



**LANTA Finance & Administration Committee
Agenda
September 6, 2022**

1. Call to Order
 2. Public Comment
 3. Review and Recommendation – Financial Statements June 2022, July 2022 subject to audit
 4. Procurements
None
 5. Actions
 - A. Recommendation for Approval – Fulton Bank Line of Credit Renewal
 - B. Recommendation for Approval – 2023 MMO Calculations
 - C. Recommendation for Approval – Public Transportation Agency Safety Plan Updates
 6. Other Items
 - A. Update – Sage System Upgrade
 - B. Update – FTA Triennial Review Final Report
 7. Adjournment
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Lehigh and Northampton Transportation Authority

TO: Owen O'Neil, Executive Director and Authority Members
FROM: Nicole L. Ozoa, Director of Finance
DATE: September 6, 2022
SUBJECT: Unaudited June 2022 Financial Statement

Attached for your review are the unaudited financial statements for the period ended June 30, 2022 and July 31, 2022 for LANtaBus, LANtaVan and Carbon Transit.

June/FYE Items of Interest:

- The Line of Credit Balance as of June 30 stood at \$1,227,820 of an available \$6,000,000. The balance in the combined LANTA general checking account stood at \$6K. The balance in the ACT 44 checking account stood at \$19,661,345. At FYE, the account was overfunded by approximately \$2.4M.
- The balance in the CCCT general checking account as of June 30 stood at approximately \$141K. Carbon's ACT 44 account stood at \$26,751. At FYE, the account was overfunded by \$26,751.
- Fulton Bank ACT 72 Letter for period ended 6/30/2022 is on file and all bank accounts are in compliance.
- GFI Revenue Analysis YTD figures – Allentown closed the year with a YTD 0.30 negative percent variance, which amounted to a \$1,923 shortage and Easton with a YTD 0.59 negative percent variance, which amounted to a \$1,007 shortage.

LANTA's Health Insurance expense is currently the single largest expense outside of salary and wages. MTD & YTD Health Insurance expense:

	MTD Actual	Fiscal YTD Actual	Fiscal YTD Budget
Net Health Insurance	\$388,814	\$5,888,550	\$5,252,757

The current health insurance participation census stands at 83 Employee Only; 72 Employee Plus 1; 37 Employee Plus 2; 26 Employee Plus 3 and 27 Employee Plus 4 or more.

LANtaVan Accounts Receivable Aged Invoice Report - June 30, 2022

	Total	Current	30 Days	60 Days	90 Days	120 Days +
Lehigh County MATP	\$ 365,868	\$ 137,419	\$ 141,781	\$ -	\$ 17,808	\$ 68,860
Northampton County MATP	\$ 141,493	\$ 110,685	\$ -	\$ -	\$ -	\$ 30,808
Other(PaDOT Shared Ride;PwD)	\$ 507,118	\$ 344,563	\$ 17,114	\$ 1,325	\$ 9,697	\$ 134,420
Total AR June 30, 2022	\$ 1,014,478	\$ 592,666	\$ 158,894	\$ 1,325	\$ 27,505	\$ 234,088
	100%	58.42%	15.66%	0.13%	2.71%	23.07%
Total AR May 31, 2022	\$ 985,518	\$ 696,689	\$ 17,362	\$ 27,505	\$ (7,384)	\$ 251,346
	100%	70.69%	1.76%	2.79%	-0.75%	25.50%
AR Change	\$ 28,960	\$ (104,023)	\$ 141,532	\$ (26,180)	\$ 34,889	\$ (17,258)
	2.94%	-14.93%	815.18%	-95.18%	-472.50%	-6.87%

Accounts Payable Aged Invoice Report - June 30, 2022

	Total	Current	30 Days	60 Days	90 Days	120 Days +
LANtaBus	\$ 1,854,784	\$ 1,660,859	\$ 131,003	\$ 40,338	\$ 9,927	\$ 12,657
LANtaVan	\$ 554,691	\$ 546,755	\$ 4,632	\$ 147	\$ -	\$ 3,157
Carbon	\$ 326,124	\$ 73,950	\$ 31,901	\$ 983	\$ 10	\$ 219,282

LANTaBus

Year-to-date revenues for the fixed route division totals \$1,809,407. This represents a 24.8 percent decrease from the current year budget projection of \$2,406,000. Fare collection revenue of \$1,178,791 is below budget projections by approximately \$521K, a 30.66 percent decrease from the current budget projection of \$1,700,000. The Special Transit Fares section, which includes those revenues generated from LANTA's Route Service Agreements, is below the anticipated budget amount by approximately \$83K. Advertising Revenue is above the current year budget projection amount by approximately \$35K.

Year-to-date expenses for the fixed route division totals \$36,586,374. This represents a 2.9 percent increase from the current year budget projection of \$35,554,147. For the current fiscal year Fuel, Purchased Transportation, Utilities, and Interest are the top expense variables contributing to the largest budget variances. The first area to be examined in detail is the area of Interest Expense. Interest expense is approximately \$8K below budget. This is a direct result of the increase in Act 44 reserves, which has enabled the Authority to maintain operations without relying on its Line of Credit. The Purchased Transportation expense, which includes the total operating expenses of the ADA program, is also running below budget projections by \$1.3M, a 37.15 percent budget variance, and is due to the lingering effects of the COVID Pandemic on ridership. Utilities expense is approximately \$151K above budget. While there has been an increase in heating and internet costs, majority of the variance can be attributed to a too conservative approach for the current year budget projection. Lastly, Fuel expense is also approximately \$387K above budget. This variance can be attributed to the increase in fuel costs for all non-revenue and revenue vehicles. While LANTA has normally locked in a diesel fuel purchase price, for this current fiscal year LANTA had opted not to lock in a diesel fuel purchase price. LANTA's Health Insurance expense is currently running approximately \$636K above budget, this represents a 12.1 percent increase from the current year budget projection of \$5,252,757. This variance is attributed to the increase in claims processed through the end of the fiscal year.

Year-to-date deficit recorded on the fixed route division totals \$34,776,967. This represents a 4.91 percent increase from the current year budget projection. Current total subsidies equal the deficit and include the following sources:

- Federal Subsidy – ARPA - \$10,222,285
- Federal Subsidy – All Other - \$5,833,220
- State Subsidy - \$17,557,678
- Local Subsidy - \$1,163,784

it became more pronounced and the variance below budget for FY19/20 is \$509K.

Year-to-date deficit recorded on the fixed route division totals \$26,290,578. This represents a .18 percent increase from the budget projection. Current total subsidies equal the deficit and include the following sources:

Federal Subsidy – CARES ACT - \$10,652,074

Federal Subsidy – All Other - \$2,728,320

State Subsidy - \$11,854,596

Local Subsidy - \$1,055,588

Life to date ACT 44 reserve stands at \$8,472,764, an increase of \$6,525,240 from prior year end balance. The original LANTA budget had anticipated the use of over \$2.7M of prior year reserve for FY19/20.

LANtaVan

Year-to-date revenues for LANtaVan totals \$7,282,332. This represents a 34.17 percent decrease from the current year budget projection of \$11,062,983. MATP YTD revenue of \$2,671,202, has been recorded based on actual costs and is currently showing a 1.69 percent increase from YTD budget projections of \$2,626,929. ADA revenue of \$1,903,908 has been recorded based on the actual costs of the ADA program and is showing a 44.61 percent decrease from YTD budget projections of \$3,437,298. Shared Ride and PWD revenue of \$2,033,506, which represents the allowable reimbursement amount for each program, is showing a 41.77 percent decrease from the current year budget projections of \$3,492,272, collectively.

Year-to-date expenses for LANtaVan totals \$8,378,351. This represents a 22.96 percent decrease from the current year budget projection of \$10,875,333. Majority of the deviation resides in the Purchased Transportation area. The variance within the Purchased Transportation area continues to be related to decreased trips thus less variable trip related expense billed from Easton Coach. The decrease in trips related to Covid 19 has a direct impact on the costs in this area. The net result is \$2M below budget variance for Purchased Transportation.

Year-to-date deficit recorded on LANtaVan totals \$1,096,020. Current total subsidies include the following sources:

State Subsidy – \$1,096,020.

With the audit of fiscal year 2022, an entry in the amount of \$1,566,048, will be made to restate Fy21 equity, to eliminate the life-to-date deficit for LANtaVan as of 6/30/2021.

Carbon Transit

Year-to-date revenues for Carbon Transit totals \$955,827. This represents a 20.6 percent increase above the budgeted fiscal year projection of \$792,545. MATP revenue is \$138K above annual projections. Shared Ride Lottery and PWD revenue continue the trend of greater than budgeted revenue amounts by \$8K, collectively.

Year-to-date expenses for Carbon Transit totals \$1,559,792. This represents a 15.5 percent above the budgeted fiscal year projection of \$1,350,503. The main deviation of approximately \$124K pertains to the Purchased Transportation area and continues to relate to the decrease in trips and the proper recognition of fuel expense for Carbon Transit. Services are approximately \$59K less than budgeted projections due to the elimination of the previous management contract.

Year-to-date deficit recorded on Carbon Transit totals \$668,965. Current total subsidies are sufficient to cover the YTD deficit and include the following sources:

Federal Subsidy - \$142,651
State Subsidy – \$419,369
Local Subsidy - \$106,945

For the current fiscal year, Carbon Transit had utilized the total Fy22 Act 44 allocation, along with prior year carry over balance to subsidize operations.

Carbon Transit ended the fiscal year with a surplus of \$65K as a result of the loan forgiveness due to the adoption of the Mutual Cooperation Agreement (MCA) as of January 1, 2022. The \$65K will be recognized a contribution and will offset the cumulative prior year deficit.

LANtaBus
Income Statement Summary
For the Period Ending June 30, 2022

	Fiscal Year 2022				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	Percent
	Actual	Budget	Actual	Budget	Amount	
Revenue						
Passenger Fares	109,511	158,815	1,178,791	1,700,000	(521,209)	-30.66%
Special Transit Fares	28,483	52,500	126,845	210,000	(83,155)	-39.60%
Auxiliary Transportation Revenue	35,417	33,337	434,599	400,000	34,599	8.65%
NonTransportation Revenue	3,123	8,000	69,172	96,000	(26,828)	-27.95%
Total Revenue	176,533	252,652	1,809,407	2,406,000	(596,593)	-24.80%
Expenses						
Labor	1,789,706	1,106,652	15,378,743	13,758,775	(1,619,968)	-11.77%
Fringe Benefits	945,742	923,777	11,734,494	11,865,348	130,854	1.10%
Total Labor and Fringe Benefits	2,735,448	2,030,429	27,113,237	25,624,123	(1,489,114)	-5.81%
Services	235,104	187,487	2,002,323	1,943,785	(58,538)	-3.01%
Fuel	175,336	89,566	1,507,404	1,120,326	(387,078)	-34.55%
Tires & Tubes	10,191	8,482	116,488	112,500	(3,988)	-3.55%
Materials & Supplies	190,674	52,421	1,363,704	1,158,317	(205,387)	-17.73%
Utilities	77,211	68,416	798,629	647,400	(151,229)	-23.36%
Casualty & Liability	569,312	419,654	1,204,209	1,102,000	(102,209)	-9.27%
Taxes	248	371	3,693	3,825	132	3.45%
Purchase of Transportation Service	213,240	295,912	2,215,703	3,525,520	1,309,817	37.15%
Miscellaneous	20,791	14,212	171,976	218,920	46,944	21.44%
Interest	681	1,000	3,466	12,000	8,534	71.12%
Leases & Rentals	11,185	7,135	85,540	85,431	(109)	-0.13%
Total Expenses	4,239,421	3,175,085	36,586,374	35,554,147	(1,032,227)	-2.90%
Gross Surplus (Deficit)	(4,062,887)	(2,922,433)	(34,776,967)	(33,148,147)	(1,628,820)	-4.91%
Subsidy						
Local Subsidy	111,225	97,004	1,163,784	1,163,784	-	0.00%
State Subsidy	3,425,161	1,457,144	17,557,678	15,565,328	(1,992,350)	-12.80%
Federal Subsidy	526,501	516,427	5,833,220	6,196,750	363,530	5.87%
Federal Subsidy - ARPA	-	851,858	10,222,285	10,222,285	-	0.00%
Total Subsidy	4,062,887	2,922,433	34,776,967	33,148,147	(1,628,820)	-4.91%
Surplus (Deficit)	(0)	-	-	-	-	#DIV/0!

LANtaBus
Statement of Net Assets
June 30, 2022

CURRENT ASSETS

Cash	\$ 2,653,213
Accounts Receivable	256,582
Interdivisional Receivable	1,558,621
Inventories	651,402
Prepaid Expenses	12,626,100
Grants Receivable	2,587,020
Total Current Assets	<u>20,332,938</u>

RESTRICTED ASSETS

Cash	<u>17,087,221</u>
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CAPITAL ASSETS

Capital Assets Not Being Depreciated	147,970
Capital Assets Being Depreciated - Net	<u>46,375,049</u>
Total Capital Assets	<u>46,523,019</u>

TOTAL ASSETS	<u>\$ 83,943,179</u>
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CURRENT LIABILITIES

Note Payable	\$ -
Loan Payable	1,227,820
Interdivisional Payable	-
Accounts Payable	3,440,686
Accrued Expenses:	-
Wages	2,303,012
Professional Fees	27,400
Other	13,002
Deferred Other Funding	25,448,981
Due To Commonwealth of PA	17,310,240
Deferred Local Grant Funding	2,477
Total Current Liabilities	<u>49,773,617</u>

NET ASSETS

Invested In Capital Assets	46,525,784
Unrestricted Equity	(12,439,222)
Restricted Equity	83,000
Total Net Assets	<u>34,169,562</u>

TOTAL CURRENT LIBILITIES AND NET ASSETS	<u>\$ 83,943,179</u>
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LANTA Van
Income Statement Summary
For the Period Ending June 30, 2022

	Fiscal Year 2022				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	Percent
	Actual	Budget	Actual	Budget		
Revenue						
Passenger Fares	(36,249)	159,542	513,713	1,299,162	(785,449)	-60.46%
Non-Transportation Revenues		5,417	32,500	65,000	(32,500)	-50.00%
Local Special Fare Assistance	151,655	296,125	2,031,410	3,579,620	(1,548,210)	-43.25%
State Special Fare Assistance	424,896	533,043	4,704,708	6,119,201	(1,414,493)	-23.12%
Total Revenue	540,302	994,127	7,282,332	11,062,983	(3,780,651)	-34.17%
Expenses						
Labor	45,303	65,257	670,804	783,087	112,283	14.34%
Fringe Benefits	(18,706)	59,384	583,600	712,609	129,009	18.10%
Total Labor and Fringe Benefits	26,596	124,641	1,254,404	1,495,696	241,292	16.13%
Services	14,151	6,617	85,868	89,115	3,247	3.64%
Fuel	-	-	-	-	-	0.00%
Tires & Tubes	-	-	-	-	-	0.00%
Materials & Supplies	15,908	5,199	92,539	55,476	(37,063)	-66.81%
Utilities	7,905	8,290	87,913	96,168	8,256	8.58%
Casualty & Liability	542	540	6,504	6,500	(4)	-0.06%
Taxes	-	-	-	-	-	#DIV/0!
Purchase of Transportation Service	607,262	756,151	6,722,077	8,771,536	2,049,459	23.36%
Miscellaneous	2,365	601	11,316	7,500	(3,816)	-50.87%
Interest	-	-	-	-	-	#DIV/0!
Rent	9,974	68,784	117,733	353,342	235,609	66.68%
Total Expenses	684,703	970,823	8,378,351	10,875,333	2,496,982	22.96%
Gross Surplus (Deficit)	(144,400)	23,304	(1,096,020)	187,650	(1,283,670)	-684.08%
Subsidy						
Local Subsidy	-	-	-	-	-	-
State Subsidy	144,400	-	1,096,020	-	(1,096,020)	-
Federal Subsidy	-	-	-	-	-	-
Total Subsidy	144,400	-	1,096,020	-	(1,096,020)	-
Surplus (Deficit)	-	23,304	-	187,650	(2,379,690)	-1268.15%

LANTaVan
Statement of Net Assets
June 30, 2022

CURRENT ASSETS

Cash	\$	(4,465)
Accounts Receivable		245,588
Interdivisional Receivable		-
Inventories		
Prepaid Expenses		102,397
Grants Receivable		830,080
Total Current Assets		<u>1,173,600</u>

TOTAL ASSETS	\$	<u>1,173,600</u>
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CURRENT LIABILITIES

Note Payable	\$	-
Loan Payable		-
Interdivisional Payable		1,493,546
Accounts Payable		1,267,879
Accrued Expenses		-
Deferred Revenue		(21,747)
Total Current Liabilities		<u>2,739,679</u>

NET ASSETS

Unrestricted Equity		(1,566,078)
Restricted Equity		-
Total Net Assets		<u>(1,566,078)</u>

TOTAL CURRENT LIABILITIES AND NET ASSETS	\$	<u>1,173,600</u>
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Carbon Transit
Income Statement Summary
For the Period Ending June 30, 2022

	Fiscal Year 2022					YTD Budget Variance	
	PTD		YTD		Annual Budget	Favorable (Unfavorable)	
	Actual	Budget	Actual	Budget		Amount	Percent
Revenue							
Passenger Fares	3,182	1,803	29,968	20,511	20,511	9,457	46.11%
Non-Transportation Revenues	0	-	18	-	-	18	#DIV/0!
Local Special Fare Assistance	2,692	1,533	25,541	17,922	17,922	7,619	42.51%
State Reimbursements	30,479	26,188	307,524	299,568	299,568	7,956	2.66%
State Special Fare Assistance	75,781	43,043	592,777	454,545	454,545	138,233	30.41%
Total Revenue	112,135	72,567	955,827	792,545	792,546	163,282	20.60%
Expenses							
Labor	32,487	-	#	-	-	(79,328)	0.00%
Fringe Benefits	28,263	-	69,016	-	-	(69,016)	0.00%
Total Labor and Fringe Benefits	60,750	-	148,344	-	-	(148,344)	0.00%
Services	1,058	11,854	77,425	136,250	142,100	58,825	43.17%
Fuel	-	-	-	-	-	-	0.00%
Tires & Tubes	-	-	-	-	-	-	0.00%
Materials & Supplies	1,428	352	16,972	9,700	9,450	(7,272)	-74.97%
Utilities	1,692	1,658	19,450	16,800	16,800	(2,650)	-15.77%
Casualty & Liability	-	-	-	-	-	-	0.00%
Taxes	-	-	-	-	-	-	0.00%
Purchase of Transportation Service	132,159	99,147	1,295,016	1,170,914	1,170,914	(124,102)	-10.60%
Miscellaneous	75	318	1,630	9,339	3,740	7,709	82.55%
Interest	-	625	956	7,500	7,500	6,544	87.26%
Leases & Rentals	-	-	-	-	-	-	#DIV/0!
Total Expenses	197,163	113,954	1,559,792	1,350,503	1,350,504	(209,289)	-15.50%
Gross Surplus (Deficit)	(85,029)	(41,387)	(603,965)	(557,958)	(557,958)	(46,007)	-8.25%
Subsidy							
Local Subsidy	5,286	3,415	106,945	40,969	40,969	(65,976)	-161.04%
State Subsidy	25,084	21,486	419,369	273,126	273,126	(146,243)	-53.54%
Federal Subsidy	54,659	16,486	142,651	243,863	243,863	101,212	41.50%
Total Subsidy	85,029	41,387	668,965	557,958	557,958	(111,007)	-19.90%
Surplus (Deficit)	0	-	65,000	-	-	65,000	#DIV/0!

Carbon Transit
Statement of Net Assets
June 30, 2022

CURRENT ASSETS

Cash	\$	168,755
Accounts Receivable		5,040
Due from LANTA - FOA		142,651
Due From Carbon County		-
Prepaid Expenses		146
Grants Receivable		447,692
Total Current Assets		<u>764,284</u>

TOTAL ASSETS	\$	<u>764,284</u>
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CURRENT LIABILITIES

Note Payable	\$	-
Loan Payable		-
Interdivisional Payable		558,670
Due to the Commonwealth		-
Accounts Payable		426,271
Accrued Expenses		5,250
Deferred Revenue		27,782
Total Current Liabilities		<u>1,017,973</u>

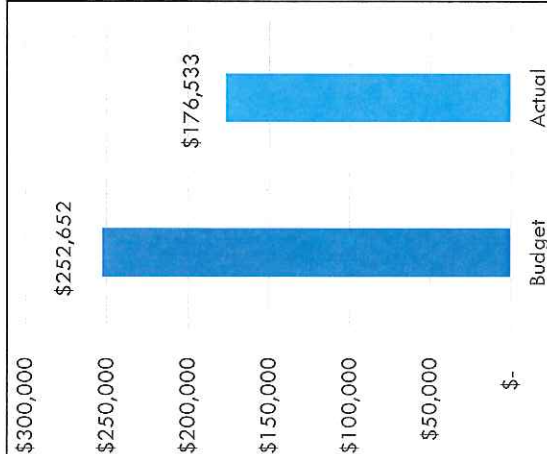
NET ASSETS

Unrestricted Equity		(253,689)
Restricted Equity		-
Total Net Assets		<u>(253,689)</u>

TOTAL CURRENT LIABILITIES AND NET ASSETS	\$	<u>764,284</u>
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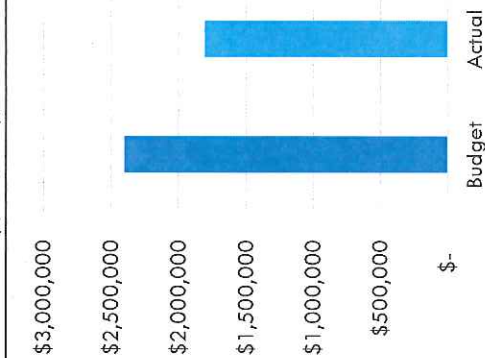


Total Revenues – June 2022

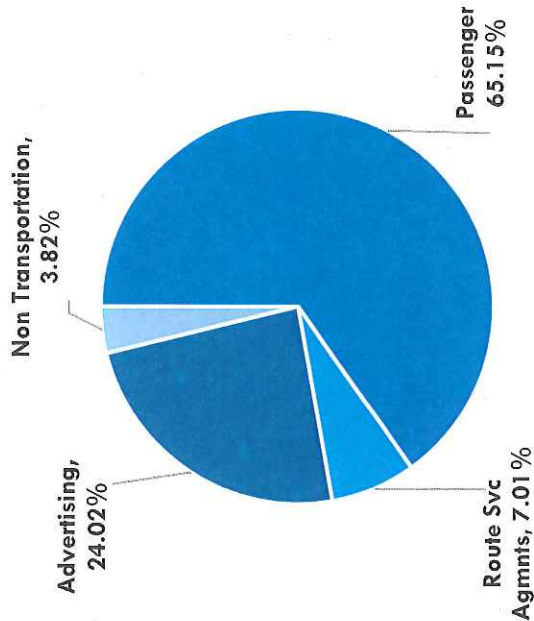


FYTD Revenues

Budget \$2,406,000
Actual \$1,809,407
Variance \$(596,593), -24.80%

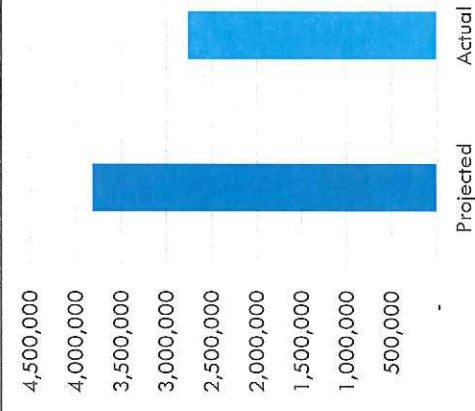


Revenues By Source

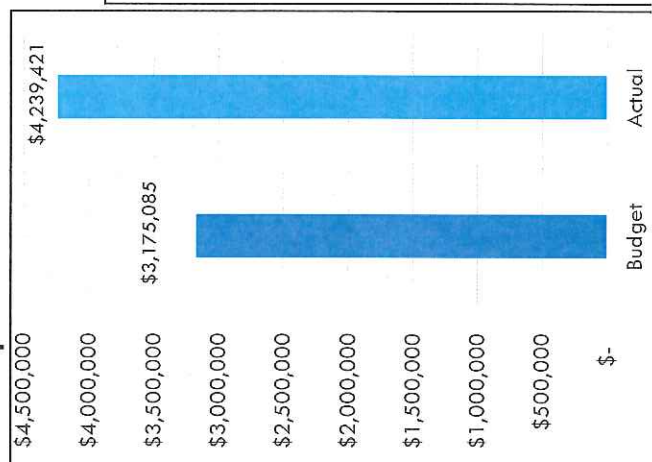


FYTD Ridership

Projected 3,821,121
Actual 2,765,903
Variance (1,055,218), -27.62%

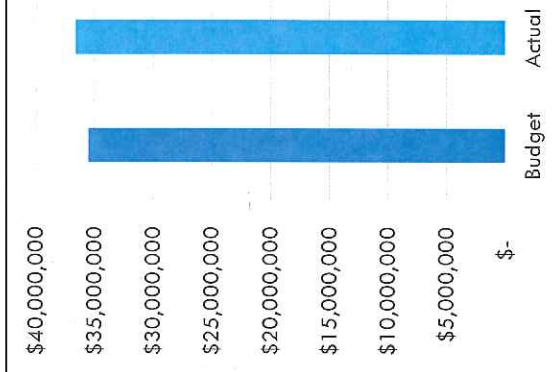


Total Expenses – June 2022



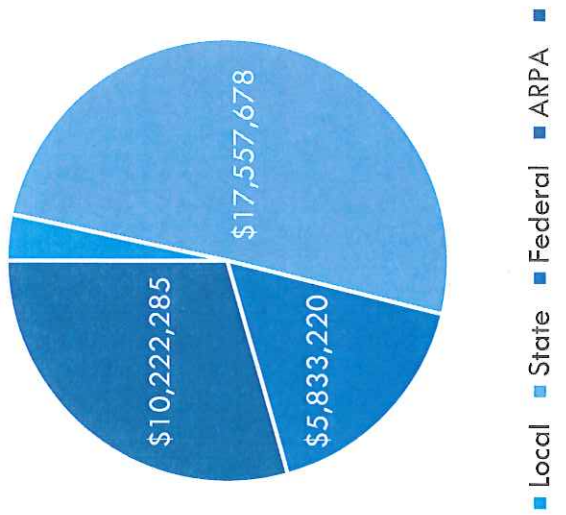
FYTD Expenses

Budget \$35,554,147
Actual \$36,586,374
Variance \$1,032,227 +2.9%



Subsidy by Source

\$1,163,784

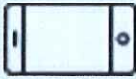





\$36,586,374



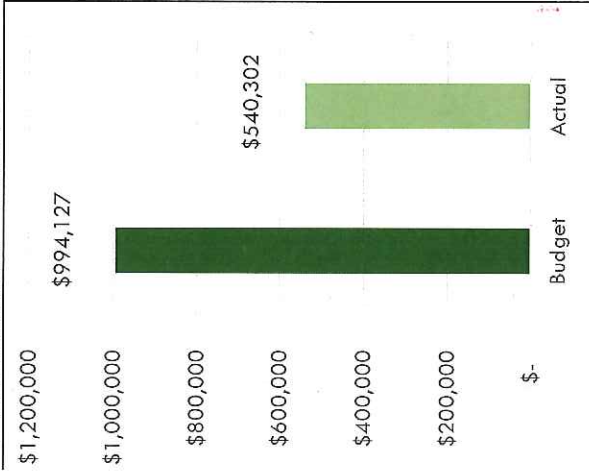
SUBSIDY
\$34,776,967

\$1,809,407

Key Areas	Notations
 Utilities	<p>Utilities Expense is ABOVE budget by \$151K, a 23.36% increase from current budget projections.</p> <p>This is attributed to not only an increase in cooling/heating costs but also internet and fuel for nonrevenue vehicles. In addition, a too conservative approach was made to the current year budget projections for ATC and BTC utilities.</p> <p>LB anticipates this trend to continue for the foreseeable future due to the increase internet services and electrical and cooling/heating costs.</p>
 Purchased Transportation	<p>Purchased Transportation is BELOW budget by \$1.3M, a 37.15% decrease from current budget projections.</p> <p>This expense line represents the total operating costs of the ADA Program as well as FLEX services.</p> <p>As ADA trips continue to increase, the Authority does not anticipate this trend to continue as trips are increasing and Carbon has utilized all PY Act 44 reserves.</p>
 Health Insurance	<p>Health Insurance costs are ABOVE budget by \$636K, a 12.10% increase from current budget projections.</p> <p>YTD claims paid continue to run above budget projections</p> <p>LB now anticipates the health insurance costs to continue to increase for the foreseeable future.</p>
 Subsidy	<p>Current fiscal year TOTAL subsidy is \$34,776,967 a 4.91% increase from current budget projections.</p> <p>As of June 30th, LANTA has not utilized the full FY22 Act 44 allocation.</p> <p>Prior to any adjusting entries required by the auditors, LANTA's Act 44 reserve balance will close the year at \$17.3M. LANTA had projected the FYE balance to be in excess of \$18M prior to allocating any subsidy to LANTA Van.</p>

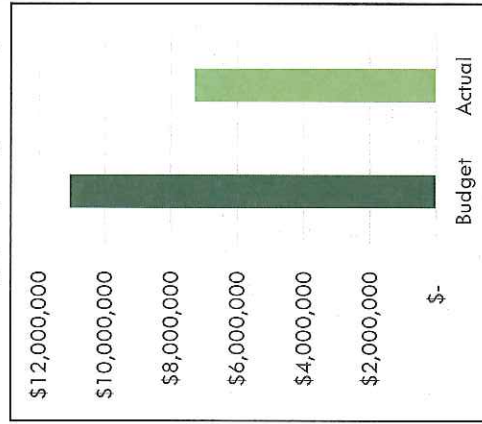


Total Revenues – June 2022

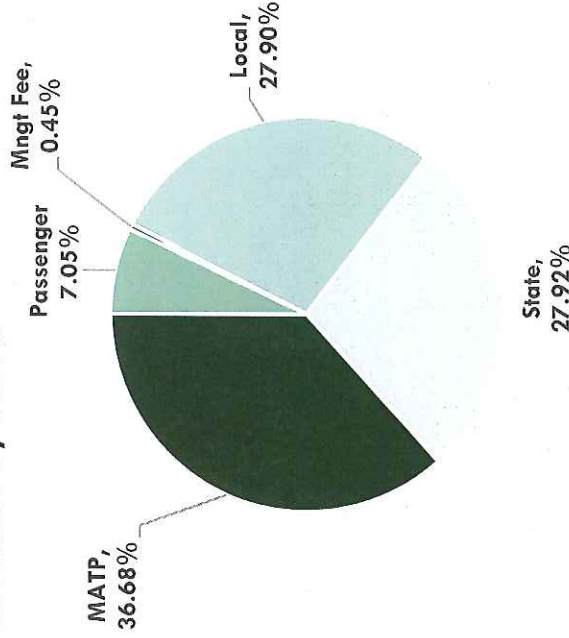


FYTD Revenues

Budget \$11,062,983
Actual \$7,282,332
Variance \$(3,780,651), -34.17%

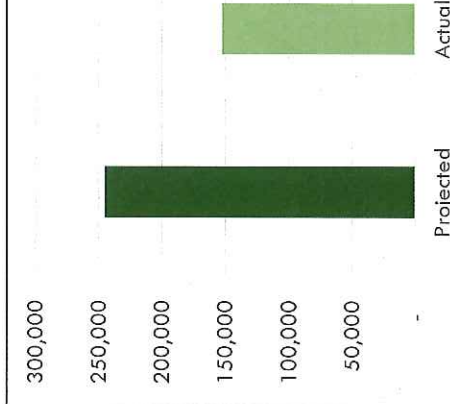


Revenues By Source

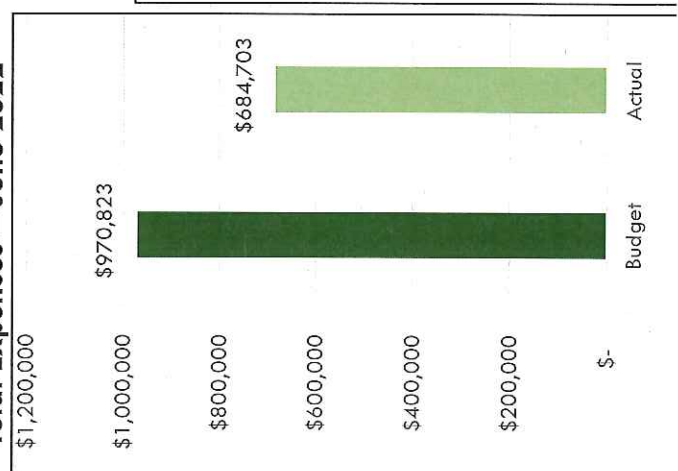


FYTD Ridership

Projected 245,184
Actual 152,540
Variance (92,644), -37.79%

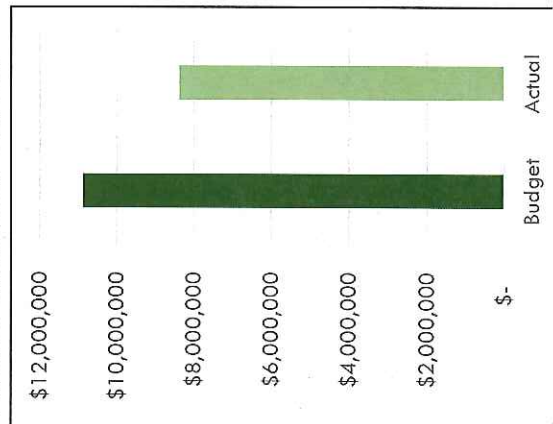


Total Expenses – June 2022



FYTD Expenses

Budget \$10,875,333
Actual \$8,378,351
Variance \$2,496,986, +22.96%







Subsidy by Source



EXPENSES

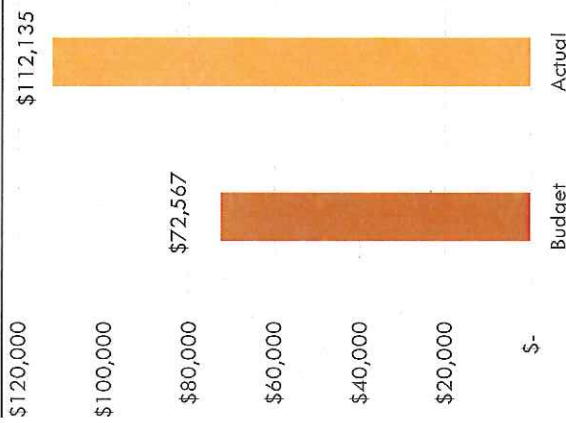
REV & SUBSIDY

State

Key Areas	Notations
 Labor & Fringes	<p>Labor and Fringe Benefits are BELOW budget by approximately \$241K, a 16.13% combined decrease from the current year budget projections.</p> <p>Labor and fringe expenses in relation to Carbon Transit were allocated to Carbon effective January 1, 2022.</p> <p>Labor and Fringe Benefit costs will continue to be allocated between all divisions.</p>
 Purchased Transportation	<p>Purchased Transportation is BELOW budget by approximately \$2M, a 23.36% decrease from the current year budget projections.</p> <p>Purchased Transportation continues below budget due to decreased ridership levels and the proper allocation of fuel costs for Carbon Transit.</p> <p>The Purchased Transportation expense area going forward will reflect the costs for the new subcontractor, Transdev.</p>
 Rent	<p>Rent expense is BELOW budget by approximately \$236K, a 66.68% decrease from the current year budget projection.</p> <p>This is due to the current year budget projection which anticipated lease payments on new paratransit facility to begin March 1, 2022</p> <p>LV rent expense closed out the current fiscal year below budget due to the delayed tenancy of the new paratransit facility.</p>
 Subsidy	<p>YTD DEFICIT is \$1,096,020</p> <p>PennDOT approved the use of State Operating Assistance to offset CY and PY operating deficits on LANtraVan .</p> <p>YTD unfunded DEFICIT is \$0.</p>

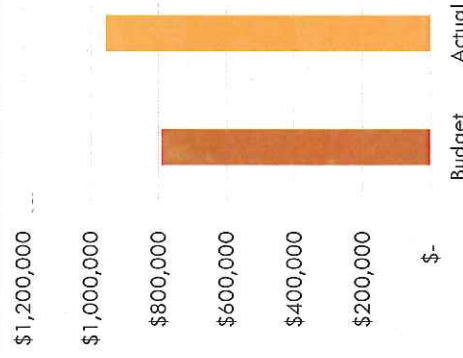


Total Revenues – June 2022

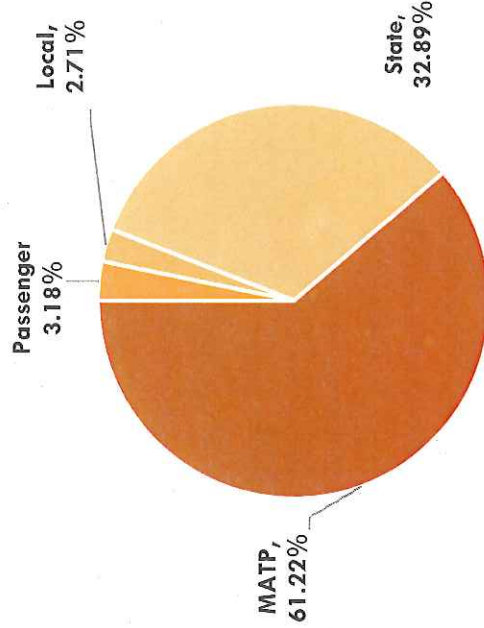


FYTD Revenues

Budget \$792,545
Actual \$955,827
Variance \$163,282, +20.60%

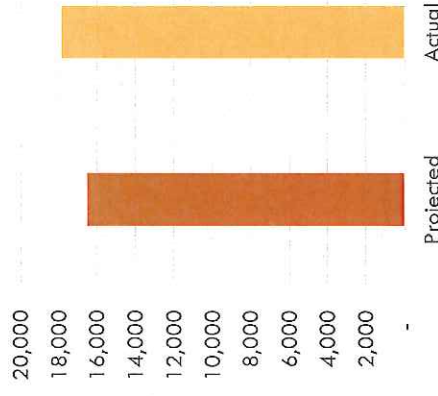


Revenues By Source

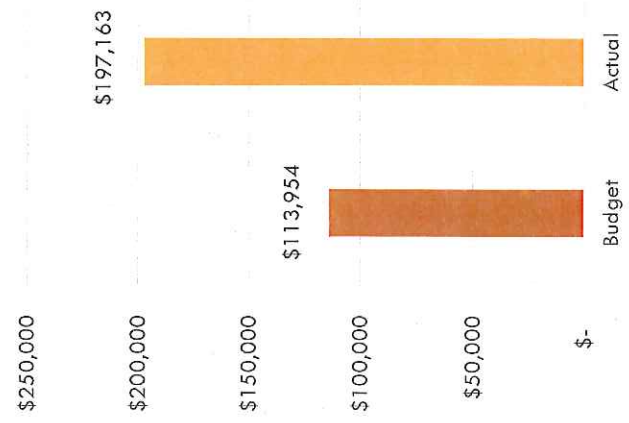


FYTD Ridership

Projected 16,524
Actual 17,867
Variance 1,343, +8.13%

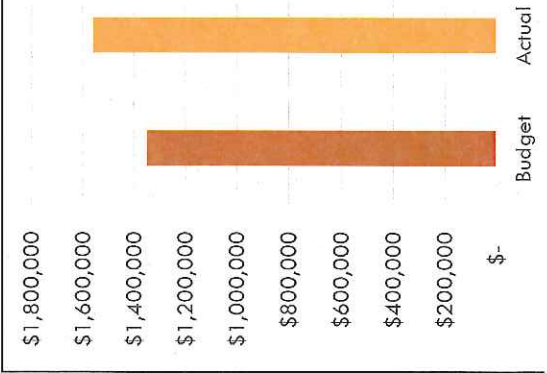


Total Expenses – June 2022

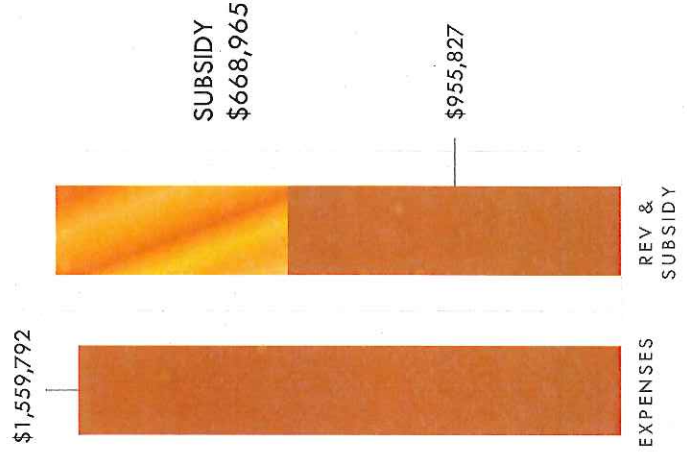
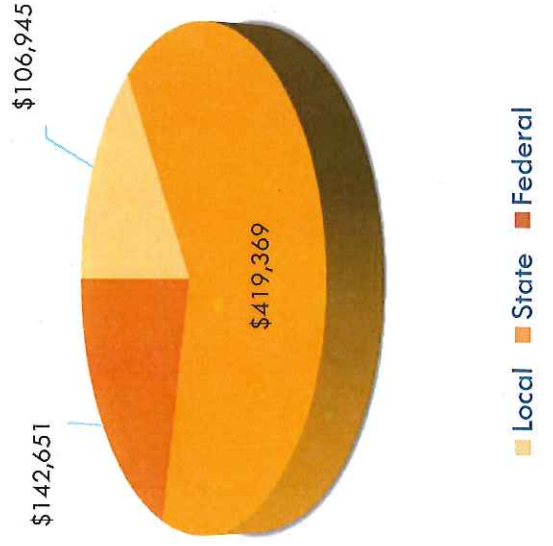






FYTD Expenses

Budget \$1,350,503
Actual \$1,559,792
Variance \$(209,289), -15.50%



Subsidy by Source



Key Areas	Notations
 Labor & Fringes	Labor and Fringe expenses are ABOVE budget by approximately \$148K.
	Due to the MCA that went into effect as of Jan 1, Carbon will now incur labor and fringe expense.
	Current year budget projections anticipated Management Contract to carry through the end of the fiscal year.
 Purchased Transportation	Purchased Transportation is ABOVE budget by \$124K, a 10.6% increase from current year budget projections.
	This is due to the proper allocation of fuel costs for the Carbon division.
	CT anticipated the P/T expense area to the close the year above budget due to the proper fuel cost allocation.
 Materials	Materials and Supplies are ABOVE budget by approximately \$7K, a 74.97 percent increase from current year budget projections.
	This is due to the purchase of additional ticket stock and other pre-printed forms.
	CT anticipates not having to purchase any significant amounts of ticket stock for the next fiscal year.
 Subsidy	Current YTD DEFICIT is \$603,965. Total subsidy is ABOVE CY projections by 8.25%
	YTD, Local and State subsidies are above CY budget projections due to the increase in local match and the reversal of Federal Operating Assistance per PennDot directive.
	CT anticipates utilized all PY Act 44 reserves and the CY FY22 Act 44 fund allocation to subsidize the CY operations. As a result of the \$65K loan forgiveness; that amount will be applied to PY accumulated deficit.



Lehigh and Northampton Transportation Authority

TO: Owen O'Neil, Executive Director and Authority Members
FROM: Nicole L. Ozoa, Director of Finance
DATE: September 6, 2022
SUBJECT: Unaudited July 2022 Financial Statement

Attached for your review are the unaudited financial statements for the period ended July 31, 2022 for LANtaBus, LANtaVan and Carbon Transit.

Items of Interest:

- LANTA's portion of the Line of Credit Balance as of September 2nd, 2022 stands at \$0 of an available \$6,000,000. The balance in the combined LANTA general checking account stands at \$5K. State ACT 89 funds due to LANTA for FY 22/23 are current. The balance in the ACT 44 checking account stands at \$16,245,439. The account is currently underfunded by approximately \$2.4M. In addition, approximately \$6.3M are either currently owed to LANTA from State Funds or can now be drawn down from Federal Grants:
 - State Shared Ride/PWD - \$325,201 (THRU 7/31/2022)
 - Lehigh County MATP - \$549,235 (THRU 7/31/2022)
 - Northampton County MATP - \$259,544 (THRU 7/31/2022)
 - Federal Capital/Ops Funding - \$3,640,943 (THRU 7/31/2022)
 - State Capital Funding - \$1,535,758 (THRU 7/31/2022)
- The balance in the Carbon's general checking account stands at approximately \$87K. The balance in the Carbon's Act 44 checking account stands at \$3K. The account is currently overfunded by approximately \$3K. State ACT 89 funds due to Carbon for FY 22/23 are current. In addition, approximately \$90K are currently owed to CT from the following sources:
 - State Shared Ride/PWD - \$56,777 (THRU 7/31/2022)
 - Carbon County MATP - \$373,643 (THRU 7/31/2022)
- Fulton Financial ACT 72 Letter for period ended 7/31/2022 has been received and all bank accounts are in compliance.

LANTA's Health Insurance expense is currently the single largest expense outside of salary and wages. MTD & YTD Health Insurance expense:

	MTD Actual	Fiscal YTD Actual	Fiscal YTD Budget
Net Health Insurance	\$513,099	\$548,516	\$548,516

The current health insurance participation census stands at 85 Employee Only; 72 Employee Plus 1; 41 Employee Plus 2; 26 Employee Plus 3 and 27. Employee Plus 4 or more.

LANtaVan Accounts Receivable Aged Invoice Report - July 31, 2022

	Total	Current	30 Days	60 Days	90 Days	120 Days +
Lehigh County MATP	\$ 434,728	\$ 137,419	\$ 141,781	\$ -	\$ 86,669	\$ 68,860
Northampton County MATP	\$ 141,493	\$ 110,685	\$ -	\$ -	\$ -	\$ 30,808
Other(PaDOT Shared Ride;PwD)	\$ 429,753	\$ 34,013	\$ 164,681	\$ 154,478	\$ (85,344)	\$ 161,925
Total AR July 31, 2022	\$ 1,005,974	\$ 282,116	\$ 306,462	\$ 154,478	\$ 1,325	\$ 261,593
	100%	28.04%	30.46%	15.36%	0.13%	26.00%
Total AR June 30, 2022	\$ 1,014,478	\$ 592,666	\$ 158,894	\$ 1,325	\$ 27,505	\$ 234,088
	100%	58.42%	15.66%	0.13%	2.71%	23.07%
AR Change	\$ (8,504)	\$ (310,550)	\$ 147,568	\$ 153,153	\$ (26,180)	\$ 27,505
	-0.84%	-52.40%	92.87%	11558.69%	-95.18%	11.75%

Accounts Payable Aged Invoice Report - July 31, 2022

	Total	Current	30 Days	60 Days	90 Days	120 Days +
LANtaBus	\$ 1,585,363	\$ 1,195,923	\$ 324,880	\$ 7,219	\$ 36,722	\$ 20,618
LANtaVan	\$ 635,582	\$ 567,218	\$ 59,785	\$ 5,342	\$ 81	\$ 3,157
Carbon	\$ 433,231	\$ 107,006	\$ 74,050	\$ 31,901	\$ 983	\$ 219,291

This month's narrative for the financial statements will start with LANtaBus. The discussion will focus on the actual versus budget variance analysis and how it relates to funding and performance. I will be concentrating on the year-to-date revenues and expenditures. LANtaVan results will be next concluding with Carbon Transit.

LANtaBus

Year-to-date revenues for the fixed route division totals \$130,147. This represents a 35.64 percent increase from the budget projection of \$95,950. Fare collection revenue is currently running above budget projections by approximately \$34K. The Other Revenue section, which includes Advertising Revenue, is in line with current budget projections, for a total of \$35,417. Please remember that advertising revenue is only budgeted at the guaranteed contract amount to maintain a conservative approach to revenue recognition.

Year-to-date expenses for the fixed route division totals \$3,099,321. This represents a 12.47 percent increase from the current year budget projection of \$2,755,686. For the current fiscal period, Labor and Fringes, Purchased Transportation and Casualty and Liability Insurance continue to be the top expense variables contributing to the largest budget variances. These categories, as well as all variables, continue to be monitored with further investigation occurring as required. The first area to be examined in detail is the area of Labor and Fringes. Collectively, Labor and Fringes are currently running approximately \$155K above budget. This is a direct result of the driver shortage, increase in maintenance personnel and the consistent paying of overtime for the bus operators. Purchased Transportation is also running above budget projections, by 17.1 percent. This is due to the new contract in place, which resulted in an increase in costs for the ADA Program as well as the Flex Service. Current year expense for both Physical Damage and Liability and Property Damage is running approximately \$24K above budget. All invoices have been received from SAFTI and are current. Health Insurance expense is currently running approximately \$35K below budget, this represents a 6.46 percent decrease from the current year budget projection of \$548,516.

Year-to-date deficit recorded on the fixed route division totals \$2,969,174. This represents a 11.63 percent increase from the current year budget projection. Current total subsidies equal the deficit and include the following sources:

Federal Subsidy – ARPA - \$2,154,676

Federal Subsidy – All other sources - \$352,500

State Subsidy - \$374,100

Local Subsidy - \$87,898

LANtaVan

Year-to-date revenues for LANtaVan totals \$736,841. This represents a 17.16 percent increase from the budget projection of \$628,893. MATP YTD revenue of \$301,418 has been recorded based on actual costs and is currently showing a 17.56 percent increase from YTD budget projections of \$256,392. ADA revenue has been recorded based on the actual costs of the ADA program and is showing a 45.90 percent increase from YTD budget projections of \$167,421.

Year-to-date expenses for LANtaVan totals \$935,098. This represents a 17.79 percent increase from the current year budget projection of \$793,843. The majority of the deviation resides in the Purchased Transportation, Fuel and Materials and Supplies areas. The variance within the purchased transportation area relates to decreased trips and the increase in costs due to the new contract with Transdev. The net result is approximately \$100K, a 19.29 percent above budget variance for this area. The Materials and Supplies expense line is running approximately \$14K above budget. This is due to the costs associated with the transition from Easton Coach to Transdev. Fuel expense is above budget projections by approximately \$37K.

Year-to-date deficit recorded on LANtaVan totals \$198,257. Current total subsidies include the following sources:

State Subsidy - \$198,257

Carbon Transit

Year-to-date revenues for Carbon Transit totals \$86,163. The budgeted YTD amount is \$88,794. This represents a 2.96 percent negative budget variance. Carbon records and adjusts MATP revenue to reflect cost of the program to maintain a conservative approach to revenue recognition. Currently, MATP revenue is approximately \$5K above budget projections. Shared Ride Lottery and PWD are lower than budgeted projections by \$4K, collectively.

Year-to-date expenses for Carbon Transit totals \$193,147. This amount is 25.11 percent above the current year budget projection of \$154,377. The main deviation of approximately \$15K pertains to the Purchased Transportation area and relates to the decrease in trips and an increase in costs due to the new contract with Transdev. As of this current fiscal year, Carbon Transit will be incurring Labor and Fringe Benefits costs due to the MCA with LANTA. Collectively, Labor and Fringe Benefits are above budget projections by approximately \$9K, a 45.67 percent variance. All other variances are smaller in individual value but continue to be monitored and analyzed to ensure correct coding and valid expense.

Year-to-date deficit recorded on Carbon Transit totals \$106,984. Current total subsidies total \$106,984 and include the following sources:

Federal Subsidy - \$76,994

State Subsidy – \$26,079

Local Subsidy - \$3,911

LANTaBus
Income Statement Summary
For the Period Ending July 31, 2022

	Fiscal Year 2021				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	
	Actual	Budget	Actual	Budget	Amount	Percent
Revenue						
Passenger Fares	91,306	57,469	91,306	57,469	33,837	58.88%
Special Transit Fares	-	-	-	-	-	#DIV/0!
Auxiliary Transportation Revenue	35,417	35,417	35,417	35,417	-	0.00%
NonTransportation Revenue	3,424	3,064	3,424	3,064	360	11.75%
Total Revenue	130,147	95,950	130,147	95,950	34,197	35.64%
Expenses						
Labor	1,259,057	1,189,195	1,259,057	1,189,195	(69,862)	-5.87%
Fringe Benefits	895,619	810,322	895,619	810,322	(85,297)	-10.53%
Total Labor and Fringe Benefits	2,154,676	1,999,517	2,154,676	1,999,517	(155,159)	-7.76%
Services	154,177	143,702	154,177	143,702	(10,475)	-7.29%
Fuel	200,697	158,287	200,697	158,287	(42,411)	-26.79%
Tires & Tubes	10,091	9,254	10,091	9,254	(837)	-9.04%
Materials & Supplies	131,020	72,038	131,020	72,038	(58,981)	-81.87%
Utilities	49,713	58,458	49,713	58,458	8,745	14.96%
Casualty & Liability	38,919	14,955	38,919	14,955	(23,965)	-160.25%
Taxes	271	279	271	279	8	2.90%
Purchase of Transportation Service	338,807	289,320	338,807	289,320	(49,487)	-17.10%
Miscellaneous	16,708	7,329	16,708	7,329	(9,379)	-127.97%
Interest	833	-	833	-	(833)	#DIV/0!
Leases & Rentals	3,408	2,546	3,408	2,546	(862)	-33.85%
Total Expenses	3,099,321	2,755,685	3,099,321	2,755,686	(343,635)	-12.47%
Gross Surplus (Deficit)	(2,969,174)	(2,659,736)	(2,969,174)	(2,659,736)	(309,438)	-11.63%
Subsidy						
Local Subsidy	87,898	99,985	87,898	99,985	12,087	12.09%
State Subsidy	374,100	898,317	374,100	898,317	524,217	58.36%
Federal Subsidy	352,500	484,042	352,500	484,042	131,542	27.18%
Federal Subsidy - CRRSAA	-	919,335	-	919,335	919,335	100.00%
Federal Subsidy - ARPA	2,154,676	258,056	2,154,676	258,056	(1,896,620)	-734.96%
Total Subsidy	2,969,174	2,659,735	2,969,174	2,659,735	(309,439)	-11.63%
Surplus (Deficit)	(0)	(0)	0	(0)	1	233.30%

LANtaBus
Statement of Net Assets
July 31, 2022

CURRENT ASSETS

Cash	\$ 2,175,964
Accounts Receivable	195,623
Interdivisional Receivable	1,810,333
Inventories	595,981
Prepaid Expenses	12,466,753
Grants Receivable	2,669,533
Total Current Assets	<u>19,914,187</u>

RESTRICTED ASSETS

Cash	<u>17,087,221</u>
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CAPITAL ASSETS

Capital Assets Not Being Depreciated	147,970
Capital Assets Being Depreciated - Net	46,375,049
Total Capital Assets	<u>46,523,019</u>

TOTAL ASSETS	<u>\$ 83,524,428</u>
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CURRENT LIABILITIES

Note Payable	\$ 1,227,820
Loan Payable	-
Interdivisional Payable	-
Accounts Payable	2,440,270
Accrued Expenses:	-
Wages	2,260,127
Professional Fees	25,790
Other	670,766
Deferred Other Funding	25,430,321
Due To Commonwealth of PA	19,004,770
Deferred Local Grant Funding	1,272,833
Total Current Liabilities	<u>52,332,698</u>

NET ASSETS

Invested In Capital Assets	46,525,784
Unrestricted Equity	(15,406,730)
Restricted Equity	83,000
Total Net Assets	<u>31,191,730</u>

TOTAL CURRENT LIABILITIES AND NET ASSETS	<u>\$ 83,524,428</u>
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LANtaVan
Income Statement Summary
For the Period Ending July 31, 2022

	Fiscal Year 2021				YTD Budget Variance	
	PTD		YTD		Favorable (UnFavorable) Amount	Percent
	Actual	Budget	Actual	Budget		
Revenue						
Passenger Fares	35,491	30,718	35,491	30,718	4,773	15.54%
Non-Transportation Revenues	-	-	-	-	-	#DIV/0!
Local Special Fare Assistance	251,629	177,421	251,629	177,421	74,208	41.83%
State Reimbursements	148,303	164,363	148,303	164,363	(16,060)	-9.77%
State Special Fare Assistance	301,418	256,392	301,418	256,392	45,027	17.56%
Total Revenue	736,841	628,893	736,841	628,893	107,948	17.16%
Expenses						
Labor	59,561	74,129	59,561	74,129	14,568	19.65%
Fringe Benefits	50,228	56,330	50,228	56,330	6,103	10.83%
Total Labor and Fringe Benefits	109,788	130,459	109,788	130,459	20,671	15.84%
Services	9,377	5,514	9,377	5,514	(3,863)	-70.07%
Fuel	100,475	63,317	100,475	63,317	(37,158)	-58.69%
Tires & Tubes	-	-	-	-	-	0.00%
Materials & Supplies	19,066	5,077	19,066	5,077	(13,989)	-275.54%
Utilities	12,813	7,456	12,813	7,456	(5,357)	-71.85%
Casualty & Liability	1,083	1,084	1,083	1,084	1	0.06%
Taxes	-	-	-	-	-	#DIV/0!
Purchase of Transportation Service	616,677	516,974	616,677	516,974	(99,704)	-19.29%
Miscellaneous	1,190	263	1,190	263	(928)	-353.26%
Interest	-	-	-	-	-	#DIV/0!
Rent	64,628	63,700	64,628	63,700	(928)	-1.46%
Total Expenses	935,098	793,843	935,098	793,843	(141,255)	-17.79%
Gross Surplus (Deficit)	(198,257)	(164,950)	(198,257)	(164,950)	(33,307)	20.19%
Subsidy						
Local Subsidy	-	-	-	-	-	-
State Subsidy	198,257	164,950	198,257	164,950	(33,307)	-
Federal Subsidy	-	-	-	-	-	-
Total Subsidy	198,257	164,950	198,257	164,950	(33,307)	-
Surplus (Deficit)	-	(0)	-	(0)	0	-305.22%

LANTaVan
Statement of Net Assets
July 31, 2022

CURRENT ASSETS

Cash	\$	(1,917)
Accounts Receivable		702,628
Interdivisional Receivable		(1,825,183)
Inventories		
Prepaid Expenses		102,304
Grants Receivable		830,080
Total Current Assets		<u>(192,089)</u>

TOTAL ASSETS	\$	<u>(192,089)</u>
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CURRENT LIABILITIES

Note Payable	\$	-
Loan Payable		-
Interdivisional Payable		-
Accounts Payable		848,794
Accrued Expenses:		584,550
Deferred Revenue		(59,354)
Total Current Liabilities		<u>1,373,990</u>

NET ASSETS

Unrestricted Equity		(1,566,078)
Restricted Equity		-
Total Net Assets		<u>(1,566,078)</u>

TOTAL CURRENT LIABILITIES AND NET ASSETS	\$	<u>(192,089)</u>
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Carbon Transit
Income Statement Summary
For the Period Ending July 31, 2022

	Fiscal Year 2021				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	Percent
	Actual	Budget	Actual	Budget	Amount	
Revenue						
Passenger Fares	1,148	3,345	1,148	3,345	(2,197)	-65.68%
Non-Transportation Revenues	-	-	-	-	-	#DIV/0!
Local Special Fare Assistance	2,161	3,019	2,161	3,019	(858)	-28.42%
State Reimbursements	26,298	30,474	26,298	30,474	(4,175)	-13.70%
State Special Fare Assistance	56,556	51,957	56,556	51,957	4,599	8.85%
Total Revenue	86,163	88,794	86,163	88,794	(2,631)	-2.96%
Expenses						
Labor	15,894	11,069	15,894	11,069	(4,825)	-43.59%
Fringe Benefits	13,828	9,334	13,828	9,334	(4,494)	-48.14%
Total Labor and Fringe Benefits	29,722	20,403	29,722	20,403	(9,319)	-45.67%
Services	5,210	1,387	5,210	1,387	(3,823)	-275.67%
Fuel	17,289	13,776	17,289	13,776	(3,514)	-25.51%
Tires & Tubes	-	-	-	-	-	#DIV/0!
Materials & Supplies	948	2,500	948	2,500	1,552	62.07%
Utilities	2,348	3,158	2,348	3,158	810	25.64%
Casualty & Liability	-	-	-	-	-	0.00%
Taxes	-	-	-	-	-	0.00%
Purchase of Transportation Service	127,783	112,895	127,783	112,895	(14,888)	-13.19%
Miscellaneous	-	154	-	154	154	100.00%
Interest	-	104	-	104	104	100.00%
Leases & Rentals	9,846	-	9,846	-	(9,846)	0.00%
Total Expenses	193,147	154,377	193,147	154,377	(38,770)	-25.11%
Gross Surplus (Deficit)	(106,984)	(65,583)	(106,984)	(65,583)	(41,401)	-63.13%
Subsidy						
Local Subsidy	3,911	3,911	3,911	3,911	-	0.00%
State Subsidy	26,079	26,079	26,079	26,079	-	0.00%
Federal Subsidy	76,994	35,593	76,994	35,593	(41,401)	-116.32%
Total Subsidy	106,984	65,583	106,984	65,583	(41,401)	-63.13%
Surplus (Deficit)	(0)	0	(0)	0	(1)	-244.41%

Carbon Transit
Statement of Net Assets
July 31, 2022

CURRENT ASSETS

Cash	\$	197,432
Accounts Receivable		87,602
Interdivisional Receivable		(376,335)
Due From Carbon County		3,911
Prepaid Expenses		70
Grants Receivable		447,692
Total Current Assets		<u>360,373</u>

TOTAL ASSETS	\$	<u>360,373</u>
--------------	----	----------------

CURRENT LIABILITIES

Note Payable	\$	-
Loan Payable		-
Interdivisional Payable		
Due to the Commonwealth		26,079
Accounts Payable		430,626
Accrued Expenses		129,626
Deferred Revenue		27,792
Total Current Liabilities		<u>614,123</u>

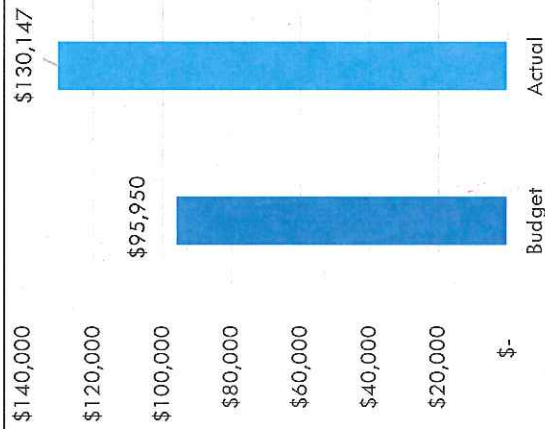
NET ASSETS

Unrestricted Equity		(253,749)
Restricted Equity		-
Total Net Assets		<u>(253,749)</u>

TOTAL CURRENT LIABILITIES AND NET ASSETS	\$	<u>360,373</u>
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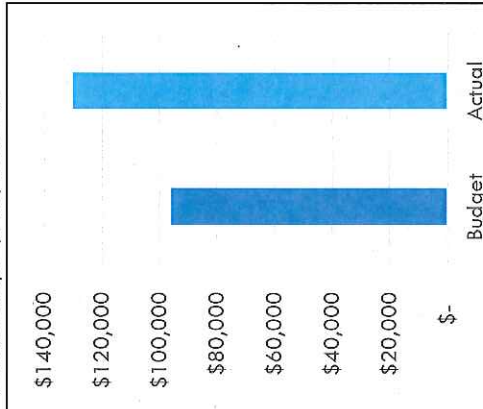


Total Revenues – July 2022

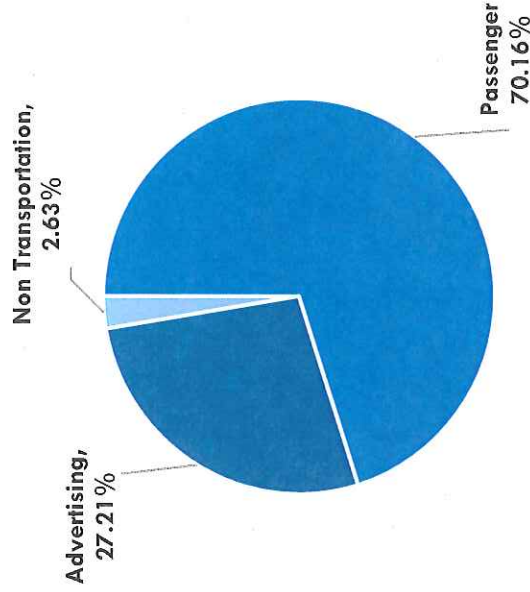


FYTD Revenues

Budget \$95,950
Actual \$130,147
Variance \$34,197, 35.64%



Revenues By Source

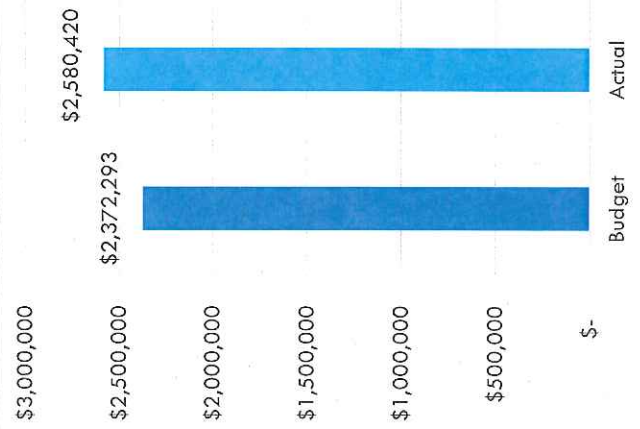


FYTD Ridership

Projected
Actual
Variance

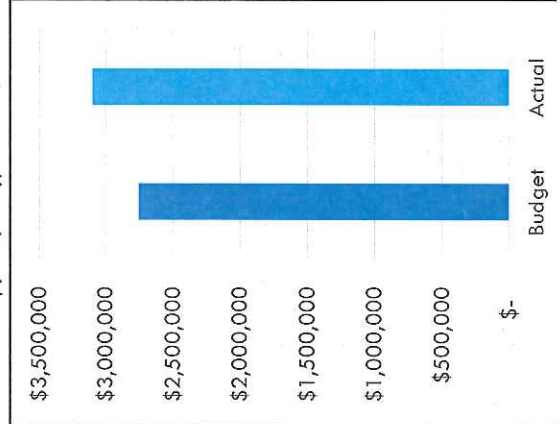
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Total Expenses – July 2022

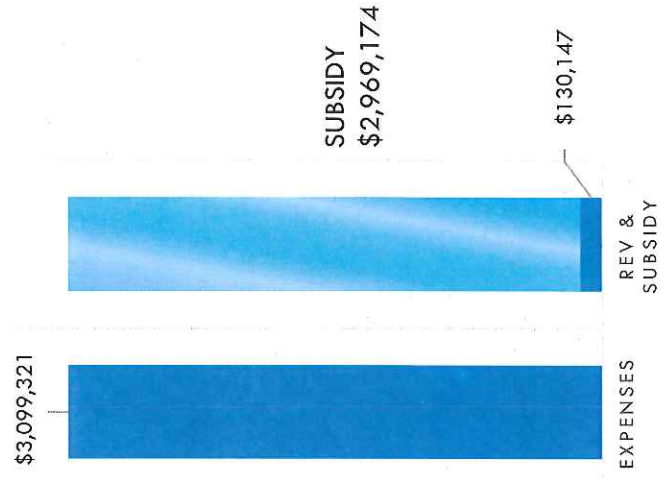
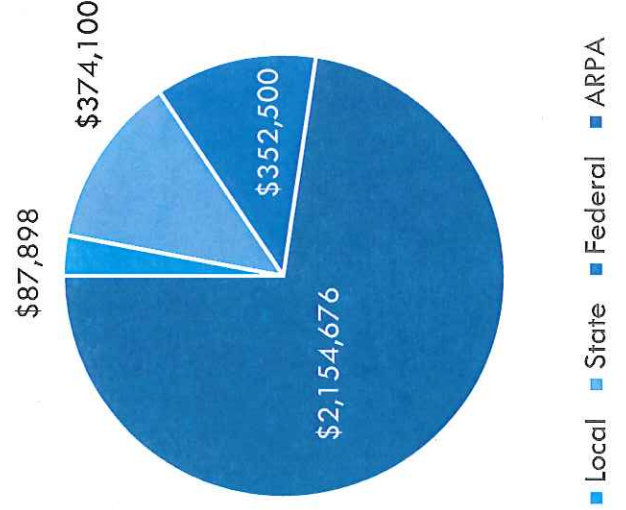




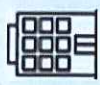

FYTD Expenses

Budget \$2,755,686
Actual \$3,099,321
Variance \$(343,635), -12.47%

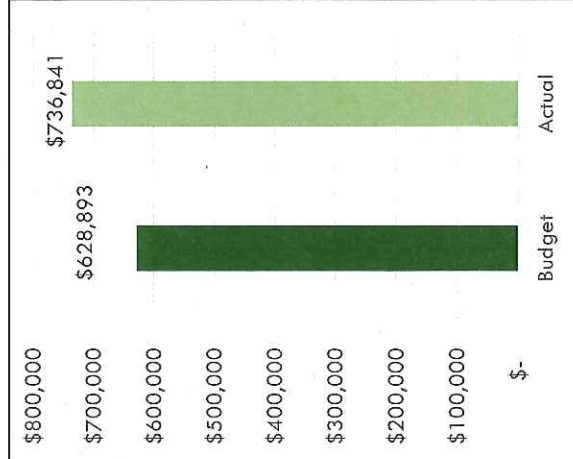


Subsidy by Source



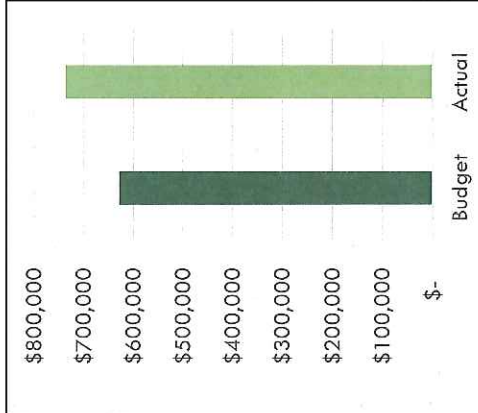
Key Areas	Notations
 Labor & Fringes	<p>Labor and Fringes are ABOVE budget projections by \$155K.</p> <p>Direct result of the driver shortage, increase in overtime pay and additional maintenance personnel.</p> <p>LB anticipates Labor and Fringes costs to fall in line with budget projections as the fiscal year progresses and additional operators are hired.</p>
 Purchased Transportation	<p>Purchased Transportation is ABOVE budget by \$50K, a 17.1% increase from current budget projections.</p> <p>The P/T expense line for July includes billing for both Easton Coach and Transdev, along with the monthly Federal pass-through allocation for Carbon Transit Operations.</p> <p>LB anticipated an increase in P/T costs for FY23 due to the transition to the new subcontractor, Transdev.</p>
 Health Insurance	<p>Health Insurance costs are BELOW budget by \$35K, a 6.46% decrease from current budget projections.</p> <p>This is due in part to stop loss proceeds received in the amount of \$22K .</p> <p>LB anticipates the health insurance costs to continue below budget as the budget represents a worst-case scenario and actual costs are net of applicable credits and rebates.</p>
 Subsidy	<p>Current fiscal year TOTAL subsidy is \$2,969,174, a 11.63% increase from current budget projections.</p> <p>Due to available Federal ARPA and CRRSAA funds, ACT 44 reserves will continue to increase.</p> <p>LB anticipates FYE ACT 44 reserves to be in excess of \$19M.</p>

Total Revenues – July 2022

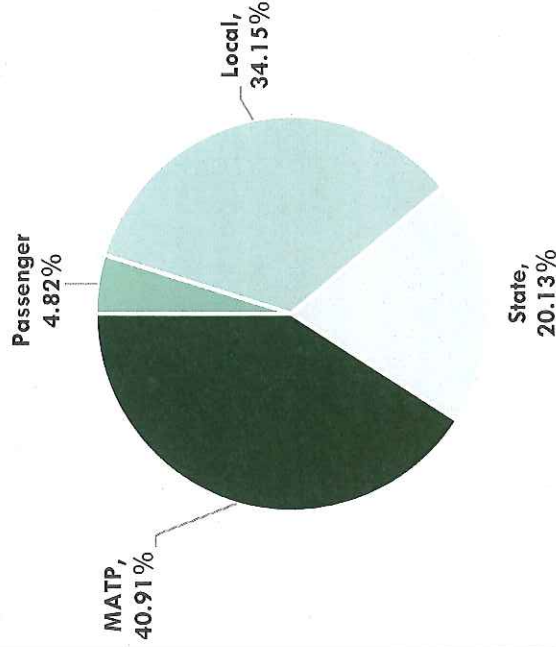


FYTD Revenues

Budget \$628,893
Actual \$736,841
Variance \$107,948, 17.16%

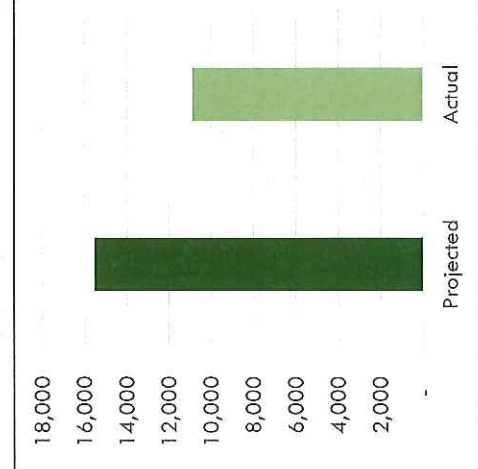


Revenues By Source

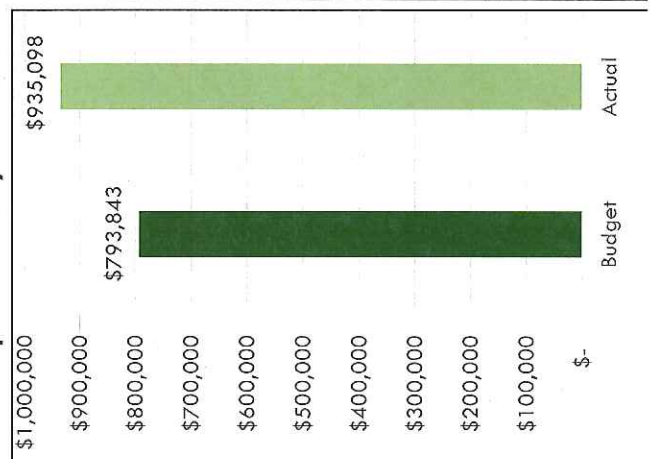


FYTD Ridership

Projected 15,540
Actual 10,900
Variance (4,640), -29.86%

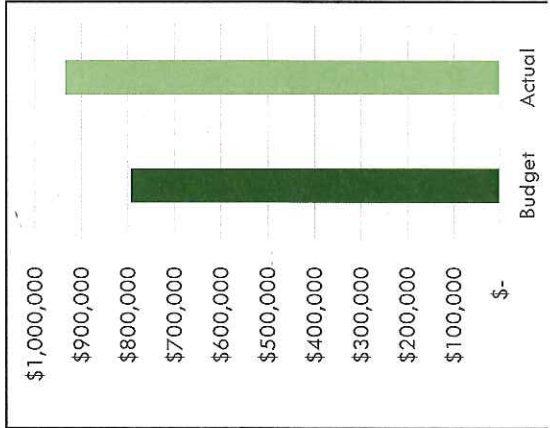


Total Expenses – July 2022

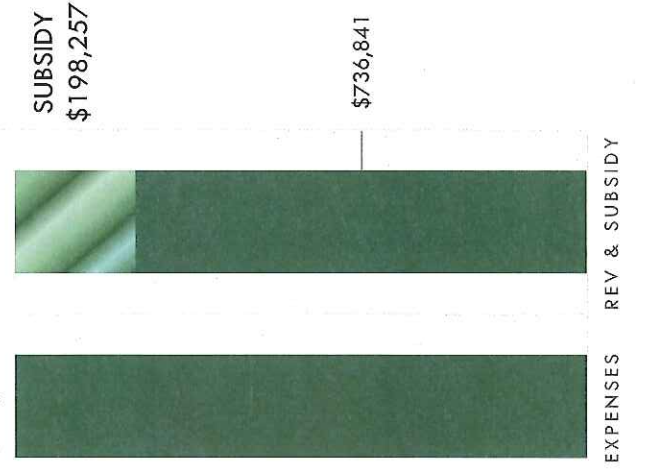


FYTD Expenses


Budget \$793,843
Actual \$935,098
Variance \$(141,255), -17.79%



Subsidy by Source

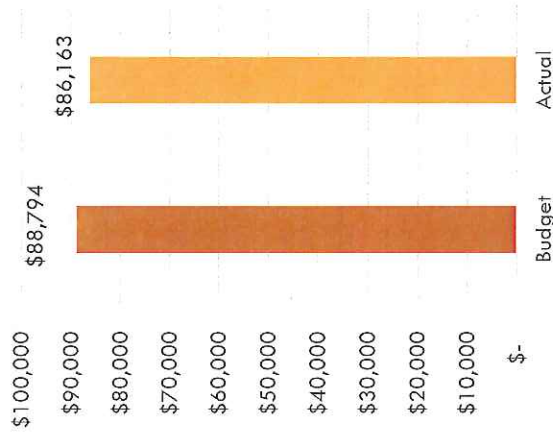


■ Unfunded ■ Funded

Key Areas	Notations
 Materials	<p>Materials and Supplies are ABOVE budget by approximately \$14K, a 275.54 percent increase from current year budget projections.</p> <p>Due to costs associated with the transition from Easton Coach to Transdev.</p> <p>LV anticipates costs will be in line with the annual budget projections as the fiscal year progresses.</p>
 Purchased Transportation	<p>Purchased Transportation is ABOVE budget by \$100K, a 19.29% increase from the current year budget projections.</p> <p>The P/T expense line for July includes billing for both Easton Coach and Transdev.</p> <p>LV anticipated an increase in P/T costs for FY23 due to the transition to the new subcontractor, Transdev.</p>
 Utilities	<p>Utilities are BELOW budget by \$1K.</p> <p>This is due in part to the new Rider Resources Center opening as of July 1 as well as a more appropriate allocation method of costs between the fixed route and paratransit divisions.</p> <p>LV anticipates utilities to continues in line with budget projections as the fiscal year progresses.</p>
 Subsidy	<p>YTD DEFICIT is \$198,257.</p> <p>PennDot approved the use of Act 44 reserves to fund paratransit deficits.</p> <p>LV anticipates using \$1.3M in Act 44 reserves to fund paratransit operations for FY23.</p>

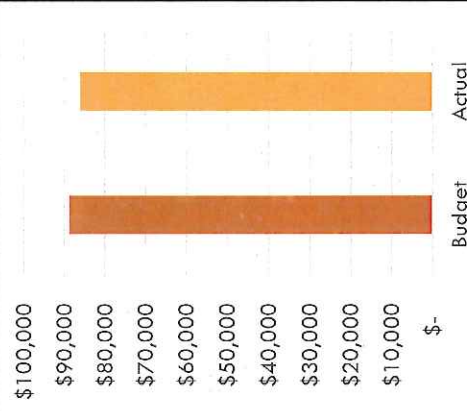


Total Revenues – July 2022

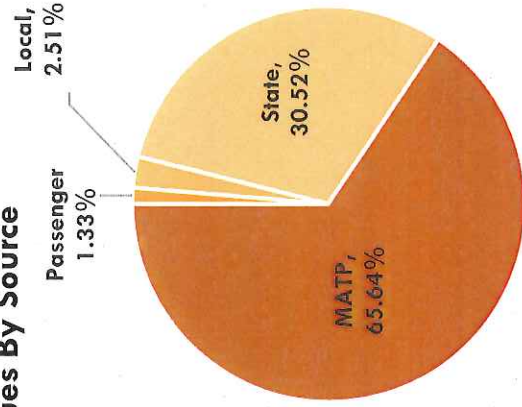


FYTD Revenues

Budget \$88,794
Actual \$86,163
Variance (\$2,631) -2.96%

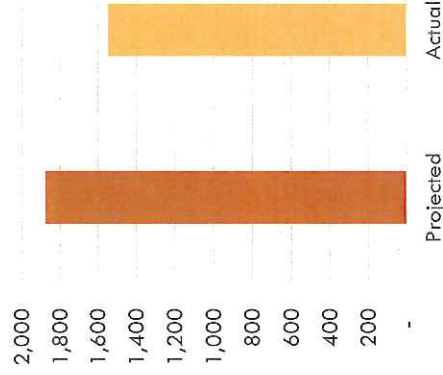


Revenues By Source

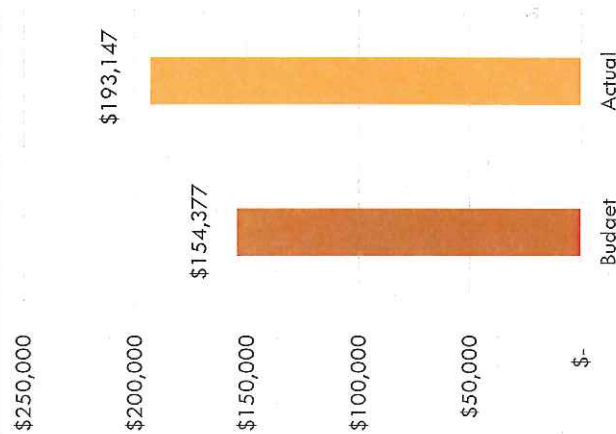


FYTD Ridership

Projected 1,875
Actual 1,546
Variance (329), -17.55%

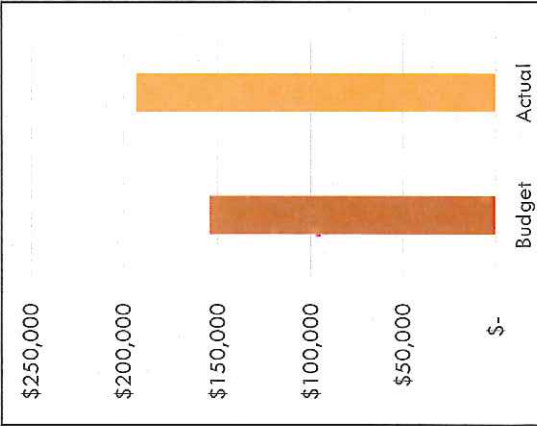


Total Expenses – July 2022

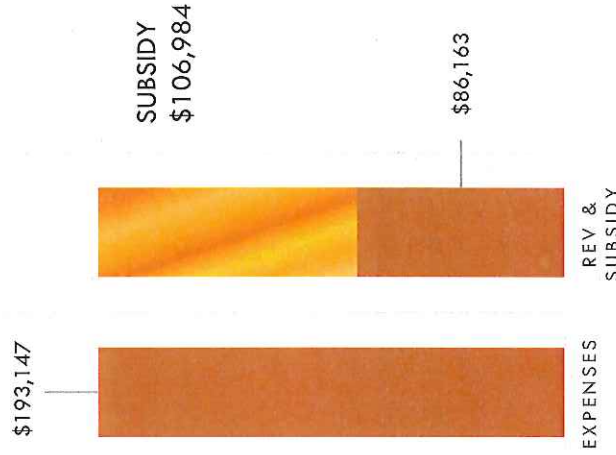
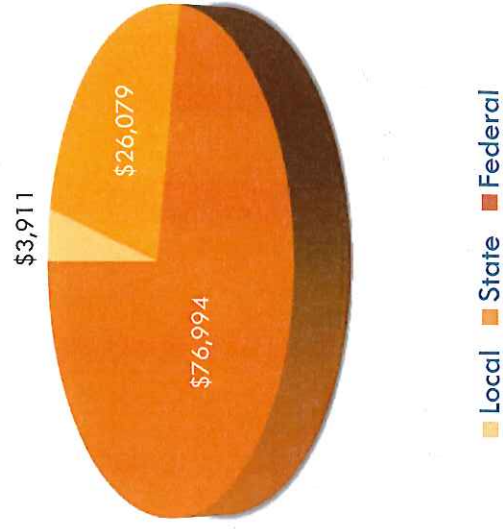






FYTD Expenses

Budget \$154,377
Actual \$193,147
Variance \$(38,770), -25.11%



Subsidy by Source



Key Areas	Notations
 Labor & Fringes	<p>Labor and Fringes are ABOVE budget projections by \$9K</p> <p>Due to the MCA that went into effect as of Jan 1, 2022.</p> <p>CT anticipates Labor and Fringes to be in line with budget projections as the FY progresses .</p>
 Purchased Transportation	<p>Purchased Transportation is ABOVE budget by \$15K, a 13.19% increase from current year budget projections.</p> <p>The P/T expense line for July includes billing for both Easton Coach and Transdev.</p> <p>CT anticipated an increase in P/T costs for FY23 due to the transition to the new subcontractor, Transdev.</p>
 Materials	<p>Materials and Supplies are BELOW budget by approximately \$2K.</p> <p>Forms and ticket stock were purchased in previous fiscal year.</p> <p>CT anticipates materials and supplies to continue in line with budget projections as the year progresses.</p>
 Subsidy	<p>Total subsidy is ABOVE CY projections. Current YTD DEFICIT is \$106,984.</p> <p>CT used all of the July Act 44 allocation to subsidize operations.</p> <p>CT anticipates utilizing all FY23 Act 44 and Federal funding to subsidize operations.</p>



MEMORANDUM

To: LANTA Board of Directors, Finance Committee
Fr: Nicole L. Ozoa, Director of Finance
Re: Line of Credit Renewal
Date: September 6, 2022

As of October 18th, 2019, LANTA had obtained a Six Million (\$6,000,000) dollar revolving line of credit for a term of 3 years, with two additional one (1) year options. The current 3-year term will mature next month. The Authority is looking to renew the Revolving Line of Credit for the first option year.

Terms:

- Collateral - Unsecured
- Amount - \$6,000,000 – principal issued in total
- Interest Rate – The Floating Interest on the unpaid principal balance equal to eighty (80%) percent of the sum of one month LIBOR Market Interest Rate plus 125 bps.
- Repayment – Interest shall accrue on the unpaid principal balance and shall be paid monthly. Principal is due at maturity.
- Requirements
 - LANTA must maintain its primary depository and cash management relationship with Fulton Bank.
 - LANTA must maintain a separate deposit account as a payment fund for the line of credit.

**LANTA
UNION EMPLOYEES' PENSION PLAN
WORKSHEET FOR 2023 MMO**

1. TOTAL ANNUAL PAYROLL (W-2 payroll for 2020)	\$14,091,382.83
2. TOTAL NORMAL COST PERCENTAGE	9.45%
3. TOTAL NORMAL COST (Item 1 x Item 2)	\$ 1,331,635.68
4. TOTAL AMORTIZATION REQUIREMENT	\$ 606,021*
5. TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$ 27,682
6. TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$ 1,965,338.68
7. TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$ 634,112.23
8. FUNDING ADJUSTMENT	\$ 0
9. MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$ 1,331,226.45

Signature of Chief Administrative Officer

Date Certified to Governing Body

Note: The 2023 Minimum Municipal Obligation is based on the most recent Actuarial Valuation Report on January 1, 2022.

*This amount differs from the amortization amount in the 1/1/2021 Actuarial Valuation Report due to the 1/1/2027 Plan Amendment and 1/1/2007 Actuarial Gain bases becoming fully amortized.

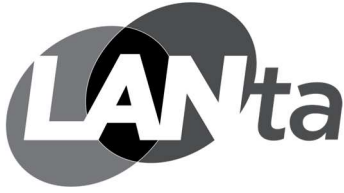
**LANTA
NON-UNION EMPLOYEES' PENSION
PLAN WORKSHEET FOR 2023 MMO**

1. TOTAL ANNUAL PAYROLL (W-2 payroll for 2020)	\$ 4,536,452.66
2. TOTAL NORMAL COST PERCENTAGE	9.54%
3. TOTAL NORMAL COST (Item 1 x Item 2)	\$ 432,777.58
4. TOTAL AMORTIZATION REQUIREMENT	\$ 0
5. TOTAL ADMINISTRATIVE EXPENSES	\$ 17,731
6. TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$ 450,508.58
7. TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$ 153,582.36
8. FUNDING ADJUSTMENT	\$ 53,852
9. MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$ 243,074.22

Signature of Chief Administrative Officer

Date Certified to Governing Body

Note: The 2023 Minimum Municipal Obligation is based on the most recent Actuarial Valuation Report on January 1, 2021.



**Public Transportation Agency Safety Plan
Annual Update Summary**

Page 5- Removed Easton Coach and replaced with Transdev of North America.

Page 6- Added the Operations Safety Committee will review, update and make approval recommendation of the PTASP to the Board.

Page 7- Added the Safety Committee to the table and added the date of August 30, 2022 for the Committee's approval date.

Page 8- Removed the word "below" from this page as the targets and goals are now Attachment C.

Page 11- Minor word editing.

Page 13- Added the Safety Committee and its responsibilities.

Page 14- Removed the paragraph discussing the SAFTI Committee and included incorporating Independent Consultant meetings into the Safety Committee meeting.

Carbon Transit PTASP

As of September 1, 2022, Carbon County Community Transit located at 46 East Locust Street in Nesquehoning Pennsylvania has become a division of Lehigh And Northampton Transportation Authority. Carbon County Community Transit will operate as Carbon Transit.

LANTA will contract Transdev of North America to provide the daily operations of the division. The Public Transportation Agency Safety Plan developed for Carbon County Community Transit will not be necessary. As a division of Lehigh And Northampton Transportation Authority, Carbon Transit is included in LANTA's current safety plan.

Safety Performance Targets & Goals

Vehicle Revenue Miles	Fatalities (Total)	Fatalities (Per 10 thousand VRM)	Goal Fatalities remain zero	Injuries	Injuries (Per 100 thousand VRM)	Goal Decrease Injuries by 10%	Safety Events (Total)	Safety Events (Per 100 thousand VRM)	Goal Decrease Safety Events by 10%	System Reliability Number of Failures	System Reliability Miles between Failures	Goal Increase Reliability by 10%
2019 LANTA Bus 3,090,165	0	0	0	19	.06	.56	16	.52	.47	378	8,175	8,997
2020 LANTA Bus 3,127,678	0	0	0	6	.19	.17	6	.19	.47	293	10,675	11,741
2021 LANTA Bus 3,202,736	0	0	0	23	.72	.65	12	.37	.34	228	14,047	15,452
Total 3 Yr. Avg 3,140,193	0	0	0	16	.51	.46	11.3	.36	.32	300	10,479	11,527
2019 Paratransit 2,352,282	0	0	0	1	.04	.036	2	.09	.09	56	39,655	43,621
2020 Paratransit 1,860,935	0	0	0	0	0	0	0	0	0	86	21,147	23,262
2021 Paratransit 1,236,553	0	0	0	1	.08	.072	3	.24	.24	53	23,331	25,664
Total 3 Yr. Avg 1,816,590	0	0	0	.067	.04	.03	1.67	.09	.08	65	27,948	30,742

MEMORANDUM

To: LANTA Board of Directors, Finance Committee
Fr: Nicole L. Ozoa, Director of Finance
Re: Sage Intacct – Accounting System Upgrade
Date: September 6, 2022

Currently, LANTA utilizes Sage 100 to manage day-to-day accounting activities. Sage 100 is an ERP software that has served the Authority since implementation in July 2004. With the onset of the COVID pandemic, LANTA realized a need for an accounting system that would eliminate the significant number of manual processes required by Sage 100.

Sage Intacct is a highly customizable cloud-based system that is primarily focused on general ledger and financial management. The primary benefits of Sage Intacct include:

- Cloud solution, allowing users access from anywhere
- Interactive dashboards and reporting provide instant visibility
- Built-in social collaboration tools
- Configurable automated workflows to eliminate manual approval process
- Grant management and customization allows for detailed grant records
- Completely customizable
- Ability to maintain non-financial related information within the platform via Statistical Journals

The upgrade to Sage Intacct will include the core modules financial management as well as grant management and budgeting and planning services. The annual costs for the Sage Intacct are:

- Year 1 \$59,100
- Year 2 \$59,100
- Year 3 \$59,100
- Year 4 \$63,237
- Year 5 \$67,664

The decision was made to proceed with Sage Intacct for a go live date of July 1, 2023.

2022 FTA Triennial Review Summary and Status of Findings

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Status
1. Legal	ND				
2. Financial Management and Capacity	ND				
3. Technical Capacity – Award Management	ND				
4. Technical Capacity – Program Management and Subrecipient Oversight	ND				
5. Technical Capacity – Project Management	ND				
6. Transit Asset Management	ND				
7. Satisfactory Continuing Control	ND				
8. Maintenance	ND				
9. Procurement	D	<p>P9-1, Recipient has A&E procurement deficiencies</p> <p>LANTA sought to retain on-call services to provide architectural/engineering services. The procurement was structured based on Brooks Act requirements, where LANTA sought vendor qualifications. After evaluating these qualifications, LANTA executed agreements with the top three firms. After completing this selection process, LANTA let task order awards, predicated on all vendors submitting proposals regarding qualification and price. The fundamental elements of the Act, whether awarding a contract or a task order, require LANTA to make awards only based on qualifications. Price negotiation can only take place with the top-ranked firm; should such negotiation prove unsuccessful, LANTA can negotiate with the second-ranked firm on that task order. LANTA did not adhere to Brooks Act procedures in its task order process.</p>	<p>The recipient must submit to the FTA regional office a list of all active FTA-funded A/E task orders issued based on competition among the selected vendors where both qualifications and price were considered in the task order award. The recipient must provide the FTA regional office procedures for implementing qualifications-based procurement procedures when using FTA assistance to contract for A&E services. For the next procurement of A/E services, the recipient must submit to the FTA regional office documentation that the required process was implemented.</p>	September 18, 2022	Requested documents submitted to FTA 8/30/22 and 9/6/22. Awaiting FTA review.

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Status
10. Disadvantaged Business Enterprise	D	<p>DBE6-1, DBE goal achievement analysis and correction action plan not completed</p> <p>During the review, an examination of LANTA's semi-annual DBE reports indicated that the recipient's DBE goal was not met in three of the four years encompassed in this review cycle. Only in FY 2019 did awards and commitments exceed the goal. When a recipient fails to meet its DBE goal, it is obligated to prepare a shortfall analysis that analyzes the reasons for the difference and identifies specific steps and milestones to correct the problems to enable the recipient to meet its goal in the new fiscal year. LANTA did not prepare the required shortfall analyses.</p>	The recipient must submit to the FTA RCRO the required analyses and corrective action plans for the missing year(s), along with a written process to ensure proper computation of goal attainment and that future shortfall analyses are completed and retained on file for review (LANTA is not a top 50 transit agency).	September 18, 2022	
11. Title VI	ND				
12. Americans with Disabilities Act (ADA) – General	ND				
13. ADA – Complementary Paratransit	D	<p>ADA-CPT2-2, Eligibility letter deficiencies</p> <p>ADA regulations require that all eligibility determination letters, if denying paratransit eligibility, follow the guidance in Appendix D to § 37.125. FTA notes: “the reasons must specifically relate the evidence in the matter to the eligibility criteria of this rule and the entity’s process. A mere recital that the applicant can use fixed route transit is not sufficient.” While LANTA provides the applicant the full report from the in-person assessment, many applicants with disabilities, particularly cognitive disabilities, may be unable to determine specific reasons for the denial. A review of a sample of recent denial letters indicated that the individuals conducting the in-person assessments demonstrated inconsistent practices concerning the creation of a concise narrative summary of the assessment outcome. Thus, while the full assessment reports are provided to the applicant, LANTA does not provide a clear description of the rationale for denying eligibility in the resulting transmittal letter.</p>	The recipient must amend the current template letter to include the summary (or similar rationale) for why the application was denied or why something other than conditional or temporary eligibility was granted. The recipient must submit to the RCRO the revised template letter and evidence that the letter is being utilized in communicating eligibility decisions.	September 17, 2022	Requested documents submitted to FTA 8/30/22. Awaiting FTA review.

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
		<p>ADA-CPT5-1, Unreasonable no-show suspension</p> <p>LANTA has an administrative process to temporarily suspend paratransit users who exceed a specified number of no-shows during a specific timeframe. The policy is progressive, establishing longer penalties based on more frequent numbers of no-shows. However, LANTA does not take into account the frequency of utilization of the paratransit system in making these assessments.</p> <p>In establishing whether the paratransit user has established a pattern or practice of excessive no-shows, LANTA is obligated to take into account the frequency of usage of the paratransit program by the individual. Distinctions are drawn between a passenger who rides the system 10 times a month and accumulates three no-shows from the user who rides the system 30 times a month and accumulates three no-shows. Current LANTA policy is based on an absolute number of no-shows and does not take usage into account in determining suspensions.</p>	The recipient must submit to the RCRO a revised suspension policy that takes into account both absolute numbers of no-shows and the frequency of use of the paratransit program to establish a user's pattern or practice of excessive no-shows.	September 17, 2022	Requested documents submitted to FTA 9/6/22. Awaiting FTA review.
14. Equal Employment Opportunity	ND				
15. School Bus	ND				
16. Charter Bus	ND				
17. Drug-Free Workplace	ND				
18. Drug and Alcohol Program	ND				
19. Section 5307 Program Requirements	ND				

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
20. Section 5310 Program Requirements	NA				
21. Section 5311 Program Requirements	NA				
22. Public Transportation Agency Safety Plan	ND				
23. Cybersecurity	ND				

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are: Deficient (D)/Not Deficient (ND)/Not Applicable (NA)