August 3, 2011.

Plan Membership
At April 1, pension plan membership consisted of the following:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	250	243
Inactive plan members entitled to but not yet receiving benefits	39	41
Active plan members	197	214
	486	498

Benefits Provided
Effective April 1, 2016, retirement benefits for plan members who complete at least 25 years of service is equal to $70.36 ($59.02 if less than 25 years of benefit service) times the number of years of benefit service. This amount increases annually through April 1, 2020. Normal retirement age is age 62. Plan members may retire as early as age 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.

10. PENSION PLANS (Continued)

Centro Non-Salaried Employees Retirement Plan (Continued)

Contributions

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 actuarially 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.

Contributions made to this plan were $1,771,621 and $1,896,467 for the years ended March 31, 2018 and 2017, respectively. These amounts represent the minimum contribution actuarially calculated for these fiscal years.

Net Pension Liability

The actuarial valuation used to calculate the total pension liability for the measurement date of March 31, 2018 was performed as of April 1, 2017. The actuarial valuation used to calculate the total pension liability for the measurement date of March 31, 2017 was performed as of April 1, 2016. Resulting amounts were rolled forward to the measurement date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of April 1, 2017 for the year ended March 31, 2018 and as of April 1, 2016 for the year ended March 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Salary increases	3.5 percent average, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Unit Credit Method

Mortality rates were based on the 2017 IRC 430 Table (combined) for the April 1, 2017 valuation. Mortality rates were based on the 2016 IRC 430 Table (combined) for the April 1, 2016 valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The policy, in regard to the allocation of investment assets, is established and may be amended by the Authority's Board of Directors by a majority vote. It is the policy of the Authority's Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

10. PENSION PLANS (Continued)

Centro Non-Salaried Employees Retirement Plan (Continued)

The Board of Director's target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Total equities (Domestic and International)	55%	6.0%
Fixed income	45%	2.5%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liabilities was 7%. The projection of cash flows used to determine the discount rate assumed that the Authority will continue to make contributions such that the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
Balances at March 31, 2017	$ 42,267,109	$ 28,148,651	$ 14,118,458
Changes for the Year:			
Service cost	551,188	-	551,188
Interest	2,937,876	-	2,937,876
Differences between expected and actual experience	(856,150)	-	(856,150)
Contributions – employer	-	1,771,621	(1,771,621)
Net investment income	-	2,223,756	(2,223,756)
Benefit payments, including refunds of employee contributions	(2,335,727)	(2,335,727)	-
Administrative expense	-	(43,699)	43,699
Changes in benefit terms and assumptions	1,272,704	-	1,272,704
Net Changes	1,569,891	1,615,951	(46,060)
Balances at March 31, 2018	$ 43,837,000	$ 29,764,602	$ 14,072,398

10. PENSION PLANS (Continued)

Centro Non-Salaried Employees Retirement Plan (Continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
Balances at March 31, 2016	$ 40,124,567	$ 26,181,335	$ 13,943,232
Changes for the Year:			
Service cost	562,050	-	562,050
Interest	2,831,165	-	2,831,165
Change in assumptions	969,700		969,700
Differences between expected and actual experience	(18,310)	-	(18,310)
Contributions – employer	-	1,896,467	(1,896,467)
Net investment income	-	2,300,425	(2,300,425)
Benefit payments, including refunds of employee contributions	(2,202,063)	(2,202,063)	-
Administrative expense	-	(27,513)	27,513
Other changes	-	-	-
Net Changes	2,142,542	1,967,316	175,226
Balances at March 31, 2017	$ 42,267,109	$ 28,148,651	$ 14,118,458

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority, calculated using the discount rate of 7%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's net pension liability March 31,2018	$ 18,586,328	$ 14,072,398	$ 10,202,486

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's net pension liability March 31, 2017	$ 18,491,404	$ 14,118,458	$ 10,371,888

10. PENSION PLANS (Continued)

Centro Non-Salaried Employees Retirement Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended March 31, 2018 and 2017, the Authority recognized pension expense of $3,145,039 and $2,121,563, respectively. At March 31, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018 Deferred Outflows of Resources	2018 Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 949,696
Changes of assumptions	748,019	-
Net difference between projected and actual earnings on pension plan investments	551,106	-
Total	$ 1,299,125	$ 949,696

	2017 Deferred Outflows of Resources	2017 Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 269,162
Changes of assumptions	831,171	-
Net difference between projected and actual earnings on pension plan investments	1,206,898	-
Total	$ 2,038,069	$ 269,162

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31,2018:	
2019	$ 351,204
2020	351,206
2021	(179,528)
2022	(83,207)
2023	22,835
Thereafter	(113,081)
	$ 349,429

10. PENSION PLANS (Continued)

Centro Non-Salaried Employees Retirement Plan (Continued)

Year Ended March 31, 2017:		
2018	$	519,627
2019		519,627
2020		517,629
2021		(9,105)
2022		85,217
Thereafter		135,912
	$	1,768,907

Centro Salaried Employees Pension Plan

Plan Description
The Authority administers the Centro Salaried Employees Pension Plan (CSEPP), a single employer non-contributory defined benefit pension plan that provides pensions for full-time, non-union employees of CNY Centro, Inc., Centro of Oswego, Inc., Centro of Cayuga, Inc. and Centro Call-A-Bus, hired before September 1, 2011.

Plan Membership
At April 1, pension plan membership consisted of the following:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	64	60
Inactive plan members entitled to but not yet receiving benefits	26	25
Active plan members	71	76
	161	161

Benefits Provided
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 average monthly earnings times the years of benefit service. 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 actual retirement date precedes the normal retirement date.

Contributions
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 actuarially 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.

Contributions made to the plan were $1,301,088 and $1,288,741 for the years ended March 31, 2018 and 2017, respectively. These amounts represent the minimum contribution actuarially calculated for these fiscal years.

10. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan (Continued)

Net Pension Liability
The actuarial valuation used to calculate the total pension liability for the measurement date of March 31, 2018 was performed as of April 1, 2017. The actuarial valuation used to calculate the total pension liability for the measurement date of March 31, 2017 was performed as of April 1, 2016. Resulting amounts were rolled forward to the measurement date.

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of April 1, 2017 for the year ended March 31, 2018 and as of April 1, 2016 for the year ended March 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Salary increases	3.5 percent average, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Entry age normal, level percent of payroll

Mortality rates were based on the 2016 IRC 430 Table (combined) for the April 1, 2017 and 2016 valuations.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The policy, in regard to the allocation of investment assets, is established and may be amended by the Authority's Board of Directors by a majority vote. It is the policy of the Authority's Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The Board of Director's target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Total equities (Domestic and International)	55%	6.0%
Fixed income	45%	2.5%
Total	100%	

Discount Rate
The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that the Authority will continue to make contributions such that the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan (Continued)

Changes in the Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
Balances at March 31, 2017	$ 32,733,412	$ 25,404,812	$ 7,328,600
Changes for the Year:			
Service cost	634,989	-	634,989
Interest	2,326,615	-	2,326,615
Differences between expected and actual experience	434,272	-	434,272
Contributions - employer	-	1,301,088	(1,301,088)
Net investment income	-	2,037,332	(2,037,332)
Benefit payments, including refunds of employee contributions	(1,437,041)	(1,437,041)	-
Administrative expense	-	(39,503)	39,503
Changes in assumptions	213,067	-	213,067
Net Changes	2,171,902	1,861,876	310,026
Balances at March 31, 2018	$ 34,905,314	$ 27,266,688	$ 7,638,626

10. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan (Continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
Balances at March 31, 2016	$ 30,393,134	$ 23,429,456	$ 6,963,678
Changes for the Year:			
Service cost	611,060	-	611,060
Interest	2,182,459	-	2,182,459
Change in assumptions	774,504		774,504
Differences between expected and actual experience	140,359	-	140,359
Contributions - employer	-	1,288,741	(1,288,741)
Net investment income	-	2,088,729	(2,088,729)
Benefit payments, including refunds of employee contributions	(1,368,104)	(1,368,104)	-
Administrative expense	-	(34,010)	34,010
Other changes	-	-	-
Net Changes	2,340,278	1,975,356	364,922
Balances at March 31, 2017	$ 32,733,412	$ 25,404,812	$ 7,328,600

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the Authority, calculated using the discount rate of 7%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's net pension liability March 31, 2018	$ 11,609,502	$ 7,638,626	$ 4,249,839

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's net pension liability March 31, 2017	$ 11,095,050	$ 7,328,600	$ 4,118,203

10. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan (Continued)

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in a separately issued financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the years ended March 31, 2018 and 2017, the Authority recognized pension expense of $1,797,399 and $1,731,763, respectively. At March 31, 2018 and 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 775,964	$ -
Changes of assumptions	788,826	-
Net difference between projected and actual earnings on pension plan investments	455,195	-
Total	$ 2,019,985	$ -

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 468,933	$ -
Changes of assumptions	688,448	-
Net difference between projected and actual earnings on pension plan investments	1,048,889	-
Total	$ 2,206,270	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31,2018:	
2019	$ 566,381
2020	566,381
2021	95,670
2022	186,480
2023	239,930
Thereafter	365,143
	$ 2,019,985

10. PENSION PLANS (Continued)

Centro Salaried Employees Pension Plan (Continued)

Year Ended March 31,2017:

2018	$	538,913
2019		538,913
2020		538,913
2021		68,202
2022		159,010
Thereafter		362,319
	$	2,206,270

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 6) 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, 2018 and 2017, employer contributions to the 401(a) plans were $201,542 and $146,061, respectively.

10. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan

Plan Description

The Utica Transit Service Corporation Pension Plan (UTSCPP) is administered by the Administrative Committee consisting of persons designated by Centro of Oneida, Inc. and participants who are eligible employees to administer the plan. UTSCPP is a single employer defined benefit pension plan that provides pensions for any employees who are members of the United Public Service Employees Union Local 424 and make mandatory employee contributions pursuant to the terms of the plan.

Plan Membership

At December 31 pension plan membership consisted of the following:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	37	39
Inactive plan members entitled to but not yet receiving benefits	18	16
Inactive plan members due to transfer out of union	6	5
Active plan members	62	62
	123	122

Benefits Provided

The monthly retirement benefit for active plan members is equal to $65.10 times years of credited service, plus one-twelfth of 10% of employee contributions, accumulated without interest. The benefit rate for active plan members increases based on the Consumer Price index for urban Wage Earners. 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 benefits will be reduced by 4% for each year that the actual retirement date precedes age 60.

Contributions

Contributions to the Utica Transit Services Corporation Pension Plan are not actuarially determined. Contributions are made by the employer and by participant members pursuant to the collective bargaining agreement currently in force. For the plan years ended December 31, 2017 and December 31, 2016, the contribution rate as a percent of wages equaled 4% for employee contributions and 10% for employer contributions. Employer contributions were $258,903 and $241,852 for the plan years ended December 31, 2017 and 2016, respectively and were equal to 100% of the required contributions. Employee contributions to the plan for the plan years ended December 31, 2017 and 2016 were $126,869 and $117,490 respectively.

Net Pension Liability

For the year ended March 31, 2018 the total pension liability was determined by an actuarial valuation as of December 31, 2017. The measurement date is also December 31, 2017, the end of the plan year. For the year ended March 31, 2017 the total pension liability was determined by an actuarial valuation as of December 31, 2016. The measurement date is also December 31, 2016, the end of the plan year.

10. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2017 and 2016 valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the 2017 IRC Section 430 Table (combined) for the December 31, 2017 valuation and the 2016 IRC Section 430 Table (combined) for the December 31, 2016 valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The policy, in regard to the allocation of investment assets, is established and may be amended by the Administrative Committee. It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Committee's adopted asset allocation strategy as of December 31, 2017 and 2016:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities (Domestic and International)	55%	6.0%
Fixed Income	45%	2.5%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that the Authority will continue to make contributions such that the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan (Continued)

Changes in the Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)–(b)
Balances at December 31, 2016	$ 7,182,114	$ 6,578,751	$ 603,363
Changes for the Year:			
Service Cost	299,771	-	299,771
Interest	513,066	-	513,066
Differences between expected and actual experience	(53,833)	-	(53,833)
Contributions – employer	-	258,903	(258,903)
Contributions – employee	-	126,869	(126,869)
Net Investment Income	-	947,407	(947,407)
Benefit payments, including refunds of employee contributions	(310,933)	(310,933)	-
Administrative expense	-	(18,446)	18,446
Changes in assumptions	16,055	-	16,055
Net Changes	464,126	1,003,800	(539,674)
Balances at December 31, 2017	$ 7,646,240	$ 7,582,551	$ 63,689

10. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan (Continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)–(b)
Balances at December 31, 2015	$ 6,109,841	$ 6,317,610	$ (207,769)
Changes for the Year:			
Service Cost	240,019	-	240,019
Interest	497,022	-	497,022
Change in assumptions	353,452		353,452
Differences between expected and actual experience	(264,184)	-	(264,184)
Contributions – employer	-	241,852	(241,852)
Contributions – employee	-	117,490	(117,490)
Net Investment Income	-	252,385	(252,385)
Benefit payments, including refunds of employee contributions	(329,554)	(329,554)	-
Administrative expense	-	(21,032)	21,032
Change in plan terms	575,518	-	575,518
Net Changes	1,072,273	261,141	811,132
Balances at December 31, 2016	$ 7,182,114	$ 6,578,751	$ 603,363

10. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 7%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's net pension liability (asset) at March 31, 2018	$ 991,956	$ 63,689	$ (720,083)

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's net pension liability (asset) at March 31, 2017	$ 1,475,110	$ 603,363	$ (132,412)

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in a separately issued financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended March 31, 2018 and 2017, the Authority recognized pension expense of $320,981 and $953,722, respectively. At March 31, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 277,718
Changes of assumptions	297,213	-
Net difference between projected and actual earnings on pension plan investments	-	3,030
Contributions subsequent to the measurement date	68,375	-
Total	$ 365,588	$ 280,748

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 258,246
Changes of assumptions	318,107	-
Net difference between projected and actual earnings on pension plan investments	558,354	-
Contributions subsequent to the measurement date	64,475	-
Total	$ 940,936	$ 258,246

10. PENSION PLANS (Continued)

Utica Transit Service Corporation Pension Plan (Continued)

For the years ended March 31, 2018 and 2017, the Authority recognized deferred outflows of resources relating to pensions resulting from contributions made subsequent to the measurement dates of December 31, 2017 and 2016, respectively which will result in a reduction of the net pension liability for the years ended March 31, 2018 and 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended		
Measurement Date December 31, 2017:	March 31:		
2017	2019	$	79,073
2018	2020		79,074
2019	2021		(56,426)
2020	2022		(94,391)
2021	2023		2,590
Thereafter	Thereafter		6,545
		$	16,465
	Year Ended		
Measurement Date December 31,2016:	March 31:		
2016	2018	$	179,830
2017	2019		179,830
2018	2020		179,831
2019	2021		44,331
2020	2022		6,367
Thereafter	Thereafter		28,026
		$	618,215

Pension Plan with New York State and Local Employees' Retirement System

The Authority participates in the New York State and Local Employees' Retirement System (ERS) also referred to as New York State and Local Retirement System (the NYSERS for salaried employees of Centro of Oneida, Inc. and non-salaried employees that were former employees of Rome VIP. This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSERS. The NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance.

10. PENSION PLANS (Continued)

Pension Plan with New York State and Local Employees' Retirement System (Continued)

The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The NYSERS is noncontributory except for employees who joined the ERS after July 27, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determine rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS' fiscal year ending March 31.

Contributions

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

March 31, 2018	$	191,127
March 31, 2017	$	174,257
March 31, 2016	$	179,227

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At March 31, 2018 and 2017 the Authority reported a net pension liability for its proportionate share of the NYSERS net pension liability. The net pension liability measured as of March 31, 2017 and 2016 for the years ended March 31, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, the Authority reported the following:

	2018	2017
Net Pension Liability	$ 353,172	$ 609,365
Authority's Proportion Percent	0.0037590	0.0037966%
Pension Expense	$ 216,665	$ 227,261

10. PENSION PLANS (Continued)

Pension Plan with New York State and Local Employees' Retirement System (Continued)

At March 31 the Authority reported deferred outflows of resources related to the pension from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,850	$ 53,631
Changes of assumptions	120,657	-
Net difference between projected and actual earnings on pension plan investments	70,543	-
Changes in proportion and differences between the contributions and proportionate share of contributions	43,328	1,237
Contributions subsequent to the measurement date	191,127	-
	$ 434,505	$ 54,868

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,079	$ 72,230
Changes of assumptions	162,499	-
Net difference between projected and actual earnings on pension plan investments	361,509	-
Changes in proportion and differences between the contributions and proportionate share of contributions	32,255	-
Contributions subsequent to the measurement date	174,257	-
	$ 733,599	$ 72,230

10. PENSION PLANS (Continued)

Pension Plan with New York State and Local Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The Authority recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement dates of March 31, 2017 and 2016 which will result in a reduction of the net pension liability for the years ending March 31, 2018 and 2017.

The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	March 31, 2018
Plan's Year Ended March 31:	
2018	$ 81,209
2019	81,209
2020	68,663
2021	(42,571)
	$ 188,510

	March 31, 2017
Plan's Year Ended March 31:	
2017	$ 124,931
2018	124,931
2019	124,931
2020	112,319
	$ 487,112

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority proportionate share of the net pension liability calculated using the discount rate of 7.0% and 7.5% for the plan years ended March 31, 2016 and 2015, respectively, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

		2017	
	1%Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of net pension liability (asset)	$ 1,127,963	$ 353,172	$ (301,911)

		2016	
	1%Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of net pension liability (asset)	$ 1,374,073	$ 609,365	$ (36,781)

10. PENSION PLANS (Continued)

Pension Plan with New York State and Local Employees' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the Authority as of March 31, 2018 and 2017 were as follows:

2017

	Pension Plan's Fiduciary Net Position	Authority's proportionate share of Plan's Fiduciary Net Position	Authority's allocation percentage as determined by the Plan
Total pension liability	$177,400,586,000	$ 6,668,488	0.0037590%
Net position	(168,004,363,000)	(6,315,316)	0.0037590%
Net pension liability	$ 9,396,223,000	$ 353,172	0.0037590%
Fiduciary net position as a percentage of total pension liability	94.7%	94.7%	

2016

	Pension Plan's Fiduciary Net Position	Authority's proportionate share of Plan's Fiduciary Net Position	Authority's allocation percentage as determined by the Plan
Total pension liability	$172,303,544,000	$ 6,541,676	0.0037966%
Net position	(156,253,265,000)	(5,932,311)	0.0037966%
Net pension liability	$ 16,050,279,000	$ 609,365	0.0037966%
Fiduciary net position as a percentage of total pension liability	90.7%	90.7%	

10. PENSION PLANS (Continued)

Pension Plan with New York State and Local Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2016.

The actuarial valuation used the following actuarial assumptions:

	2017	2016
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.5%	2.5%
Salary scale	3.8 percent indexed by service	3.8 percent indexed by service
Projected COLAs	1.3% compounded annually	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality table	Society of Actuaries Scale MP -2014	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses	7.0% compounded annually, net of investment expenses

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 and 2016 are summarized below:

Long-Term Expected Rate of Return

Asset Type	2017 Target Allocations In %	2016 Target Allocations In %	2017 Long-Term Expected Real Rate of Return In %	2016 Long-Term Expected Real Rate of Return In %
Domestic equity	36.0	38.0	4.55	7.30
International Equity	14.0	13.0	6.35	8.55
Private Equity	10.0	10.0	7.75	11.00
Real Estate	10.0	8.0	5.80	8.25
Absolute Return	2.0	3.0	4.00	6.75
Opportunistic Portfolio	3.0	3.0	5.89	8.60
Real Assets	3.0	3.0	5.54	8.65
Bonds & Mortgages	17.0	18.0	1.31	4.00
Cash	1.0	2.0	(0.25)	2.25
Inflation-Indexed Bonds	4.0	2.0	1.50	4.00
	100%	100%		

10. PENSION PLANS (Continued)

Pension Plan with New York State and Local Employees' Retirement System (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the March 31, 2017 and 2016 valuations. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Summary of Net Pension Asset, Liabilities, Deferred Outflows and Deferred Inflows

The components of the net pension asset, net pension liabilities, and deferred outflows of resources and deferred inflows of resources are as follows as of March 31:

	2018			
	Net Pension Asset	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources
Centro Non-Salaried Employees Retirement Plan	$ -	$14,072,398	$ 1,299,125	$ 949,696
Centro Salaried Employees Pension Plan	-	7,638,626	2,019,985	-
Utica Transit Service Corporation Pension Plan	-	63,689	365,588	280,748
New York State and Local Employees' Retirement Systems	-	353,172	434,505	54,868
Total	$ -	$22,127,885	$ 4,119,203	$ 1,285,312

	2017			
	Net Pension Asset	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources
Centro Non-Salaried Employees Retirement Plan	$ -	$14,118,458	$ 2,038,069	$269,162
Centro Salaried Employees Pension Plan	-	7,328,600	2,206,270	-
Utica Transit Service Corporation Pension Plan	-	603,363	940,936	258,246
New York State and Local Employees' Retirement Systems	-	609,365	733,599	72,230
Total	$ -	$22,659,786	$ 5,918,874	$ 599,638

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Authority provides certain postemployment benefits (OPEB) to its retired employees under a single-employer, self-insured benefit plan. Salaried participants who qualify for early retirement are eligible at age 55. Normal retirement is age 57 with 30 years of service or age 62 with 5 years of service. For union participants, eligibility is age 55 with 25 years of service or age 62 with 5 years of service. 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, 2018 the Authority contributed $4,203,600 to the total cost of the plan. Plan members receiving benefits contributed $124,333. For the year ended March 31, 2017 the Authority contributed $4,342,634 to the total cost of the plan. Plan members receiving benefits contributed $112,181.

Retiree Contributions

CNY Centro, Inc. and Centro of Oneida, Inc. retirees have the option to waive medical coverage and receive a yearly payment.

CNY retirees' medical waiver benefit increases each year based on the CPI Index and are as follows for 2016:

Tier	Yearly Payment
Single	$ 1,110
Dual	$ 1,650

Centro of Oneida, Inc. retirees receive fixed yearly payments as follows:

Tier	Yearly Payment
Single	$ 1,500
Dual	$ 3,000

Retirees who retired prior to January 1, 2008 are not required to contribute towards the medical plan or dental plan. However, there are a few individuals who receive Medicare Part B reimbursement, in exchange for paying a portion of the medical benefit.

Retirees who retire on or after January 1, 2008 contribute a portion of medical and dental premiums based on their date of retirement and years of service at retirement. The retiree contribution is frozen at the dollar amount at retirement and the Authority contribution increases as premiums increase. Note that CNY Centro, Inc., Centro of Oswego, Inc. and Centro of Cayuga, Inc. (referred to as CNY Retirees) union retirees are not required to contribute towards dental coverage.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retiree Contributions (Continued)

The following illustrates the contribution schedule for CNY salaried retirees retiring on or after January 1, 2008:

Years Of Service	Contribution from Retired Employee
5-20	15%
20+	10%

The following illustrates the medical contribution schedule for CNY union retirees retiring on or after January 1, 2008:

Years Of Service	Hired Prior to 6/29/07 Percent of Premium	Hired On or After 6/29/07 Percent of Premium
0-5	100%	100%
5-9	15%	50%
10-14	10%	15%
15-19	5%	10%
20-24	0%	5%
25+	0%	0%

Oneida retirees (salaried and union) retiring with 10 to 15 years of service will contribute 25% of the medical and dental premiums. Those retiring with 15 or more years of service will contribute 10% of the medical and dental premiums.

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, 2018 and 2017, the amount actually contributed to the Plan, and the changes in the Authority's net OPEB obligation.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

	March 31, 2018	March 31, 2017
Annual required contribution	$ 18,806,305	$ 21,295,224
Interest on net OPEB Obligation	4,480,526	3,964,228
Adjustment to ARC	(6,841,648)	(6,053,273)
Total ARC	16,445,183	19,206,179
Contributions	(4,327,933)	(4,454,815)
Increase in OPEB Obligation	12,117,250	14,751,364
Beginning Net OPEB Obligation	128,015,015	113,263,651
Ending Net OPEB Obligation	$ 140,132,265	$ 128,015,015

For the year's ended March 31, 2018, 2017 and 2016, annual OPEB costs were $16,445,183, $19,206,179 and $16,194,373, respectively. The percentage of annual OPEB costs contributed to the plan was 26%, 23% and 26% for the years ended March 31, 2018, 2017 and 2016, respectively.

Funded Status and Funding Progress

As of April 1, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $247,856,238 and there were no Plan assets. The covered payroll (annual payroll of active employees covered by the Plan) was approximately $26.6 million, and the ratio of the liability to the covered payroll was 931%.

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.

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.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

The mortality assumption uses the Sex-Distinct RP-2014 Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with Scale MP-2014, then adjusted for mortality improvements with the Scale MP-2015 Mortality Improvement Scale on a generational basis. This assumption was based on a review of published mortality tables and the demographics of the Plan.

In the April 1, 2017 actuarial valuation the Entry Age Normal Cost Method – Level Dollar was used. The actuarial assumptions include a 3.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend of 6.25% initially, 6.10% in the next year, and then reduced by decrements to an ultimate rate of 4.70% which is reached in 2083. The UAAL is being amortized on an open basis. The remaining amortization period at March 31, 2018 is thirty years.

12. OTHER BUSINESS MATTERS

As of March 31, 2018, the Authority had a negative unrestricted net position of $151,592,472 resulting from eleven 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.

13. RECLASSIFICATION

Certain amounts as of and for the year ended March 31, 2017 have been reclassified to reflect information and assumptions at March 31, 2018. These reclassifications had no effect on the total change in net position or total net position as previously reported.

14. FUTURE CHANGES IN ACCOUNTING STANDARDS

In June 2015, GASB issued GASB statement No. 75, *Accounting and Reporting for Postemployment Benefits other than Pension* (GASB No. 75). The objective of GASB No. 75 is to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local governmental employers about financial report for OPEB that is provided by other entities. The provisions in GASB No. 75 are effective for financial statements for periods beginning after June 15, 2017.

In March 2016, GASB issued GASB statement No. 82, *Pension Issues* (GASB No. 82). The objective of GASB No. 82 is to address certain issues that have been raised with respect to GASB No. 67, GASB No. 68 and GASB No. 73. Specifically, GASB No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of GASB No. 82 are effective for reporting periods beginning after June 15, 2016, except for the requirements for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

In November 2016, GASB issued GASB statement No. 83, *Certain Asset Retirement Obligations* (GASB No. 83). The objective of GASB No. 83 is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. GASB No. 83 provides governmental entities accounting and financial reporting guidance for determining liabilities and corresponding deferred outflow of resources associated with asset retirement obligations. GASB No. 83 is effective for financial statements for reporting periods beginning after June 15, 2018.

In January 2017, GASB issued GASB statement No. 84, *Fiduciary Activities*. The objective of GASB No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB No. 84 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. GASB No. 84 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a

14. FUTURE CHANGES IN ACCOUNTING STANDARDS (Continued)

demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. GASB No. 84 is effective for financial statements for reporting periods beginning after December 15, 2018.

In January 2017, GASB issued GASB statement No. 85, *Omnibus 2017* (GASB No. 85). The objective of GASB No. 85 is to address practice issues that have been identified during implementation and application of certain GASB Statements. GASB No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). Specifically, GASB No. 85 addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation,
- Reporting amounts previously reported as goodwill and "negative" goodwill,
- Classifying real estate held by insurance entities,
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost,
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus,
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements,
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB,
- Classifying employer-paid member contributions for OPEB,
- Simplifying certain aspects of the alternative measurement method for OPEB, and
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

GASB No. 85 is effective for financial statements for reporting periods beginning after June 15, 2017.

In May 2017, GASB issued GASB Statement No. 86, Certain Debt Extinguishments. The Statement provides for consistency in accounting and reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with existing resources – resources other than the proceeds of the refunded debt – are placed in an irrevocable trust to extinguish debt. GASB 86 is effective for reporting periods beginning after June 15, 2017.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Authority is required to adopt the provisions of this Statement for the reporting period beginning after December 15, 2019.

The Authority is currently evaluating the impact of these statements on its future financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS FOR SINGLE EMPLOYER PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Last 10 Fiscal Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Centro Non-Salaried Pension Plan:										
Total pension liability (asset):										
Service cost	$ 551,188	$ 562,050	$ 546,762							
Interest	2,937,876	2,831,165	2,687,185							
Changes of benefit terms and assumptions	1,208,097	-	-							
Differences between expected and actual experience	(856,150)	(18,310)	(354,854)							
Changes of assumptions	64,607	969,700	-							
Benefit payments, including refunds of employee contributions	(2,335,727)	(2,202,063)	(2,074,856)							
Net change in total pension liability (asset)	1,569,891	2,142,542	804,237							
Total pension liability (asset) - beginning	42,267,109	40,124,567	39,320,330							
Total pension liability (asset) - ending	$ 43,837,000	$ 42,267,109	$ 40,124,567							
Plan fiduciary net position:										
Contributions - employer	$ 1,771,621	$ 1,896,467	$ 1,464,070							
Contributions - employee	-	-	-							
Net investment income	2,223,756	2,300,425	(747,434)							
Benefit payments, including refunds of employee contributions	(2,335,727)	(2,202,063)	(2,074,856)							
Administrative expense	(43,699)	(27,513)	(26,062)							
Other	-	-	-							
Net change in plan fiduciary net position	1,615,951	1,967,316	(1,384,282)							
Plan fiduciary net position - beginning	28,148,651	26,181,335	27,565,617							
Plan fiduciary net position - ending	$ 29,764,602	$ 28,148,651	$ 26,181,335							
Net pension liability (asset)	$ 14,072,398	$ 14,118,458	$ 13,943,232							
Plan fiduciary net position as a percentage of the total pension liability (asset)	67.90%	66.60%	65.25%							
Covered employee payroll	$ 10,106,791	$ 10,484,908	$ 11,808,973							
Net pension liability (asset) as a percentage of covered employee payroll	139.24%	134.66%	118.12%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS FOR SINGLE EMPLOYER PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Last 10 Fiscal Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Centro Salaried Employees Pension Plan:										
Total pension liability (asset):										
Service cost	$ 634,989	$ 611,060	$ 647,997	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.						
Interest	2,326,615	2,182,459	2,019,610							
Changes of benefit terms	-	-	-							
Differences between expected and actual experience	434,272	140,359	458,893							
Changes of assumptions	213,067	774,504	-							
Benefit payments, including refunds of employee contributions	(1,437,041)	(1,368,104)	(1,043,035)							
Net change in total pension liability (asset)	2,171,902	2,340,278	2,083,465							
Total pension liability (asset) - beginning	32,733,412	30,393,134	28,309,669							
Total pension liability (asset) - ending	$ 34,905,314	$ 32,733,412	$ 30,393,134							
Plan fiduciary net position:										
Contributions - employer	$ 1,301,088	$ 1,288,741	$ 1,069,524							
Contributions - employee	-	-	-							
Net investment income	2,037,332	2,088,729	(665,111)							
Benefit payments, including refunds of employee contributions	(1,437,041)	(1,368,104)	(1,043,035)							
Administrative expense	(39,503)	(34,010)	(32,683)							
Other	-	-	-							
Net change in plan fiduciary net position	1,861,876	1,975,356	(671,305)							
Plan fiduciary net position - beginning	25,404,812	23,429,456	24,100,761							
Plan fiduciary net position - ending	$ 27,266,688	$ 25,404,812	$ 23,429,456							
Net pension liability (asset)	$ 7,638,626	$ 7,328,600	$ 6,963,678							
Plan fiduciary net position as a percentage of the total pension liability (asset)	78.12%	77.61%	77.09%							
Covered employee payroll	$ 5,184,844	$ 5,309,216	$ 5,481,677							
Net pension liability (asset) as a percentage of covered employee payroll	147.33%	138.04%	127.04%							

The accompanying notes are an integral part of this schedule.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS FOR SINGLE EMPLOYER PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Last 10 Fiscal Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Utica Transit Service Pension Plan:										
Total pension liability (asset):										
Service cost	$ 299,771	$ 240,019	$ 227,437	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.						
Interest	513,066	497,022	412,378							
Changes of benefit terms	-	575,518	94,831							
Differences between expected and actual experience	(53,833)	(264,184)	(25,600)							
Changes of assumptions	16,055	353,452	-							
Benefit payments, including refunds of employee contributions	(310,933)	(329,554)	(366,654)							
Net change in total pension liability (asset)	464,126	1,072,273	342,392							
Total pension liability (asset) - beginning	7,182,114	6,109,841	5,767,449							
Total pension liability (asset) - ending	$ 7,646,240	$ 7,182,114	$ 6,109,841							
Plan fiduciary net position:										
Contributions - employer	$ 258,903	$ 241,852	$ 247,180							
Contributions - employee	126,869	117,490	116,223							
Net investment income	947,407	252,385	(218,433)							
Benefit payments, including refunds of employee contributions	(310,933)	(329,554)	(366,654)							
Administrative expense	(18,446)	(21,032)	(20,349)							
Other	-	-	-							
Net change in plan fiduciary net position	1,003,800	261,141	(242,033)							
Plan fiduciary net position - beginning	6,578,751	6,317,610	6,559,643							
Plan fiduciary net position - ending	$ 7,582,551	$ 6,578,751	$ 6,317,610							
Net pension liability (asset)	$ 63,689	$ 603,363	$ (207,769)							
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.17%	91.60%	103.40%							
Covered employee payroll	$ 3,106,094	$ 2,946,799	$ 2,442,181							
Net pension liability (asset) as a percentage of covered employee payroll	2.05%	20.47%	8.51%							

The accompanying notes are an integral part of this schedule.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF CONTRIBUTIONS FOR SINGLE EMPLOYER PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Last 10 Fiscal Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Centro Non-Salaried Employees Pension Plan:										
Actuarially determined contribution	$ 1,771,621	$ 1,896,467	$ 1,464,070	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.						
Contributions in relation to the actuarially determined contribution	1,771,621	1,896,467	1,464,070							
Contributions deficiency (excess)	$ -	$ -	$ -							
Covered-employee payroll	$ 10,106,791	$ 10,484,908	$ 11,808,973							
Contributions as a percentage of covered employee payroll	17.53%	18.09%	12.40%							
Centro Salaried Employees Pension Plan										
Actuarially determined contribution	$ 1,301,088	$ 1,288,741	$ 1,069,524	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.						
Contributions in relation to the actuarially determined contribution	1,301,088	1,288,741	1,069,524							
Contributions deficiency (excess)	$ -	$ -	$ -							
Covered-employee payroll	$ 5,184,844	$ 5,309,216	$ 5,481,677							
Contributions as a percentage of covered employee payroll	25.09%	24.27%	19.51%							
Utica Transit Service Corporation Pension Plan										
Contractually required contribution	$ 258,903	$ 241,852	$ 247,180	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.						
Contributions in relation to the contractually required contribution	258,903	241,852	247,180							
Contributions deficiency (excess)	$ -	$ -	$ -							
Covered-employee payroll	$ 3,106,094	$ 2,946,799	$ 2,442,181							
Contributions as a percentage of covered employee payroll	8.34%	8.21%	10.12%							

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF CONTRIBUTIONS FOR SINGLE EMPLOYER PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Centro Non-Salaried Employees Pension Plan	Centro Salaried Employees Pension Plan	Utica Transit Service Corporation Pension Plan
Valuation Date	The actuarial valuation date used to calculate the total pension liability for the measurement date of March 31, 2018 was performed as of April 1, 2017.	The actuarial valuation date used to calculate total pension liability for the measurement date of March 31, 2018 was performed as of April 1, 2017.	The actuarial valuation used to calculate total pension liability for the measurement date of December 31, 2017 was performed as of December 31, 2017.
Methods and assumptions used to determine contribution			
Actuarial cost method	Unit Credit	Entry Age Normal, Level Percent of Payroll	N/A - Contributions are not actuarially determined
Amortization period	Minimum 30 years, maximum 10 years	Minimum 30 years, maximum 10 years	N/A
Asset valuation method	Market Value	Market Value	Market Value
Inflation	2%	2%	2%
Salary increases	3.5% average, including inflation	3.5% average, including inflation	N/A
Investment rate of return	7%, net of pension investment expense, including inflation	7%, net of pension investment expense, including inflation	7%, net of pension investment expense, including inflation
Retirement age	Age 62, but as early as 55 with 25 years of service with a reduction in benefits	Normal, or the age from 62 to 65 when 25 years of service are credited	Normal retirement age, 65 or 5 years of service, 55 with 10 years of service but benefits reduced by 4% for each year that retirement date precedes age 60
Mortality	2017 IRC 430 Combined	2016 IRC 430 Combined	2017 IRC 430 Combined

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) - COST SHARING MULTIPLE EMPLOYER PLAN (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Last 10 Fiscal Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
New York State Employees' Retirement System Plan:										
Proportion of the net pension liability (asset)	0.0037590%	0.0037966%	0.0036625%							
Proportionate share of the net pension liability (asset)	$ 353,172	$ 609,365	$ 123,728							
Covered-employee payroll	$ 1,400,994	$ 1,276,367	$ 1,216,561							
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.21%	47.74%	10.17%							
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.70%	90.70%	97.95%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

The accompanying notes are an integral part of this schedule.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS- COST SHARING MULTIPLE EMPLOYER PLAN (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

	Last 10 Fiscal Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:										
Contractually required contribution	$ 191,127	$ 174,257	$ 179,227							
Contributions in relation to the contractually required contribution	191,127	174,257	179,227							
Contribution deficiency (excess)	$ -	$ -	$ -							
Covered-employee payroll	$ 1,400,994	$ 1,276,367	$ 1,216,561							
Contributions as a percentage of covered-employee payroll	13.64%	13.65%	14.73%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

The accompanying notes are an integral part of this schedule.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2018

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
4/1/17	$ -	$ 247,856,238	$247,856,238	0%	$ 26,636,788	931%
4/1/16	$ -	$ 261,266,052	$261,266,052	0%	$ 26,114,498	1000%
4/1/15	$ -	$ 233,534,413	$233,534,413	0%	$ 29,488,149	792%

The accompanying notes are an integral part of this schedule.

SECTION B

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

REPORTS REQUIRED UNDER THE UNIFORM GUIDANCE

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 22, 2018

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, 2018, and the related notes to the consolidating financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 22, 2018.

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 opinions 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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(Continued)

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's 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

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

June 22, 2018

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

Report on Compliance for Each Major Federal Program
We have audited the Central New York Regional Transportation Authority and Subsidiaries' (the Authority), a discretely presented component unit of the State of New York, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended March 31, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2018.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE
(Continued)

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

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

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

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

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the consolidating financial statements of the Authority as of and for the year ended March 31, 2018, and the related notes to the consolidating financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 22, 2018, which contained unmodified opinions on those consolidating financial statements. Our audit was conducted for the purpose of forming opinions on the consolidating financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

Bonadio & Co., LLP

CENTRAL NEW YORK REGIONAL
TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2018

Federal CFDA #	Grant #	Program Title	Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation:				
Federal Transit Cluster:				
20.507	Federal Transit - Formula Grants:			
	NY 2017-02	Shop equipment, 30' Bus, Preventative Maintenance	3,568,238	-
	NY 90-0736	Computer Hardware, Syracuse Supervisory Vehicles	20,380	-
	NY 2017-042	Preventative Maintenance, Operating Assistance, Computer Hardware, Call A Bus Replacement, 40' Bus Replacement	13,271,433	-
	NY 90-0767	Utica Garage Renovations	147,265	-
		Total Federal Transit Formula Grants	17,007,316	-
20.526	Bus and Bus Facilities Formula Program			
	NY 2017-02	Software	28,566	-
	NY 2017-042	40' Bus Replacement, Call A Bus Replacement	1,866,776	-
		Total Bus and Bus Facilities Formula Program	1,895,342	-
		Total Federal Transit Cluster	18,902,658	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2018
(Continued)

Federal CFDA #	Grant #	Program Title	Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation (Continued):				
20.509		Formula Grants for Rural Areas (passed through the New York State Department of Transportation):		
		Onondaga County	74,000	-
		Oswego County	237,996	-
		Cayuga County	212,004	-
		Total Formula Grants for Rural Areas	524,000	-
		Total U.S. Department of Transportation	19,426,658	-
U.S. Department of Health and Human Services:				
93.558		Temporary Assistance for Needy Families (passed through the Office of Temporary & Disability Assistance)	25,000	-
		Total	$ 19,451,658	$ -

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2018

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs administered by the Central New York Regional Transportation Authority and Subsidiaries (the Authority).

2. EXPENDITURES OF FEDERAL REVENUE

The amounts reported as expenditures of federal revenue were obtained from the accounting records utilized to record activity for the applicable program and periods. These accounting records are periodically reconciled to the appropriate federal financial reports for each program. The schedule of expenditures of federal awards has been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

3. MATCHING COSTS

Matching costs, i.e., the Authority's or New York State's share of certain program costs, are not included in the reported expenditures.

4. INDIRECT COSTS

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. The Authority did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

CENTRAL NEW YORK REGIONAL
TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2018

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	☐	yes	☒	no
Significant deficiencies identified?	☐	yes	☒	none reported
Noncompliance material to financial statements noted?	☐	yes	☒	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	☐	yes	☒	no
Significant deficiencies identified?	☐	yes	☒	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	☐	yes	☒	no

Identification of program tested as major program:

U.S. Department of Transportation— Federal Transit Cluster – CFDA 20.507 Federal Transit Formula Grants and CFDA 20.526 Bus and Bus Facilities Formula Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee	☒	yes	☐	no

Part II – Financial Statement Findings

None.

Part III – Federal Award Findings and Questioned Costs

None.

SECTION C

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

REPORTS REQUIRED UNDER THE NEW YORK STATE SINGLE AUDIT

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

June 22, 2018

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

Report on Compliance of the State Transportation Assistance Program
We have audited the Central New York Regional Transportation Authority and Subsidiaries' (the Authority), a discretely presented component unit of the State of New York, compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (the NYSCRR) that could have a direct and material effect on the state transportation assistance programs tested for the year ended March 31, 2018. The programs tested are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with statutes, regulations, and the terms and conditions of its state awards applicable to its state transportation assistance programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Authority's state transportation assistance programs tested based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Draft Part 43 of NYSCRR. Those standards and Draft Part 43 of NYSCRR require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state transportation assistance programs tested, occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state transportation assistance program tested. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each State Transportation Assistance Program
In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state transportation assistance programs tested for the year ended March 31, 2018.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
(Continued)

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each state transportation assistance program tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each state transportation assistance program tested and to test and report on internal control over compliance in accordance with the Draft Part 43 of NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of NYSCRR. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
(Continued)

Report on Schedule of State Transportation Assistance Expended Required by Draft Part 43
We have audited the consolidating financial statements of the Authority as of and for the year ended March 31, 2018, and related notes to the consolidating financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 22, 2018, which contained unmodified opinions on those consolidating financial statements. Our audit was conducted for the purpose of forming opinions on the consolidating financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYSCRR, and is not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state transportation assistance expended is fairly stated, in all material respects, in relation to the consolidating financial statements as a whole.

Bonadio & Co., LLP

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED MARCH 31, 2018

Program Title	Contract #	Reference #	Expenditures
State Matching Grants for Direct FTA Programs (040):			
Master Agreement	K007200	HOC.26.001	$ 18,408
Master Agreement Supplemental #1	K007200	3822.43.001	398,151
	K007200	3822.48.001	6,120
	K007200	3822.54.001	3,571
Master Agreement Supplemental #2	K007200	2821.71.001	61,900
	K007200	3822.61.001	5,280
	K007200	3822.57.001	437,721
	K007200	3824.10.001	30,305
	K007200	3824.12.001	1,107,087
Master Agreement Supplemental #5	K006991	3822.43.001	2,430
	K006991	3822.67.001	118
Total State Matching Grants for Direct FTA Programs			2,071,091
State Discretionary Funds (SDF) for Non-MTS Transit Capital Programs (008):			
Master Agreement Supplemental #1	K007200	3824.12.001	4,775,691
Master Agreement Supplemental #2	K007200	3828.79.001	147,779
Grant in Aid	TM050031		15,000
Total State Discretionary Funds (SDF):			4,938,470
State Transit Operating Assistance for Specified Systems (003-03):			
	NYS-18B		3,178,000
	NYS-GRT		30,082,300
Total State Transit Operating Assistance for Specific Systems			33,260,300
Total			$ 40,269,861

See Notes to Schedule of State Transportation Assistance Expended

NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED MARCH 31, 2018

1. GENERAL

The accompanying Schedule of New York State Transportation Assistance Expended of Central New York Regional Transportation Authority and Subsidiaries presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

2. BASIS OF ACCOUNTING

The accompanying Schedule of New York State Transportation Assistance Expended is presented using the accrual basis of accounting in accordance with generally accepted accounting principles.

3. MATCHING COST

Matching costs, i.e. the Authority's share of certain program costs, are not included in the reported expenditures.

CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY AND SUBSIDIARIES
(A Discretely Presented Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED MARCH 31, 2018

Summary of Auditor's Results

Internal control over State Transportation Assistance expended:

Material weakness(es) identified?	☐	yes	☒	no
Significant deficiencies identified that are not considered to be material weaknesses?	☐	yes	☒	none reported

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

Identification of New York State Transportation Assistance Programs Tested:

State Transit Operating Assistance for Specified Systems (003-03)

State Transportation Assistance Findings and Questioned Costs

None

SECTION D

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

REPORTS REQUIRED UNDER THE
NEW YORK STATE PUBLIC AUTHORITIES LAW

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES

June 22, 2018

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

We have audited, 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 of the United States, the consolidating financial statements of the Central New York Regional Transportation Authority and Subsidiaries (the Authority), a discretely presented component unit of the State of New York, which comprise the statement of net position (deficit) as of March 31, 2018, and the related statements of revenues, expenses, and changes in net position (deficit) and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2018.

Compliance with the requirements of laws, regulations, contracts and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of the Authority's compliance with its own investment policies as well as the State Comptroller's Investment Guidelines for Public Authorities. 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.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's own investment policies as well as applicable laws, regulations, and the State Comptroller's Investment Guidelines. 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 referenced requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Directors and management of the Authority, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

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