State Compliance Audit

Casco Bay Island Transit District

March 31, 2014

Proven Expertise and Integrity

CASCO BAY ISLAND TRANSIT DISTRICT

MARCH 31, 2014

CONTENTS

FINANCIAL STATEMENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 9
STATEMENTS OF NET POSITION	10
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	11
STATEMENTS OF EXPENSES	12
STATEMENTS OF CASH FLOWS	13
NOTES TO FINANCIAL STATEMENTS	14 - 20

FEDERAL COMPLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	21
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	22
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	23 - 24
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	25 - 27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28

STATE COMPLIANCE

ACCOUNTANTS' REVIEW REPORT ON SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS	29
SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS	30
ACCOUNTANTS' COMPILATION REPORT ON AGREEMENT SETTLEMENT FORMS	31
AGREEMENT SETTLEMENT FORMS	32 - 33

Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Board of Directors
Casco Bay Island Transit District
Portland, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Casco Bay Island Transit District, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609

www.rhrsmith.com

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Casco Bay Island Transit District as of March 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 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 information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Casco Bay Island Transit District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2014 on our consideration of Casco Bay Island Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Casco Bay Island Transit District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
September 10, 2014

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014

(UNAUDITED)

The management of Casco Bay Island Transit District (herein referred as "the District") offers readers of our financial statements the following narrative overview and analysis of our financial activities for the fiscal year ended March 31, 2014.

This Management's Discussion and Analysis report provides an opportunity, through narrative, for the District's management to identify elements of the audited financial statements that might be of particular interest to the reader. Please read it in conjunction with the District's financial statements.

PROLOGUE

Revenues were 4.1% above budget and 1.8% over the previous year even without the sale of the Island Romance ($50,000) as had been planned. All categories except Advertising and Interest revenues were on or better than budget.

Expenses were only 0.9% over budget (inclusive of the provision for deficit reduction) even with the significant increased cost of dry-docks and repairs. All major categories were better than budget except the following:

- Personnel expenses were above budget for several reasons including accrued vacation (which is done at the end of the fiscal year), employees out due to injuries and vacation and the extra regularly scheduled service
- Vessel repairs due to increased diving inspections, extra Maquoit dry dock cost and Wabanaki outfitting
- Office was greater than budget because we purchased ticket stock at the end of the year
- Credit card expenses due to the increased use of credit cards
- Catering due to more charters and bakes

Operating Grant funding was approximately 10% less than budgeted but significantly more than the previous year. Capital grant funding was considerably more than the previous year primarily due to the terminal renovation project.

As a result, the District's Unrestricted Net Assets decreased by $73,212. Since April 1, 2009 Unrestricted Net Assets has improved from ($979,173) to ($361,476). This turn-around was accomplished by, among other things, the Board's direction to include an expense line item in the budget to provide for deficit reduction. One of the outcomes of this was a reduction in the cost of debt.

The following items are worth noting:

- The District requested $830,000 from the City of Portland's Casco Bay Ferry Terminal Garage's Excess fund for local match of several capital projects. As of March 31, 2014 the City had not yet approved their FY2015 budget;
- The District waived its right to the City of Portland's Casco Bay Ferry Terminal Garage's Maintenance fund to move and improve the City's public landing and Fireboat dock in exchange for 25 feet of extra berthing space to accommodate the District's new vessel;
- The line of credit was used for four more months than the previous year due to several capital projects and some of this was due to a billing error by the fuel provider which resulted in delayed payments for several months in the previous fiscal year;
- A major marine infrastructure improvement projected was completed
- Phase 1 of the Ferry terminal renovation was started
- The District put a new vessel, Wabanaki, into service in February 2014. The Wabanaki was fully funded with American Recovery and Reinvestment Act funding via Maine's Department of Transportation;
- Key performance indicators for the District continued to be identified and tracked. They were updated monthly and posted on the website:
    - Ridership: Increase of 1.2% over the previous fiscal year
    - Vehicles: Increase of 2.2% over the previous fiscal year
    - Charters: Decrease of 3.8% from the previous fiscal year
    - Website traffic: Increase of 13.8% over the previous fiscal year
    - Wi-Fi use: Increase of 14.1% over the previous fiscal year
    - Incident reports: Decrease of 29.5% from the previous fiscal year
- CBITD uses Sage Pro ERP accounting software. Sage has retired this product from their product line which means a search for acquisition of a new accounting software product will have to be undertaken.

Grant Funding:

- During the Districts FY2013, a new Transportation Authorization Bill (MAP-21) with new rules and new funding was authorized and PACTS (Portland Area Transportation System) became a Transportation Management Area (TMA) as a result of the 2010 census that determined the greater Portland area's population was greater than 200,000. This changed how funding is allocated to the greater Portland Area, resulting in more available funding;
- The greater Portland area Transit Operators worked collaboratively and diligently to equitable distribute the available funding. As a result a six-year regional capital plan was developed. The District is no longer eligible to spend the federal funds on operating expenses but the plan includes all the capital improvement projects in CBITD's Long Range Capital Improvement as well as the District's Preventive Maintenance funding requirements; This resulted in the District being authorized $4,336,355 for the District's FY2015;

- CBITD's active involvement in Portland Area Comprehensive Transportation System (PACTS) is critical to ensure our funding needs are well represented. CBITD's involvement during FY2014 includes:
    a) Chair of PACTS Transit Committee
    b) Voting member of PACTS Policy Committee
    c) Voting member of PACTS Executive Committee
    d) Participating in the PACTS SMART (Southern Maine Area Regional Transit) initiative to improve customer service and efficiencies from a regional perspective; First phase will be looking at consolidating fixed route providers
    e) Supported several Regional Transit Projects
- In October 2013, the District submitted a request for $2,560,000 of federal funds for phase 2 of the terminal renovation project from competitive ferry boat discretionary program

Capital Improvement Projects:

- **Terminal** Renovation
    - Marine work
        - Completed
    - Building renovation
        - Bid opening: June 12, 2013
        - Ground breaking: September 4, 2013
        - Construction: In process
- **Electronic Ticketing** – Resolved several technical issues. Developed on line ticket store. Still in process.
- **New vessel** – Wabanaki
    - Christening: February 13, 2014
    - In Service: February 2014
    - Directors started deliberation on status of the Island Romance
- **Automatic Vehicle Location/Real Time Passenger Data (AVL)**
    - Work started with planned implementation of May 2015
    - In process
- **Automatic Identification System** (AIS)
    - Outfitted the fleet with AIS systems

Board of Director actions:

- At its April 2013 District Board of Directors meeting, the FY 2014 budget was approved;
- At its April 2013 District Board of Directors meeting, The FY2014 Long Range Capital Improvement and plan was approved;
- At its September 2013 District Board of Directors meeting the Board:
    - Endorsed the PACTS Regional Branding Plan
    - Accepted the FY2013 Annual Independent Financial Audit
    - Approved the FY2013 Cost Allocation Plan
    - Increased regularly scheduled service

- At its October 2013 District Board of Directors meeting, a proposal for a discretionary ferry boat grant program was approved;
- At its December 2013 District Board of Directors meeting, a new revenue anticipation note was approved;
- At its January 2014 District Board of Directors meeting, the Board:
    - acceptance of the M/V Wabanaki was approved;
    - adopted a resolution authorizing the District's President, Treasurer and General Manager to open bank accounts, sign checks and perform other necessary banking and financial functions
    - adopted a resolution authorizing the District's President and General Manager to apply, prepare, file, execute and approve draw down for grants
- At its February 2014 District Board of Directors meeting, the Board:
    - Increased regularly scheduled service
    - Reduced vehicle rates for Peaks Island
    - adopted a resolution to authorize the General Manager to sign and submit the annual FTA Certifications and Assurances for Federal FY 2014

BASIC FINANCIAL STATEMENTS

Our basic financial statements are prepared utilizing propriety fund (enterprise fund) accounting that uses the same basis of accounting as the private-sector business enterprises. The District is accounted for as an accrual basis enterprise fund. This method of accounting has an economic resources measurement focus using the accrual basis of accounting.

Under the accrual basis of accounting, revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a balance sheet, statement of revenues, expenses and changes in net assets and a statement of cash flows. These are followed by the notes to the financial statements. In addition to the basic financial statements, this report also contains the required supplementary information that pertains to the District's retirement/pension plan.

The balance sheet presents information on assets and liabilities, with the difference between the two reported as net assets. In comparisons over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenues, expenses and changes in net assets reports the operating revenue, non-operating revenue and expenses of the District for the fiscal year. The difference (net income or loss) is combined with the activity in capital grants to determine the change in net assets for the fiscal year. This change in net assets, when added to the net asset total from the previous fiscal year, reconciles to the net asset total at the end of the current fiscal year.

The statement of cash flows reports the changes in cash and cash equivalents for the fiscal year resulting from operating activities, financing activities and investing activities. The net result of these activities added to the beginning cash and cash equivalent balance for the fiscal year results in the cash and cash equivalent balance at the end of the current fiscal year.

FINANCIAL HIGHLIGHTS

As of March 31, 2014:

Total assets were $12,567,927. Of this amount, $11,380,216 consisted of capital assets net of accumulated depreciation (inclusive of the new vessel Wabanaki);

Total liabilities were $1,549,187, an increase of $339,657 (28.1%);

Net assets were $11,018,740. Of this amount, $11,380,216 was invested in capital assets and ($361,476) was unrestricted. In comparison, as of March 31, 2012, net assets were $4,357,504. Of this amount, $4,654,768 was invested in capital assets, (288,264) was unrestricted. The increase in net assets was primarily due to the addition the new vessel Wabanaki;

Overall, total liabilities and net assets increased by 126% compared with FY 2013;

Operating revenues totaling $4,845,934 (increase of 1.8%) consisted of:

- $2,338,561 in Passenger fares (increase of 1.4%)
- $912,250 in Vehicle revenues (increase of 7.0%)
- $576,917 in Freight revenues (increase of 3.3%)
- $102,858 for the US Mail contract (decrease of 4.5%)
- $456,608 in Tours & Cruises passenger revenues (increase of 3.8%)
- $224,079 in Charters revenues (decrease of 15.3%)
- $174,839 in Catering revenues (increase of 14.1%)
- $59,822 in miscellaneous revenues (decrease of 23.1%)

Operating expenses totaling $5,995,036 (increase of 6.4%) consisted of:

- $3,129,591 in Personnel related expenses (increase of 4.6%)
- $1,593,018 in Vessel expenses (increase of 3.0%)
- $316,028 in Operation expenses (increase of 4.0%)
- $280,782 in Terminal expenses (decrease of 5.7%)
- $224,979 in Sales related expenses (increase of 11.8%)
- $467,059 in Depreciation expense (decrease of 17.0%)

A detailed listing of expenses as of March 31, 2014 can be found on Page 12 of the District's audited financial statements.

A depreciation schedule for the District's Vessels is as follows:

VESSELS:	COST	METHOD	ANNUAL AMOUNT	ACCUMULATED DEPRECIATION
Island Romance 5/31/1983	$ 225,000	SL 15 yrs	-0-	$ 225,000
Machigonne II 3/31/1988	$1,174,874	SL 25 yrs	$ 46,995	$ 1,174,874
Maquoit II 3/1/1995	$1,822,292	SL 25 yrs	$ 72,892	$ 1,312,052
Bay Mist 4/17/1998	$ 622,000	SL 15 yrs	$ 41,467	$ 622,000
Aucocisco III 6/2/2005	$2,967,061	SL 25 yrs	$118,682	$ 1,068,142
Wabanaki 1/2014	$5,004,827	SL 25 yrs	$200,193	$ 5,004,827

Requests for Information

This financial report is intended to provide an overview of the finances of the Casco Bay Island Transit District. Questions concerning any information contained in this report should be directed to the following:

Respectfully submitted,

Henry Berg
General Manager

Barbara Sawtelle
Finance Director

CASCO BAY ISLAND TRANSIT DISTRICT

STATEMENTS OF NET ASSETS
MARCH 31,

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 287,770	$ 310,136
Accounts receivable (net of allowance for uncollectible accounts)	15,150	11,760
Grants receivable	693,590	389,475
Inventory	146,983	152,703
Prepaid expenses	44,218	57,192
TOTAL CURRENT ASSETS	1,187,711	921,266
NONCURRENT ASSETS		
Capital assets:		
Buildings and equipment, net of accumulated depreciation	11,380,216	4,645,768
	11,380,216	4,645,768
TOTAL ASSETS	$ 12,567,927	$ 5,567,034
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Account payable	$ 576,967	$ 392,963
Accrued payroll and payroll taxes	71,463	62,107
Accrued compensated absences	95,762	84,680
Accrued pension	150,498	137,495
Other accrued liabilities	21,371	18,844
Line of credit	325,000	-
Charter deposits	34,950	25,700
Unearned revenue	26,913	19,559
Deferred capital reserve fund	246,263	468,182
TOTAL CURRENT LIABILITIES	1,549,187	1,209,530
TOTAL LIABILITIES	1,549,187	1,209,530
NET POSITION		
Invested in capital assets	11,380,216	4,645,768
Unrestricted net position	(361,476)	(288,264)
TOTAL NET POSITION	11,018,740	4,357,504
TOTAL LIABILITIES AND NET POSITION	$ 12,567,927	$ 5,567,034

CASCO BAY ISLAND TRANSIT DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED MARCH 31,

	2014	2013
OPERATING REVENUES		
Passenger fares	$ 2,338,561	$ 2,306,271
Vehicles	912,250	852,276
Freight	576,917	558,708
Mail contract	102,858	107,656
Tours and cruises	456,608	439,772
Charters	224,079	264,425
Catering	174,839	153,182
Miscellaneous	59,822	77,751
TOTAL OPERATING REVENUES	4,845,934	4,760,041
OPERATING EXPENSES	6,091,118	5,995,036
OPERATING LOSS	(1,245,184)	(1,234,995)
NONOPERATING REVENUES (EXPENSES):		
U.S. Department of Transportation, Federal Transit Administration grant	842,857	718,974
State of Maine grants	39,772	45,559
Interest income	114	319
Interest expense	(4,578)	(2,485)
TOTAL NONOPERATING REVENUES (EXPENSES)	878,165	762,367
LOSS BEFORE CAPITAL GRANT REVENUE	(367,019)	(472,628)
CAPITAL GRANT REVENUE:		
U.S. Department of Transportation, Federal Transit Administration grant	1,036,499	290,577
State of Maine grants	858,930	85,874
State of Maine - vessel	4,892,401	-
Other capital revenue	240,425	22,774
TOTAL CAPITAL GRANT REVENUE	7,028,255	399,225
DECREASE IN NET POSITION	6,661,236	(73,403)
NET POSITION - APRIL 1	4,357,504	4,430,907
NET POSITION - MARCH 31	$ 11,018,740	$ 4,357,504

CASCO BAY ISLAND TRANSIT DISTRICT

STATEMENT OF EXPENSES
FOR THE YEARS ENDED MARCH 31,

	2014	2013
OPERATING EXPENSES		
Salaries and wages	$ 2,366,071	$ 2,253,124
Payroll taxes	176,423	169,407
Employee benefits	258,990	253,885
Pension plan	328,107	315,237
Repairs and maintenance	720,261	653,030
Fuel	777,446	794,772
Insurance	95,311	98,116
Telephone	9,683	8,809
Mail agent	10,200	10,200
Office expense	166,270	158,177
Postage	3,358	3,332
Travel	15,992	12,528
Injuries and damages	7,480	9,513
Professional fees	73,342	72,175
Dues and subscriptions	10,232	10,595
Uniforms	16,273	16,605
Training	3,198	2,073
Heat and utilities	54,254	58,826
Janitorial	65,281	65,023
Rent	34,034	35,208
Terminal	127,213	138,805
Advertising	100,291	92,777
Catering	124,688	108,474
Depreciation	467,059	562,970
Miscellaneous	79,661	91,375
	$ 6,091,118	$ 5,995,036

CASCO BAY ISLAND TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 4,637,229	$ 5,229,004
Payments to employees	(3,093,623)	(2,943,943)
Payments to suppliers and vendors	(2,291,770)	(2,239,162)
Net cash provided (used) by operating activities	(748,164)	45,899
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal maintenance grant	1,575,241	732,465
State subsidy grant	898,702	131,433
Other	5,132,826	22,774
Net cash provided by noncapital financing activities	7,606,769	886,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	114	319
Net cash provided by investing activities	114	319
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property, plant and equipment	(7,201,507)	(554,728)
Interest paid	(4,578)	(2,485)
Net increase (decrease) in borrowings on line of credit	325,000	(250,000)
Net cash (used) by capital and related financing activities	(6,881,085)	(807,213)
NET (DECREASE) IN CASH	(22,366)	125,677
CASH - APRIL 1	310,136	184,459
CASH - MARCH 31	$ 287,770	$ 310,136
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (1,245,184)	$ (1,234,995)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	467,059	562,970
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(3,390)	3,715
(Increase) decrease in prepaid expense	12,974	(982)
(Increase) decrease in inventory	5,720	(28,183)
Increase (decrease) in accounts payable	184,004	230,416
Increase (decrease) in accrued payroll and payroll taxes	9,356	15,342
Increase (decrease) in accrued compensated absences	11,082	11,931
Increase (decrease) in accrued pension	13,003	14,289
Increase (decrease) in other accrued liabilities	2,527	6,148
Increase (decrease) in charter deposits	9,250	(2,500)
Increase (decrease) in unearned revenue	7,354	(434)
Increase (decrease) in deferred garage revenue	(221,919)	468,182
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (748,164)	$ 45,899

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Casco Bay Island Transit District operates a year-round ferry service to the islands of Casco Bay as well as tours and charter trips. The District was created by the P&S Law, 1981 Chapter 22 of the State of Maine, as a transit district. The Directors of the District have charge of and supervise the management, operation, and direction of all business and affairs of the District, including the issuance of debt. The Directors of the District are determined by election as provided for in P&S Law, 1981 Chapter 22. The District receives capital grants from local, State of Maine and Federal government sources and operating subsidies from the State of Maine and Federal government sources and must comply with requirements of these funding sources.

Basis of Accounting

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed by the District to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The District also has the option of following subsequent private-sector guidance, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

Financial Statement Presentation

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for ferry fares; operating expenses include the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the District considers all purchased government securities to be held on to for three months or less when purchased, to be cash equivalents.

Accounts Receivable

The District provides credit to customers in the District, which consist of businesses and governmental agencies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets owned by the District are stated at the cost to acquire or construct the asset. Routine maintenance and repairs are charged against income. Expenses, which materially increase values, change capacities, or extend useful lives, are capitalized. The provision for depreciation has been computed by the use of the straight line method at rates intended to amortize the cost of the related assets over their estimated useful lives, ranging from 5-25 years.

Inventories

Inventory is stated at cost determined by the first-in, first-out method. Inventory consists of replacement vessel parts.

Accrued Compensated Absences

Employees of the District are entitled to be paid vacation and paid sick days depending on job classification, length of service and other factors. The District's policy is to recognize the cost of sick days when actually paid to employees. There is no liability to pay accrued sick days, as the District is not obligated for payment upon termination of employment. Accrued vacation pay at March 31, 2014 was $95,762.

Budget

The District is not legally required to adopt a budget. Therefore, no budgetary comparison is presented.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH

Deposits

The District's investment policies, which follow state statutes, authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all District funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The District does not have a policy covering custodial credit risk.

At March 31, 2014, the District's deposits amounting to $474,780 were comprised of $184,064 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk. The District also has an overnight repurchase agreement for their checking account in the amount of $290,716 that is also insured by a third party agreement. In addition, the District had a petty cash/change fund balance of $5,350 as of March 31, 2014.

Account Type	Bank Balance
Checking accounts	$ 184,000
Savings accounts	64
Repuchase agreement	290,716
	$ 474,780

NOTE 3 – CAPITAL ASSETS

The following is a summary of the changes in capital assets from March 31, 2014:

	Balance, 4/1/13	Additions	Disposals	Balance, 3/31/14
Non-depreciated assets:				
Construction in progress	$ 459,376	$ 2,097,005	$ (112,431)	$ 2,443,950
	459,376	2,097,005	(112,431)	2,443,950
Depreciated assets:				
Leasehold improvements	706,549	-	-	706,549
Equipment	1,030,080	56,032	-	1,086,112
Vessels	10,083,657	5,160,901	-	15,244,558
	11,820,286	5,216,933	-	17,037,219
Less: accumulated depreciation	(7,633,894)	(467,059)	-	(8,100,953)
	4,186,392	4,749,874	-	8,936,266
Net capital assets	$ 4,645,768	$ 6,846,879	$ (112,431)	$ 11,380,216

NOTE 4 – LINE OF CREDIT (RAN)

The District has established an unsecured line of credit (RAN) with Gorham Savings Bank, N.A. of $1,200,000 for current operating expenses. The interest rate was 2.25% as of March 31, 2014 and 2013 and had a balance outstanding of $325,000 as of March 31, 2014 and $0 as of March 31, 2013.

NOTE 5 – PENSION PLAN

The District has a non-contributory money purchase plan. All employees are eligible to participate in the plan if they are at least 20 years of age and have completed one year of eligible service. The District's contribution rate is 15% of the total compensation of all eligible participants and is funded currently. Effective March 16, 2011 the rate changed to 8% for new participants to the plan. The plan also reflects credits against current year expense for nonvested amounts of employees who are no longer employed by the District. The District's total contributions for the years ended March 31, 2014 and 2013 were $328,107 and $315,237, respectively.

NOTE 6 – OPERATING LEASES

The District has a lease agreement with the City of Portland to lease their facilities in the Casco Bay Ferry Terminal. The lease began March 5th, 1985 and the lease term is for thirty years following the date of the notice of beneficial occupany of the facility. The amount of future minimum lease payments had been agreed upon through March 31, 2017. The City of Portland and the District are in the process of establishing the new future lease payments. The increase in minimum rental payments will be no less than the annual rate of inflation for the twelve months immediately preceding September 1, 2005.

The annual rent will be 5% of gross revenues from tours and cruises and charter operations.

The District will pay to the City, no later than November 15 of each year, an amount equal to 5% of gross revenues mentioned above for each fiscal year from April 1st to March 31st. This amount will be reduced by the monthly payments already paid to the City during the year. The District is responsible for all costs and expenses related to the Casco Bay Ferry Terminal.

In the lease, the City agreed to establish a maintenance fund to assist the District with major repairs and maintenance of the Terminal facility. The fund will consist of 50% of the annual net revenues (less the City's annual cost of all casualty insurance covering the Terminal) received by the City from the 190 parking spaces in the parking garage adjacent to the Terminal, which were funded by the Federal Transit Administration. As of March 31, 2014, the District and the City have not reached an agreement on the appropriate allocation of revenues and expenses at the parking garage for the city fiscal year 2013.

Also in the lease the City agreed to establish an Excess Fund upon repayment to the City of all of its debt services costs associated with acquisition of the west side of the Maine State Pier. The fund will consist of 100% of the net revenues received by the City from the 190 parking spaces in excess of the Maintenance Fund plus the rent paid by the District. The City shall make the funds available on a priority basis: first to the District for capital costs associated with its operation and then to be disbursed to all other mass transportation needs and not limited to capital expenditures.

The District entered into a rental agreement with the State of Maine Department of Transportation for the right to use pier facilities on the islands the District serves. The rental period shall run for a period of twelve years beginning April 1, 2009. In lieu of annual rental payments, the District agrees to perform minor maintenance activities that require prompt attention.

The total rent and minor repairs expense for the year ended March 31, 2014 was $62,621

NOTE 6 – OPERATING LEASES (CONTINUED)

Future minimum lease payments for the following years ending March 31 are as follows:

2015	$ 16,000
2016	16,000
2017	16,000
2018	-
	$ 48,000

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Equipment and four vessels owned and operated by the District were purchased, in part, with grants from the Federal Transit Administration. Upon disposal of the vessels or equipment that sell for more than $1,000, the District may be required to return a portion of the funds to the FTA in proportion to the original percentage of Federal funds contributed by the FTA. That proportion would be approximately 80%.

Casco Bay Island Transit District is in the process of major construction at the terminal. They have a contract with Landry/French Construction in the amount of 2,116,638 for the first phase of construction in which they paid them $979,620 during fiscal year 2014 with the remaining amount of $1,137,018 begin paid during fiscal year 2015.

NOTE 8 – CONTINGENT LIABILITIES

Grant funds amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to District. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 10 – CAPITAL RESERVE FUND

The deferred capital reserve fund is money received from a current operating lease paid to Casco Bay Island Transit District during the fiscal year. This money is to be used for only capital expenses as stated in the lease. The value of deferred capital reserve is $246,263 with part of this being used for the local match of the current construction project being done during the next fiscal year.

NOTE 11 – RECONCILIATIONS OF NET POSITION

	Unrestricted net position	Restricted	Invested in capital assets	Total
Operating Revenues	$ 4,845,934	$ -	$ -	$ 4,845,934
Operating Expenses	(6,091,118)	-	-	(6,091,118)
Nonoperating revenues (expenses)	878,165	-	-	878,165
Capital Grant Revenues	7,028,255	-	-	7,028,255
Depreciation expense	467,059	-	(467,059)	-
Change in fixed assets account not in expenses	(7,201,507)	-	7,201,507	-
Increase(Decrease) in Net Position	(73,212)	-	6,734,448	6,661,236
Net Assets - April 1, 2013	(288,264)	-	4,645,768	4,357,504
Net Assets - March 31, 2014	$ (361,476)	$ -	$ 11,380,216	$ 11,018,740

Summary of Increase (Decrease) in Net Assets:

Provision for deficit reduction account	$ 100,000
(Loss) above provision for deficit reduction account for unrestricted funds	(173,212)
Increase(Decrease) in Net Assets	$ (73,212)

CASCO BAY ISLAND TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2014

Pass-through Grantor/ Program Title	CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Pass Through Federal Transit Administration:			
Federal Transit Formula Grants	20.500	ME-30-0044	$ 999,709
Federal Transit Formula Grants	20.507	ME-95-x008	3,868
Federal Transit Formula Grants	20.507	ME-95-X013	28,776
Federal Transit Formula Grants	20.507	ME-90-0194	4,146
Federal Transit Formula Grants	20.507	ME-54-0002	574,280
			611,070
State of Maine Department of Transportation			
Formula Grants for Other than Urbanized Areas	20.509	PIN 19459	4,901
Formula Grants for Other than Urbanized Areas	20.509	PIN 14894	263,676
			268,577
Pass Through Federal Highway Administrartion:			
Maine Department of Transportation			
Highway Planning and Construction	20.205	WIN018363.00	604,842
Pass Through Department of Homeland Security:			
City of Portland, Maine			
Port Security Grant Program	97.056		18,506
TOTAL FEDERAL AWARDS			$ 2,502,704

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2014

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Casco Bay Island Transit District All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. Major Programs - Federal

The following programs were considered major programs as defined by OMB Circular A-133:

Federal Transit Formula Grant	CFDA #20.507
Federal Transit Formula Grant	CFDA #20.500
Highway Planning and Construction	CFDA #20.205

Proven Expertise and Integrity

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

Board of Directors
Casco Bay Island Transit District
Portland, Maine

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 General of the United States the financial statements of the business-type activities of Casco Bay Island Transit District as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise Casco Bay Island Transit District's basic financial statements, and have issued our report thereon dated September 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Casco Bay Island Transit District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Casco Bay Island Transit District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Casco Bay Island Transit District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or 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.

RHR Smith & Company

Buxton, Maine
September 10, 2014

Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Directors
Casco Bay Island Transit District
Portland, Maine

Report on Compliance for Each Major Federal Program

We have audited Casco Bay Island Transit District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Casco Bay Island Transit District's major federal programs for the year ended March 31, 2014. Casco Bay Island Transit District's major federal programs 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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Casco Bay Island Transit District's major federal programs based on our audit of the type 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 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 Casco Bay Island Transit District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609

www.rhrsmith.com

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 on Casco Bay Island Transit District's compliance.

Opinion on Each Major Federal Program

In our opinion, Casco Bay Island Transit District, 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 major federal programs for the year ended March 31, 2014.

Report on Internal Control Over Compliance

Management of Casco Bay Island Transit District 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 Casco Bay Island Transit District internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order 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 OMB Circular A-133, 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 Casco Bay Island Transit District'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.

This 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
September 10, 2014

CASCO BAY TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED MARCH 31, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __X_no
- Significant deficiency(ies) identified? ____yes __X_no
- Noncompliance material to financial statements noted ____yes __X_no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies) identified? ____yes __X__no

Type of auditors' report issued on compliance for major programs: Umodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ____yes __X_no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.507	Federal Transit Formula Grants
20.500	Federal Transit Formula Grant
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and B: $300,000

Auditee qualified as low-risk auditee? _X__yes _____no

Section II – Financial Statement Findings

NONE

Section III – Federal Awards Findings and Questioned Costs

NONE

Proven Expertise and Integrity

ACCOUNTANTS' REVIEW REPORT ON SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS

Board of Directors
Casco Bay Island Transit District
Portland, Maine

We have reviewed the accompanying schedule of expenditures of department agreements for the Casco Bay Island Transit District as of and for the year ended March 31, 2014 in accordance with standards for accounting and review services established by the American Institute of Certified Public Accountants and the Maine Uniform Accounting and Auditing Practices for Community Agencies(MAAP).

Our review was limited to presenting in the form prescribed by the Department of Transportation under Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) information that is the representation of the management of the Casco Bay Island Transit District. We have reviewed the schedule of expenditures of department agreements and we have performed procedures to obtain limited assurance that there are no material modifications that should be made to the schedule of expenditures of department agreements. We believe that the results of our procedures provide reasonable basis for our report.

The schedule of expenditures of department agreements are presented in accordance with the requirements of MAAP, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the management of the Casco Bay Island Transit District and is not intended to be and should not be used by anyone other than these specified parties.

RHR Smith & Company

Buxton, Maine
September 10, 2014

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609

www.rhrsmith.com

CASCO BAY TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

Department Office	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses	Local Share Expenses	Total Agreement/ Match Expenses
DOT:										
OPT	CSN 30807	$ 274,877	7/1/12-6/30/13	Admin/Operating	Final	$ 4,901	$ -	$ 4,901	$ 1,225	$ 6,126
	CSN 32591	$ 274,877	7/1/13-6/30/14	Admin/Operating	Interim	263,676	-	263,676	207,518	471,194
	CSN 31896	$ 39,772	7/1/13-6/30/14	Operating	Final	-	39,772	39,772	397,720	437,492
TOTAL						$ 268,577	$ 39,772	$ 308,349	$ 606,463	$ 914,812

NOTES:

Disclosures:
Is your Agency required to have a federal A-133 Audit? YES__X__ NO_____.

Proven Expertise and Integrity

ACCOUNTANTS' COMPILATION REPORT ON AGREEMENT SETTLEMENT FORMS

Board of Directors
Casco Bay Island Transit District
Portland, Maine

We have compiled the accompanying Agreement Settlement Forms of Casco Bay Island Transit District as of March 31, 2014 and for the year then ended, in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

RHR Smith & Company

Buxton, Maine
September 10, 2014

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609

www.rhrsmith.com

AGREEMENT SETTLEMENT FORM (ASF)

Fiscal Year End:	March 31, 2014
CFDA#:	20.509
Project Name/No:	Admin/Operating
CSN#:	30807
PIN#:	19459
Agreement Period:	7/1/12-6/30/13

	Operating	Admin	Capital	Total
Gross Expenditures	$ 582,703.00	$ 143,750.00	$ -	$ 726,453.00
Less:				
Contra-Expenditures			$ -	$ -
Operating Revenue	$ 262,949.00		$ -	$ 262,949.00
Excess Unrestricted Fed			$ -	$ -
Total Deductions	$ 262,949.00	$ -	$ -	$ 262,949.00
Net Expenditures/Deficit	$ 319,754.00	$ 143,750.00	$ -	$ 463,504.00
Federal Share				
Maximum %	50.0%	80.0%	0%	
Amount Paid	$ 159,877.00	$ 115,000.00	$ -	$ 274,877.00
Maximum Amount	$ 159,877.00	$ 115,000.00	$ -	$ 274,877.00
Over (Under) Maximum	$ -	$ -	$ -	$ -
State Share				
Maximum %	0.0%	0.0%	0%	
Amount Paid	$ -	$ -	$ -	$ -
Maximum Amount	$ -	$ -	$ -	$ -
Over (Under) Maximum	$ -	$ -	$ -	$ -
Local Share				
Minimum %	50.0%	20.0%	0%	
Amount Paid	$ 159,877.00	$ 28,750.00	$ -	$ 188,627.00
Minimum Amount	$ 159,877.00	$ 28,750.00	$ -	$ 188,627.00
Over (Under) Minimum	$ -	$ -	$ -	$ -
Summary:				
Federal Over Paid	$ -	$ -	$ -	$ -
State Over Paid	$ -	$ -	$ -	$ -
Total Over Paid	$ -	$ -	$ -	$ -

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency:	Casco Bay Island Transit District
Fiscal Year End:	March 31, 2014
Project Name/Grant No:	Operating
CSN#:	31896
PIN#:	18461
Agreement Period:	7/1/13-6/30/14

State Participating Share

Max Authorized Amount	$	39,772.00
State Share Paid	$	39,772.00
State Over (Under) Paid	$	-

State funds from MDOT cannot exceed the amount authorized, and in no event exceed 50% of the eligible deficit.