

State Compliance Audit

Casco Bay Island Transit District

March 31, 2015



Proven Expertise and Integrity

CASCO BAY ISLAND TRANSIT DISTRICT

MARCH 31, 2015

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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, 2015, 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, 2015, 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 August 10, 2015 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
August 10, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015**

(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, 2015.

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

FINANCIAL HIGHLIGHTS

Total Assets were \$13,646,898, an increase of 8.6%. Of this amount, \$12,214,573 consisted of capital assets net of accumulated depreciation;

Total liabilities and net position increased by 8.6%; Total Liabilities were \$1,720,855, an increase of 11.1%; Net Position was \$11,926,043, an increase of 8.2%. Of this amount, \$12,214,573 was invested in capital assets and (\$288,530) was unrestricted. In comparison, as of March 31, 2014, net assets were \$11,018,740. Of this amount, \$11,380,216 was invested in capital assets, (361,476) was unrestricted;

Operating revenues were \$5,119,331 (increase of 5.6%) consisting of:

- \$2,474,161 in Passenger fares (increase of 5.8%)
- \$987,653 in Vehicle revenues (increase of 8.3%)
- \$640,491 in Freight revenues (increase of 11.0%)
- \$97,685 for the US Mail contract (decrease of 5.0%)
- \$486,574 in Tours & Cruises passenger revenues (increase of 6.6%)
- \$232,105 in Charters revenues (increase of 3.6%)
- \$149,400 in Catering revenues (decrease of 14.5%)
- \$51,262 in miscellaneous revenues (decrease of 14.3%)

Operating expenses totaling \$6,539,492 (increase of 7.4%) consisted of:

- \$3,202,448 in Personnel related expenses (increase of 2.3%)
- \$1,571,546 in Vessel expenses (increase of 4.9%)
- \$475,082 in Operation expenses (increase of 15.5%)
- \$340,824 in Terminal expenses (increase of 21.4%)
- \$210,141 in Sales related expenses (decrease of 6.6%)
- \$671,669 in Depreciation expenses (increase of 43.8%)
- \$67,782 in Miscellaneous expenses (decrease of 14.9%)

Depreciation schedule for the District's Vessels:

VESSELS	COST	METHOD	ANNUAL AMOUNT	ACCUMULATED DEPRECIATION
Machigonne II 3/31/1988	\$1,174,874	SL 25 yrs	\$ 0	\$1,174,874
Maquoit II 3/1/1995	\$1,822,292	SL 25 yrs	\$ 72,892	\$1,384,944
Bay Mist 4/17/1998	\$ 622,000	SL 15 yrs	\$ 0	\$ 622,000
Aucocisco III 6/2/2005	\$2,967,061	SL 25 yrs	\$118,682	\$1,186,824
Wabanaki 1/2014	\$5,004,827	SL 25 yrs	\$200,193	\$ 210,260

Financial Notes based on the unaudited March 31, 2015 P&L Report:

Based on almost all measures FY2015 was a very successful year from a financial perspective. **Revenues were 11.3% better than budget. Expenses, exclusive of depreciation, were on budget. Grant revenues were 8.9% below budget. The resulting surplus/loss was significantly better than budget for the year.**

Revenues

- Revenues (inclusive of the sale of the Island Romance) were 11.7% better than budget and 7.0% better than the previous year to date
- All categories except promotional and advertising were better than budget.
- Regularly scheduled service revenues were 10.1% better than budget primarily driven by Passenger revenues with very strong contributions from Vehicle and Freight revenues.
- Group Sales revenues were 16.8% better than budget primarily driven by Tours with very strong contributions from Charters and Catering.
- Key items for the year:
 - Revenues exceeded \$1,000,000 for two months in a row which is a first
 - Net gain from the sale of the Island Romance was \$63,000
 - Construction on the hotel in Diamond Cove significantly increased Diamond Cove passenger revenue
 - A Groupon promotion was run again this fiscal year for the Bailey Island Cruise in late winter/early spring to help with cash flow at the end of the slow season

Expenses

- Operating expenses, exclusive of depreciation, were on budget
- Personnel expenses were close to budget. Payroll was more than budget but it was offset with a reduction in Pension expenses. The retroactive Collective Bargaining Merit increase and year-end appreciation checks were included in the expenses but were not budgeted for.
- Vessel expenses were on budget. The Bay Mist Dry Dock was over \$22K greater than expected. The planned dry dock for the Island Romance did not happen because of the sale. Fuel expenses ended up very close to budget
- Operations expenses were 2.1% better than budget. Miscellaneous, Office expenses telephone and damages were over budget but offset by Professional, travel and training expenses which were under budget
- Terminal expenses were 6.2% over budget. Utilities were under budget but Miscellaneous (primarily terminal renovation support), forklifts (due to age) and transfer bridge repairs were over budget.
- Sales expenses slightly greater than budget primarily due to the significantly better group sales during the fiscal year.
- Key items for the year:
 - First full year of service of the District's newest vessel, Wabanaki
 - The two forklifts were way beyond useful life. A rental had to be used and the upkeep of the second forklift was much higher than expected. The plan is to replace one during the summer and find funding to replace the second.
 - Ribbon cutting of the new terminal took place on August 7, 2015 with Senator Collins as the keynote speaker. The renovation took longer than planned primarily due to weather and unforeseen conditions of the site. Associated expenses increased correspondingly.
 - There were greater than expected repairs needed to the vessels and transfer bridge
 - Employee recognition expenses were greater than budgeted. A company wide event was held offsite in October and each employee was given a custom Casco Bay Lines sea-bag with framed pictures of the fleet and group shot of employees. The annual Christmas "bonus" was increased. Each full time employee was given a check for \$500 in March for appreciation of all the work they did during a very busy season while in the middle of the disruptive construction.
 - Other expenses came in under budget to balance the increase

Operating Surplus/Loss

- 44.2% better than budget; 22.5% better than the previous fiscal year

Grant Revenues

- 27.0% below budget (primarily due to timing and the favorable operating surplus/loss); 3.0% below the previous fiscal year.

Surplus/Loss

- Significantly better than budget and the previous fiscal year

Line of Credit Balance: \$0

- The previous fiscal year required \$325,000 of credit at the end of the fiscal year. Also, the previous fiscal year used the line of credit 7 out of the 12 months; FY2015 only used the line of credit 2 out of the 12 months.

Cash on Hand: \$683,589

Grant and Other Funding Notes:

- The greater Portland area transit operators worked collaboratively and diligently to equitable distribute the available funding. The six-year regional capital plan was updated. The District is no longer eligible to spend the federal funds on operating expenses but the plan includes all the capital improvement projects in the District's Long Range Capital Improvement as well as the District's Preventive Maintenance funding requirements;
- PACTS Policy Committee approved \$1,921,221 of FFY2015 Federal Urban Formula Funding for the District
- PACT Policy Committee approved \$530,419 of FFY2015 Federal State of Good Repair funding for the District
- Senator Collins' and Senator King's announced jointly that the District was awarded \$2,560,000 of Federal Transit Administration Competitive Ferry Boat Discretionary funding for Phase Two of the terminal renovation project. The local match of \$640,000 will be provided from the State of Maine and the City of Portland.
- The District's active involvement in Portland Area Comprehensive Transportation System (PACTS) is critical to ensure our funding needs are well represented. the District's involvement during FY2015 included:
 - a) Chair of PACTS Transit Committee until term ended
 - b) Voting member of PACTS Policy Committee until term ended
 - c) Voting member of PACTS Executive Committee until term ended
 - 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 including AVL
- A \$830,000 check was received from the City of Portland in May 2014 for past due of the Garage's Excess fund (this did not impact the Income Statement but it helped cash flow dramatically). It will be used for local match for maintenance and improvements. \$320,000 of it will be used for the local match of phase 2 of the terminal renovation.
- A \$108,012 check was received from the City of Portland in March 2015 for Garage's FY2013 Maintenance Fund (this did not impact the Income Statement but it helped cash flow)

Key performance indicators (KPIs): KPIs for the District continued to be tracked, updated monthly and posted on the website:

- **Ridership:** 1,019,923, an increase of 3.6%
- **Vehicles:** 32,060, an increase of 7.6%
- **Charters:** 128, Same as the previous fiscal year
- **Incident Reports:** 70, an increase of 4.5%
- **Injury Reports:** 4, a decrease of 66.7%
- **Website traffic:** 509,543, an increase of 13.8%

Capital Improvement Projects:

- **Terminal Renovation** Phase 1 was completed and a ribbon cutting was conducted in August with Senator Collins as key note speaker
- **Electronic Ticketing** – Started selling tickets on line for Tours and Cruises. Still working through some technical issues and procedures before expanding the offering online
- **Automatic Vehicle Location/Real Time Passenger Data (AVL)** equipment was delivered and installed. Preliminary testing took place.
- The District uses Sage Pro ERP accounting software. Sage has retired this product from their product line, which means a search and acquisition of a new accounting software product will have to be undertaken.

Board of Directors actions:

- April
 - Approved the FY 2015 Operating Budget & Capital Improvement Plans
 - Approved the sale of the Island Romance
 - Approved a Pension Plan change to allow participants who are current employees to take out one loan
 - Authorized the General Manager to plan for a strategic planning and Board development retreat to take place after the November 2014 elections and not to exceed a budget of \$5,000
- May
 - The District's revised 2014 Drug and Alcohol Policy and Drug Free Workplace Program to bring it into compliance with requirements of the Federal Transit Administration and the United States Coast Guard. Further, this authorizes the District's General Manager or his/her designee to take any actions that, from time to time, may be necessary under the adopted policy and program to maintain compliance with current and future regulatory requirements.
- June
 - Approved year-round complimentary tickets for each Board member to all islands serviced by the District during their term on the District's Board of Directors, effective after the November 2014 election
- July
 - Annual meeting held on the Bay Mist
- August
 - No meeting was held

- September
 - Accepted the FY 2014 Annual Independent Financial Audit Report
 - Endorsed the PACTS 2016/17/18 Regional Transit Stop Improvement Project
 - Approved the continuation of car ferry service (9:30 AM – 5:35 PM departures) to Peaks Island on Wednesdays during the Winter Sailing Schedule for one more year on a trial basis
 - Approved the discontinuation of the trial run car ferry service (7:15PM– 11:30PM departures) to Peaks Island on Saturday evenings during the Winter Schedule
- October
 - Approved a change to the expiration of the Bicycle 5-Ticket Book from 15 days after issue to 60 days after issue,
 - Approved to include transportation of one bicycle for a monthly pass holder for an additional \$10 a month for all islands on a trial basis for one year
- November
 - Approved adopting the FTA Certifications and Assurances for Federal FY 2015
- December
 - Approved the resumption of vehicle transport on the upper deck of the Maquoit
- January
 - Approved the resolution authorizing the District’s President, Treasurer and General Manager to open bank accounts, sign checks and perform other necessary banking and financial functions
 - Approved the resolution authorizing the District’s President and General Manager to apply, prepare, file, execute and approve draw down for grants
- February
 - Re-approved a change to the expiration of the Bicycle 5-Ticket Book from 15 days after issue to 60 days after issue, effective April 18, 2015
 - Re-approved including the transportation of one bicycle for a monthly pass holder for an additional \$10 a month for all islands, effective April 18, 2015
 - Approved making the non-commercial automobile/light truck/handicap plate/motorcycle year-round rate equivalent to the Winter non-commercial automobile/light truck rate of \$36.65, on Wednesdays only, on a permanent basis, effective April 18, 2015
 - Approved extending the 11:00 AM Inner Bay (Diamond Pass) run until the end of October, on a permanent basis, effective May 21, 2015
 - Authorized the District’s President and General Manager to implement an Equal Employment Opportunity Program for the District
- March
 - Adopted a change in the pricing structure of Child Tickets, whereby the age of a child is changed from 5-9 years to 5-13 years and that all tickets, in whatever form they’re sold, be half-price adult fare for children of this

age bracket, with the exception of private charters, on a one-year trial basis. (NOTE: THIS WAS AMMENDED IN APRIL 2015)

- Approved an increase the 2015 rates for the Bailey Island and Nature Cruises
- Adopted the FY 2016 Operating Budget (NOTE: THE LONG RANGE CAPITAL PLAN VOTE WAS POSTPONED UNTIL APRIL 2015)

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.

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 POSITION
MARCH 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 689,554	\$ 287,770
Accounts receivable (net of allowance for uncollectible accounts)	21,603	15,150
Grants receivable	525,931	693,590
Inventory	152,481	146,983
Prepaid expenses	42,756	44,218
TOTAL CURRENT ASSETS	<u>1,432,325</u>	<u>1,187,711</u>
NONCURRENT ASSETS		
Capital assets:		
Buildings and equipment, net of accumulated depreciation	12,214,879	11,380,216
	<u>12,214,879</u>	<u>11,380,216</u>
TOTAL ASSETS	<u>\$ 13,647,204</u>	<u>\$ 12,567,927</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Account payable	\$ 468,699	\$ 576,967
Accrued payroll and payroll taxes	57,970	71,463
Accrued compensated absences	91,632	95,762
Accrued pension	158,934	150,498
Other accrued liabilities	27,700	21,371
Line of credit	-	325,000
Charter deposits	24,700	34,950
Unearned revenue	25,021	26,913
Deferred reserve fund	866,212	246,263
TOTAL CURRENT LIABILITIES	<u>1,720,868</u>	<u>1,549,187</u>
TOTAL LIABILITIES	<u>1,720,868</u>	<u>1,549,187</u>
NET POSITION		
Net investment in capital assets	12,214,879	11,380,216
Unrestricted net position	<u>(288,543)</u>	<u>(361,476)</u>
TOTAL NET POSITION	<u>11,926,336</u>	<u>11,018,740</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,647,204</u>	<u>\$ 12,567,927</u>

See accompanying independent auditors' report and notes to financial statements.

CASCO BAY ISLAND TRANSIT DISTRICT

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

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Passenger fares	\$ 2,474,161	\$ 2,338,561
Vehicles	987,653	912,250
Freight	640,491	576,917
Mail contract	97,685	102,858
Tours and cruises	486,574	456,608
Charters	232,105	224,079
Catering	149,400	174,839
Miscellaneous	51,262	59,822
TOTAL OPERATING REVENUES	<u>5,119,331</u>	<u>4,845,934</u>
OPERATING EXPENSES	<u>6,539,199</u>	<u>6,091,118</u>
OPERATING LOSS	<u>(1,419,868)</u>	<u>(1,245,184)</u>
NONOPERATING REVENUES (EXPENSES):		
U.S. Department of Transportation, Federal Transit Administration grant	816,134	842,857
State of Maine grants	68,444	39,772
Interest income	110	114
Interest expense	(3,412)	(4,578)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>881,276</u>	<u>878,165</u>
LOSS BEFORE CAPITAL GRANT REVENUE	<u>(538,592)</u>	<u>(367,019)</u>
CAPITAL GRANT REVENUE:		
U.S. Department of Transportation, Federal Transit Administration grant	1,128,118	1,036,499
State of Maine grants	-	858,930
State of Maine - vessel	-	4,892,401
Other capital revenue	318,070	240,425
TOTAL CAPITAL GRANT REVENUE	<u>1,446,188</u>	<u>7,028,255</u>
CHANGE IN NET POSITION	907,596	6,661,236
NET POSITION - APRIL 1	<u>11,018,740</u>	<u>4,357,504</u>
NET POSITION - MARCH 31	<u>\$ 11,926,336</u>	<u>\$ 11,018,740</u>

See accompanying independent auditors' report and notes to financial statements.

CASCO BAY ISLAND TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 5,720,685	\$ 4,637,229
Payments to employees	(3,205,306)	(3,093,623)
Payments to suppliers and vendors	(2,777,386)	(2,291,770)
Net cash provided (used) by operating activities	(262,007)	(748,164)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal maintenance grant	2,111,911	1,575,241
State subsidy grant	68,444	898,702
Other	318,070	5,132,826
Net cash provided by noncapital financing activities	2,498,425	7,606,769
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	110	114
Net cash provided by investing activities	110	114
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property, plant and equipment	(1,506,332)	(7,201,507)
Interest paid	(3,412)	(4,578)
Net increase (decrease) in borrowings on line of credit	(325,000)	325,000
Net cash (used) by capital and related financing activities	(1,834,744)	(6,881,085)
NET (DECREASE) IN CASH	401,784	(22,366)
CASH - APRIL 1	287,770	310,136
CASH - MARCH 31	\$ 689,554	\$ 287,770
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (1,419,868)	\$ (1,245,184)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	671,669	467,059
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(6,453)	(3,390)
(Increase) decrease in prepaid expense	1,462	12,974
(Increase) decrease in inventory	(5,498)	5,720
Increase (decrease) in accounts payable	(108,268)	184,004
Increase (decrease) in accrued payroll and payroll taxes	(13,493)	9,356
Increase (decrease) in accrued compensated absences	(4,130)	11,082
Increase (decrease) in accrued pension	8,436	13,003
Increase (decrease) in other accrued liabilities	6,329	2,527
Increase (decrease) in charter deposits	(10,250)	9,250
Increase (decrease) in unearned revenue	(1,892)	7,354
Increase (decrease) in deferred garage revenue	619,949	(221,919)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (262,007)	\$ (748,164)

See accompanying independent auditors' report and notes to financial statements.

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

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.

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

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, 2015 was \$91,632.

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.

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

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, 2015, the District's deposits amounting to \$689,554 were comprised of bank deposits of \$726,521. Of these deposits, \$184,074 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 \$542,447 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, 2015.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 184,000
Savings accounts	74
Repurchase agreement	<u>542,447</u>
	<u>\$ 726,521</u>

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

NOTE 3 – CAPITAL ASSETS

The following is a summary of the changes in capital assets from March 31, 2015:

	Balance, 4/1/14	Additions	Disposals	Balance, 3/31/15
Non-depreciated assets:				
Construction in progress	\$ 2,443,950	\$ 1,270,252	\$ (3,714,202)	\$ -
	<u>2,443,950</u>	<u>1,270,252</u>	<u>(3,714,202)</u>	<u>-</u>
Depreciated assets:				
Leasehold improvements	706,549	3,714,508	-	4,421,057
Equipment	1,086,112	170,195	-	1,256,307
Vessels	15,244,558	125,688	(468,804)	14,901,442
	<u>17,037,219</u>	<u>4,010,391</u>	<u>(468,804)</u>	<u>20,578,806</u>
Less: accumulated depreciation	(8,100,953)	(671,669)	408,695	(8,363,927)
	<u>8,936,266</u>	<u>3,338,722</u>	<u>(60,109)</u>	<u>12,214,879</u>
Net capital assets	<u>\$ 11,380,216</u>	<u>\$ 4,608,974</u>	<u>\$ (3,774,311)</u>	<u>\$ 12,214,879</u>

NOTE 4 – 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, 2015 and 2014 were \$289,315 and \$328,107, respectively.

NOTE 5 – 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 occupancy 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.

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

NOTE 5 – OPERATING LEASES (CONTINUED)

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, 2015, 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 2014.

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, 2015 was \$62,621.

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

NOTE 5 – OPERATING LEASES (CONTINUED)

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

2016	\$ 16,000
2017	16,000
2018	-
2019	-
	<u>\$ 32,000</u>

NOTE 6 – 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%.

NOTE 7 – 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 8 – 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.

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

NOTE 9 – RESERVE FUND

The deferred 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 capital expenses or preventive maintenance as stated in the lease. The value of deferred capital reserve is \$866,212 with part of this being used for the local match of the current construction project being done during the next fiscal year or for preventive maintenance.

NOTE 10 – RECONCILIATIONS OF NET POSITION

	Unrestricted net position	Restricted	Net investment in capital assets	Total
Operating Revenues	\$ 5,119,331	\$ -	\$ -	\$ 5,119,331
Operating Expenses	(6,539,199)	-	-	(6,539,199)
Nonoperating revenues (expenses)	881,276	-	-	881,276
Capital Grant Revenues	1,128,118	-	-	1,128,118
Other Capital Revenues	318,070	-	-	318,070
Depreciation expense	671,669	-	(671,669)	-
Change in fixed assets account not in expenses	(1,506,332)	-	1,506,332	-
Increase(Decrease) in Net Position	72,933	-	834,663	907,596
Net Position - April 1, 2014	(361,476)	-	11,380,216	11,018,740
Net Position - March 31, 2015	\$ (288,543)	\$ -	\$ 12,214,879	\$ 11,926,336

Summary of Increase (Decrease) in Net Position:

Provision for deficit reduction account	\$ 36,000
(Loss) above provision for deficit reduction account for unrestricted funds	36,933
Increase(Decrease) in Net Position	<u>\$ 72,933</u>

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Statements of Expenses

CASCO BAY ISLAND TRANSIT DISTRICT

STATEMENTS OF EXPENSES
FOR THE YEARS ENDED MARCH 31,

	<u>2015</u>	<u>2014</u>
OPERATING EXPENSES		
Salaries and wages	\$ 2,450,989	\$ 2,366,071
Payroll taxes	183,683	176,423
Employee benefits	278,461	258,990
Pension plan	289,315	328,107
Repairs and maintenance	730,971	720,261
Fuel	840,575	777,446
Insurance	101,346	95,311
Telephone	13,127	9,683
Mail agent	10,233	10,200
Office expense	189,545	166,270
Postage	3,072	3,358
Travel	10,710	15,992
Injuries and damages	13,797	7,480
Professional fees	102,287	73,342
Dues and subscriptions	6,771	10,232
Uniforms	22,781	16,273
Training	1,413	3,198
Heat and utilities	57,726	54,254
Janitorial	68,338	65,281
Rent	35,934	34,034
Terminal	178,533	127,213
Advertising	96,594	100,291
Catering	113,547	124,688
Depreciation	671,669	467,059
Miscellaneous	<u>67,782</u>	<u>79,661</u>
	<u>\$ 6,539,199</u>	<u>\$ 6,091,118</u>

See accompanying independent auditors' report and notes to financial statements.

CASCO BAY ISLAND TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2015

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	\$ 185,748
Federal Transit Formula Grants	20.507	ME-54-0002	518,801
Federal Transit Formula Grants	20.507	ME-54-0004	530,419
Federal Transit Formula Grants	20.507	ME-70-0001	198,008
Federal Transit Formula Grants	20.507	ME-90-0194	6,426
Federal Transit Formula Grants	20.507	ME-90-2207	16,908
Federal Transit Formula Grants	20.507	ME-95-X013	42,176
Federal Transit Formula Grants	20.507	ME-95-0016	35,983
Federal Transit Formula Grants	20.507	ME-95-0021	80,000
Federal Transit Formula Grants	20.507	ME-95-0022	27,342
Federal Transit Formula Grants	20.507	ME-90-X208	65,626
			<u>1,521,689</u>
State of Maine Department of Transportation Formula Grants for Other than Urbanized Areas	20.509	PIN 14894	11,201
Formula Grants for Other than Urbanized Areas	20.509	PIN 14887	264,793
Formula Grants for Other than Urbanized Areas	20.509	PIN 18058	4,311
Formula Grants for Other than Urbanized Areas	20.509	PIN 17834	5,000
			<u>285,305</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,992,742</u>

CASCO BAY ISLAND TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2015

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 #20.509



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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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the business-type activities of Casco Bay Island Transit District as of and for the year ended March 31, 2015, 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 August 10, 2015.

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.

R.H.R. Smith & Company

Buxton, Maine
August 10, 2015



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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, 2015. 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.

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, 2015.

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
August 10, 2015

CASCO BAY TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED MARCH 31, 2015

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 no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

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

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of OMB Circular A-133? yes no
Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Formula Grants
20.509	Formula Grants for Other than Urbanized Areas

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

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

NONE

Section III – Federal Awards Findings and Questioned Costs

NONE



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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, 2015 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
August 10, 2015

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, 2015

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 31967	\$ 5,000	7/1/13-6/30/14	RTAP	Final	\$ 4,311	\$ -	\$ 4,311	\$ -	\$ 4,311
	CSN 33310	\$ 5,000	7/1/14-6/30/15	RTAP	Interim	5,000	-	5,000	-	5,000
	CSN 32591	\$274,877	7/1/13-6/30/14	Admin/Operating	Final	11,201	-	11,201	28,899	40,100
	CSN 33666	\$274,877	7/1/14-6/30/15	Admin/Operating	Interim	264,793	-	264,793	208,635	473,428
	CSN 33375	\$ 68,444	7/1/14-6/30/15	Operating	Final	-	68,444	68,444	-	68,444
TOTAL						<u>\$285,305</u>	<u>\$ 68,444</u>	<u>\$ 353,749</u>	<u>\$237,534</u>	<u>\$ 591,283</u>

NOTES:

Disclosures:

Is your Agency required to have a federal A-133 Audit? YES NO



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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, 2015 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
August 10, 2015

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Casco Bay Island Transit District
Fiscal Year End: March 31, 2015
CFDA#: 20.509
Project Name/No: Admin/Operating
CSN#: 32591
PIN#: 14894
Agreement Period: 7/1/13-6/30/14

	Operating	Admin	Capital	Total
Gross Expenditures	\$ 688,207.00	\$ 93,596.00	\$ -	\$ 781,803.00
Less:				
Contra-Expenditures	_____	_____	\$ -	\$ -
Operating Revenue	\$ 288,207.00	_____	\$ -	\$ 288,207.00
Excess Unrestricted Fed	_____	_____	\$ -	\$ -
Total Deductions	\$ 288,207.00	\$ -	\$ -	\$ 288,207.00
Net Expenditures/Deficit	\$ 400,000.00	\$ 93,596.00	\$ -	\$ 493,596.00
<u>Federal Share</u>				
Maximum %	50.0%	80.0%	0%	
Amount Paid	\$ 200,000.00	\$ 74,877	\$ -	\$ 274,877.00
Maximum Amount	\$ 200,000.00	\$ 74,877	\$ -	\$ 274,876.80
Over (Under) Maximum	\$ -	\$ (0.00)	\$ -	\$ (0.00)
<u>State Share</u>				
Maximum %	0.0%	0.0%	0%	
Amount Paid	\$ -	\$ -	\$ -	\$ -
Maximum Amount	\$ -	\$ -	\$ -	\$ -
Over (Under) Maximum	\$ -	\$ -	\$ -	\$ -
<u>Local Share</u>				
Minimum %	50.0%	20.0%	0%	
Amount Paid	\$ 200,000.00	\$ 18,719	\$ -	\$ 218,719.00
Minimum Amount	\$ 200,000.00	\$ 18,719	\$ -	\$ 218,719.20
Over (Under) Minimum	\$ -	\$ (0.00)	\$ -	\$ (0.00)
<u>Summary:</u>				
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, 2015
CFDA#: 20.509
Project Name/No: Admin
CSN#: 31967
PIN#: 18058
Agreement Period: 7/1/13-6/30/14

	Operating	Admin	Capital	Total
Gross Expenditures	\$ -	\$ 4,311.00	\$ -	\$ 4,311.00
Less:				
Contra-Expenditures	-	-	\$ -	\$ -
Operating Revenue	\$ -	-	\$ -	\$ -
Excess Unrestricted Fed	-	-	\$ -	\$ -
Total Deductions	\$ -	\$ -	\$ -	\$ -
Net Expenditures/Deficit	\$ -	\$ 4,311.00	\$ -	\$ 4,311.00
<u>Federal Share</u>				
Maximum %	0.0%	100.0%	0%	
Amount Paid	\$ -	\$ 4,311	\$ -	\$ 4,311.00
Maximum Amount	\$ -	\$ 4,311	\$ -	\$ 4,311.00
Over (Under) Maximum	\$ -	\$ -	\$ -	\$ -
<u>State Share</u>				
Maximum %	0.0%	0.0%	0%	
Amount Paid	\$ -	\$ -	\$ -	\$ -
Maximum Amount	\$ -	\$ -	\$ -	\$ -
Over (Under) Maximum	\$ -	\$ -	\$ -	\$ -
<u>Local Share</u>				
Minimum %	50.0%	0.0%	0%	
Amount Paid	\$ -	\$ -	\$ -	\$ -
Minimum Amount	\$ -	\$ -	\$ -	\$ -
Over (Under) Minimum	\$ -	\$ -	\$ -	\$ -
<u>Summary:</u>				
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, 2015
Project Name/Grant No: Operating
CSN#: 33375
PIN#: 20796
Agreement Period: 7/1/14-6/30/15

State Participating Share

Max Authorized Amount	\$	68,444.00
State Share Paid	\$	68,444.00
State Over (Under) Paid	\$	-

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