



CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY

CARTA BOARD MEETING

February 22, 2017
1:00 PM

CARTA Office
3664 Leeds Avenue
North Charleston, SC 29405

AGENDA

1. Call to Order
2. Consideration of Board Minutes – January 18, 2017 Meeting
3. Audit Presentation- Chris Clark, CPA – Clark Eustace Wagner, PA
4. Financial Status Report – Robin Mitchum
5. Invitation for Bids (IFB) – Integrated Broadband Router – Request for Approval
6. Business Continuity and Disaster Recovery Plan – Request for Approval – Andrea Kozloski
7. IT Policies and Procedures – Request for Approval – Andrea Kozloski
8. Bus Rapid Transit Project – Status Report
9. Marketing/Outreach Report – Daniel Brock
10. Ridership Report – Rainea Kearney
11. Intermodal Facility Project Update – Sharon Hollis
12. Executive Director's Report
13. Other Business, If Any
14. Public Comments, If Any
15. Board Comments, If Any
16. Adjournment

*Please note that the next **regularly scheduled** meeting of the CARTA Board will be WEDNESDAY, March 15, 2017 in Room B-225 of the Lonnie Hamilton III Public Service Building, 4045 Bridgeview Drive, North Charleston, SC 29405. Notice, including agenda documentation, will be sent to Board Members in advance of the meeting, as well as posted on www.ridecarta.com.*

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING
January 18, 2017

The Charleston Area Regional Transportation Authority (CARTA) Board of Directors met on Wednesday, January 18, 2017, at the Lonnie Hamilton III Public Service Building located at 4045 Bridgeview Drive, Room B-225 in North Charleston, South Carolina.

MEMBERSHIP: Ed Astle; Mary Beth Berry; Marty Bettelli; Michael Brown; Alfred Harrison; Will Haynie; James Lewis; Minnie Newman; Pat O'Neil; Vic Rawl; Gary Santos; Dickie Schweers; Michael Seekings; Elliott Summey; Keith Summey; John Tecklenburg; Craig Weaver

MEMBERSHIP PRESENT: Ed Astle; Mary Beth Berry; Marty Bettelli; Michael Brown; Will Haynie; James Lewis; Vic Rawl; Michael Seekings

PROXIES: Dennis Turner for Minnie Newman; Jerry Lahm for Elliott Summey; Michael Mathis for John Tecklenburg; Warwick Jones for Dickie Schweers

STAFF PRESENT: Ron Mitchum; Andrea Kozloski; Robin Mitchum; Michelle Emerson; Rainee Kearney; Jeff Burns; Kim Coleman

OTHERS PRESENT: Amy Jenkins (MGC); Daniel Brock (Rawle Murdy Associates); Ginger Stevens (Transdev); David Bonner (Transdev); Jim Frierson (SCDOT); Sharon Hollis; William Hamilton (Public)

1. Call to Order

Chairman Seekings called the CARTA Board Meeting to order at 1:00 p.m. followed by a moment of silence. Chairman Seekings then welcomed the new Board Members.

2. Consideration of Board Minutes – November 16, 2016 Meeting

Ed Astle made a motion to approve the November 16, 2016 Meeting Notes as presented and Will Haynie seconded the motion. The motion was unanimously approved.

3. Election of Officers

The CARTA Nominating Committee met prior to the Board of Directors meeting and recommended the following slate of officers to serve for 2017:

- Michael Seekings, Chairman
- Michael Brown, Vice Chairman
- Keith Summey, Secretary/Treasurer

Marty Bettelli made a motion to approve the 2017 Slate of Officers as presented and Ed Astle seconded the motion. The motion was unanimously approved.

4. Financial Status Report – Robin Mitchum

Robin Mitchum, Deputy Director of Finance & Administration, presented the financial status report for the period ending December 31, 2016. Ms. Mitchum noted that budget to actual revenues were below projections due to farebox revenues and pass sales. Ridership was down due to Hurricane Matthew and farebox is down due to the loss of farebox on Route 20. The actual federal revenue includes operating and capital for the year to date. The Charleston County EOC revenue is for services provided for Hurricane Matthew evacuations. These funds will be provided from Charleston County through FEMA reimbursement. Ms. Mitchum then noted that the budget to actual expenditures were mostly on target

with projections with the exception of the following items: Dues/Publications are slightly over budget at 20% for the month primarily due to annual payment for dues to the Charleston Metro Chamber of Commerce; Automotive is over budget by 5% due to service on the agency vehicle and parking reimbursements; Office Equipment and Maintenance (OEM) is over budget by 41% due to unexpected maintenance on mobile radios; Advertising is over budget by 62% due to promotion of the DASH and refurbished bike giveaways; Contract Services (IGA & Management) is over budget by 11% primarily due to the extensive services provided to CARTA in the first quarter; Operating Fees & Licenses is 24% over budget due to annual Stormwater management fees. These items are expected to come back into line since some of these expenses do not occur consistently every month. Staff will continue to monitor the line item budget and recommend changes through budget revisions as deemed necessary. Overall the agency ended the month with an excess of revenue of \$941,507. Ms. Mitchum then noted that external auditors performed the FY2016 audit fieldwork last week. The findings will be presented at the next Board Meeting; no issues are anticipated.

The Board received the financial status report as information.

5. Transit Asset Management – Performance Measure Target – Request for Approval – Jeff Burns

Jeff Burns, Senior Planner, presented the Fixing America’s Surface Transportation Act (FAST) that mandates that the FTA develop a rule to establish a strategic and systematic process of operating, maintaining and improving public transportation capital assets effectively through their entire life cycle. The rule requires FTA grantees to develop asset management plans for their public transportation assets, including vehicles, facilities, equipment and other infrastructure. CARTA proposes to establish the goal of achieving and maintaining a state of good repair for its public transportation assets. Transit asset management will be a business model that uses transit asset condition to guide the optimal prioritization of funding. FTA has defined State of Good Repair (SGR) as the condition in which a capital asset is able to operate at a full level of performance. A capital asset is in a state of good repair when that asset: is able to perform its designated function; does not pose a known unacceptable safety risk; and its lifecycle investments must have been met or recovered. CARTA proposed to establish the following initial performance measure targets as required by FTA:

Asset Type:	Performance Measure:
Rolling Stock-Revenue Vehicles	Percentage of Vehicles exceeding the FTA’s Useful Life Benchmark; Satisfactory Asset Condition Rating (1-5)
Rolling Stock-Support Vehicles	Percentage of Vehicles exceeding the FTA’s Useful Life Benchmark; Satisfactory Asset Condition Rating (1-5)
Equipment	Percentage of Equipment exceeding Satisfactory Asset Condition Rating (1-5)
Facilities	Percentage of Facilities exceeding Satisfactory Asset Condition Rating (1-5)

The next steps in the process will be to add the rating criteria to the existing Asset Inventory, rate the condition of the asset per the rating scale, implement decision support tools and prioritize capital projects. This program complements and builds on the asset management program CARTA currently employs. It formalizes the process nationally and serves to inform decision-makers to the greatest needs to maintain a state of good repair. It is recommended that these initial SGR performance measures are adopted.

Ed Astle made a motion to approve the Transit Asset Management – Performance Measure Target as presented and Marty Bettelli seconded the motion. The motion was unanimously approved.

6. Intermodal Center Lease Agreement – Request for Approval

It is requested that CARTA enter into a 20-year lease agreement with the City of North Charleston for approximately 1,202 square feet at the Intermodal Center. The square footage cost has not been determined at this time.

James Lewis made a motion to approve the Intermodal Center Lease Agreement as presented and Will Haynie seconded the motion. The motion was unanimously approved.

7. Marketing Activities Status Report – Daniel Brock

Daniel Brock, Rawle Murdy & Associates, presented the Marketing Activities Status Report. Mr. Brock reported on the recent DASH Rollout, the PRT Funds, Route 20 Funding, the Bike Giveaway promotion and Airport Signage. He also commented on the following Key Numbers:

- 50-Plus: Media Placements in December
- 93,000: CVB Instagram Audience Exposure for DASH Shuttles
- 28,952: Audience for FaceBook Bike Giveaway (promotion resulted in 1,162 post engagements)
- 100: Percentage Increase in Social Media Engagement

The Board received the Marketing Activities Status Report as information.

8. Ridership Report – Rainee Kearney

Rainee Kearney, Transit Coordinator, presented the ridership statistics for December 2016:

- Ridership for December was 261,275, a decrease of 28.5% over last year. That is a decrease of 101,194 passenger trips. Year-to-date, ridership is down by 20%.
- Routes that did not meet performance standards include: Express 4-NASH Airport; Route 20 King Street/Citadel; Route 41-Coleman Boulevard; Route 42-Wando Circulator; Route 102-North Neck/Rutledge Avenue; Route 104-Montague Avenue; Route 203-Medical Shuttle; Route 301-Glenn McConnell Circulator.
- They system-wide cost per passenger was \$2.60 (\$1.88 last year).
- Revenue for the month was \$389,118.48 which is a decrease of 12.4% from last year. Year-to-date, revenue is down by 5.6%.
- Farebox recovery for the system was 36.4%.
- Tel-A-Ride ridership for the month was 5,645 which is a 2.8% decrease when compared to the same period last year. Year-to-date ridership is down by 10.2%.
- The cost per Tel-A-Ride trip was \$27.93 which is a 1.33% increase over December of last year. The average cost is 14.3% more than last year's average.

The Board received the Ridership Report as information.

9. Intermodal Facility Project Update – Jeff Burns

Jeff Burns, Senior Planner, updated the Board on the Intermodal Facility Project. Staff continues to work with the CSX Corporation to finalize the purchase/sale agreement. An extension was executed to finalize the negotiations between the CSX Corporation, Amtrak and the City of North Charleston regarding the platform and improvements thereto before the agreement is executed and the property changes

ownership. The property sale closed on January 6, 2017, which is a major milestone for the project. Staff also continues to coordinate with the FTA to ensure their staff is informed on our progress. FTA staff has been very supportive in moving this project to completion. Upcoming tasks include finalizing permitting and zoning approval, execution of the tenant agreements and opening an Invitation for Bids (IFBs) to secure a construction contractor and a construction manager.

The Board received the Intermodal Facility Project Update as information.

10. Executive Director's Report

Ron Mitchum highlighted the following matters:

- We are continuing to work with FTA and the consultants who performed the Financial and Management Oversight Review (FMO) and hope to have all of the issues addressed in the next few weeks. I anticipate we will have a number of documents and policies and procedures for the Board to approve at the February meeting.
- We have been notified that our triennial review will be held during the month of April and we spent a great deal of time during the month of December gathering information and data for pre-submission to FTA. I am hopeful that many of the issues that we have already addressed will result in a smoother review process with fewer issues identified.
- We are working with Transdev to revise their monthly invoice format and submittal process to provide backup documentation for their invoice amount. The changes will give management better oversight of Transdev as our operations and maintenance contractor.
- We will be updating our internal contractor management and monitoring processes to insure we can document the verification of contractor activities and charges.
- We continue to struggle with identifying a cost neutral or cost conservative way to address one issue identified in the FMO review – the daily reconciliation of the fare box to the ridership. Despite a policy which says it does, CARTA has never counted cash and reconciled ridership on a daily basis due to the cost associated with this process. We are continuing to research ways to achieve this requirement without incurring significant additional costs.
- We will seek Board approval of a five year financial management plan as well as a vehicle replacement plan. These plans will be based on the preliminary cash flow projections provided by the County for the sales tax funds.
- We have begun discussions with FTA regarding our desire to move forward with the BRT project process. We are waiting for their team to give us some meeting dates for us to meet in Atlanta to discuss getting the process underway.
- Over the next year, one of our major challenges will be controlling the public's expectations. As you know, the additional sales tax will not begin to be collected until May and probably will not be received until November of this year. In addition, the County will not be giving CARTA a fixed percentage each year, but instead will be giving us an annual allocation that is part of an overall annual disbursement plan for all activities: transit, highways and greenspace. During the years when BRT is in development and under construction, the CARTA disbursement will be significantly higher to meet the demands of developing and constructing the project. By taking this approach, county staff is attempting to reduce the amount of sales tax revenue that must be used for debt service.

- The seven New Flyer Midis were put into service and have been well received by the public. Overall, their performance has been excellent and we have only had one or two minor issues to address. We currently have one out of service due to a software error that is preventing the rear door from operating properly. We expect the software to be updated before the end of the week and have it back in service immediately.
- We will be exercising our option under the MIDI procurement to purchase three additional MIDIs. Two will be used on the DASH routes and the third will be used to replace a 40ft hybrid bus which we will move to the route 10 where we are over capacity at times. The airport connector MIDI will be configured to include a luggage rack so airport passengers will have a safe, convenient place to store their luggage.
- The Automatic Passenger Counters (APCs) project has been initiated and we expect the system to fully operational utilizing the data for reporting and decision-making by May of this year.
- The new camera systems are being installed in all of our buses. Some were completed yesterday and the balance should be completed before the end of today.
- The new para transit vehicles should be in service by the end of February if vendor schedules are kept. We ordered 10 MV-1s and 10 Amerivans off of the state contract and expect the MV-1s to be delivered before the end of the month. The Amerivans should follow shortly. The vehicles are each equipped with security cameras which we do not currently have on our para transit vehicles. We will also be pursuing 5310 funding to acquire 2 twelve passenger cutaways which will be used when we are able to transport multiple customers at the same time or when we need to transport more than 2 wheelchairs.
- We are also using state contracting to acquire 10 replacement vehicles for the support vehicle fleet. These vehicles are used by the relief drivers to meet their buses at their connection point. In addition, we will be acquiring another truck for maintenance to replace a 1986 model which has exceeded its useful life. The vehicles have been ordered but we do not yet have a delivery date scheduled.
- We are preparing for a possible problem with the existing North Charleston Park and Ride lot at Super Kmart. The Super Kmart is closing and we do not have a written agreement for use of the parking facility as a Park and Ride lot for our commuter express service. It is possible that the future use of the property will not allow for the continued utilization of the parking lot for our Park and Ride operation. The City of North Charleston is researching the details of the property ownership in an effort to help staff identify the owner so we can initiate discussions regarding future use. We have also asked the City to look at other city owned property that could potentially be used for Park and Ride facilities.
- Staff will be working on a number of planning initiatives over the next several months. They include:
 - Working with the COG's consultant to update the transit component of the Long Range Transportation Plan (LRTP). This effort will include looking at the future needs associated with our traditional fixed route service, commuter express service and downtown shuttle service. In addition, we will be looking at other potential opportunities to transport passengers such as water taxis.

- Working with the Charleston CVB, the College of Charleston and the Charleston restaurant and hospitality association to identify possible park and ride lots and express service routes to facilitate the transport of service industry workers back and forth to the peninsula for work. In addition, we will be working with the Town of Mount Pleasant to determine the viability of establishing express service for service industry workers from West Ashley and North Charleston to downtown.
- Staff will continue working with TriCounty Link to improve the connection/transfer points between the two systems. The goal is to improve customer service by reducing the time spent on buses between points. As we consider new express routes, we will continue to look for more opportunities to allow rural residents to utilize the two systems to travel back and forth to work.
- We will be issuing an RFP for the updating of the CARTA website. The technology associated with our current is out of date and it makes it very difficult to quickly and easily update the website when needed.
- We have issued an RFP for additional Shelter, bench and solar lighting installations within the service area. We hope to have the responses to this RFP ready for the Board's consideration at next month's meeting. The RFP is seeking a contractor to handle the site design, permitting, and equipment acquisition and installation at a number of existing stops. In addition, we will be issuing an RFP for a contractor to acquire and install the benches, shelters and lighting for the Dorchester Road/Ashley Phosphate Road shelter project. Staff is in the process of obtaining the required SCDOT encroachment permits and we will move forward with the RFP as soon as we complete the process.

The Board received the Executive Director's report as information.

11. Other Business, If Any

- The 2017 CARTA Board Meeting Schedule was distributed as information.
- The next CARTA Board Meeting will be held on February 22, 2017 at the Leeds Avenue location.
- A schedule of upcoming events was distributed as information.
- Print-outs of new shelter and bench designs and new vehicles were distributed as information.

There was no other business discussed.

12. Public Comments, If Any

One public comment was made to thank the Board for their efforts and to encourage the Board to talk with public officials for strong support of public transit. The public comment was noted for the record.

13. Board Comments, If Any

There were no additional Board comments.

14. Adjourn

The meeting adjourned at 2:10 p.m.

Respectfully submitted,
Kim Coleman



MEMORANDUM

TO: Board of Directors

FROM: Robin W. Mitchum, Deputy Director of Finance & Administration *Rm*

SUBJECT: FY15/16 Audited Financial Statements

DATE: January 21, 2017

Please find attached the FY15/16 Audited Financial Statements. The audit will be presented at the February 22, 2017 Board of Directors meeting by Chris Clark, CPA with Clark Eustace Wagner, PA. We will distribute bound copies of the audit to all Board members at the meeting.

If you have any questions, please contact me at 843-529-0400 ext. 213 or robinm@bcdco.com.

**CHARLESTON AREA REGIONAL
TRANSPORTATION AUTHORITY**

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
CHARLESTON, SOUTH CAROLINA
September 30, 2016

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - All Governmental Funds	12
Statements of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - All Governmental Funds	14
Notes to the Financial Statements	16

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Organization's Proportionate Share of the Net Pension Liability - South Carolina Retirement System	41
Schedule of Organization Contributions - South Carolina Retirement System	42
Pension Plan Supplementary Information Note	43
Other Post-Employment Benefits - Defined Benefit Health Care Plan Schedule of Funding Progress	44

OTHER SUPPLEMENTARY INFORMATION

Schedule of Budgeted and Actual Costs for South Carolina Department of Transportation Grant	45
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GOVERNMENT AUDITING STANDARDS

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46
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UNIFORM GUIDANCE COMPLIANCE

Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	48
Schedule of Expenditures of Federal Awards	50
Schedule of Findings and Questioned Costs	51
Summary Schedule of Prior Audit Findings	53

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Charleston Area Regional Transportation Authority
Charleston, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Charleston Area Regional Transportation Authority (the "Organization"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Organization's 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 opinions 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund the Organization, as of September 30, 2016, and the respective changes in financial position 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, Other Post-Employment Benefits - Defined Benefit Health Care Plan Schedule of Funding Progress, Schedule of the Organization's Proportionate Share of the Net Pension Liability - South Carolina Retirement System, and Schedule of Organization Contributions - South Carolina Retirement System 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 Organization's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic 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 is 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 February 20, 2017 on our consideration of the Organization'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 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 the Organization's internal control over financial reporting and compliance.

Columbia, South Carolina
February 20, 2017

Clark Eustace Wagner, PA

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED SEPTEMBER 30, 2016

This discussion and analysis of the Charleston Area Regional Transportation Authority (CARTA) financial performance provides an overview of CARTA's financial activities for the fiscal year ended September 30, 2016. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

The CARTA had a net position at the close of fiscal years 2016 and 2015 of \$18,044,106 and \$6,739,166 as restated, respectively. Net investment in capital assets was \$10,229,911 and \$7,092,812 at September 30, 2016 and 2015, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to CARTA's basic financial statements. The notes to the financial statements also contain details on some of the information presented in the financial statements. The financial statements of CARTA report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position presents information on all CARTA's assets, deferred outflows of resources less liabilities and deferred inflows of resources.

Government-wide Financial Statements – The Government-wide financial statements include all assets of CARTA as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables, and receivables.

The Statement of Net Position presents information on all of CARTA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the reported net positions. Increases or decreases in net position contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of CARTA is improving or deteriorating.

The Statement of Activities presents information showing how net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. unused vacation leave).

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CARTA, like other state and local

governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental funds financial statements focus on inflows and outflows of available spendable resources.

Because of the focus of governmental funds is narrower than that of Government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in Governmental Activities in the Government- wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities.

Government-Wide Financial Analysis

CARTA’s total assets and deferred outflows of resources at 2016 equaled \$28,654,281, and consist of the following major components: 1) Current assets of \$10,090,622 2) Non-current assets of \$18,419,039 and 3) deferred outflows of resources of \$144,620.

CARTA’s total liabilities and deferred inflows at 2016 equaled \$10,610,175, and consist of the following major components: 1) Current liabilities of \$7,909,325 2) non-current liabilities of \$2,371,370 and 3) deferred inflows of resources of \$329,480. CARTA’s total net position at September 30, 2016 equaled \$18,044,106.

A condensed Statement of Net Position (consisting of assets, deferred outflows of resources, less liabilities and deferred inflows of resources) at September 30, 2016 and 2015, is summarized as follows:

<u>Assets and Deferred Outflows</u>	<u>2016</u>	<u>2015, as restated</u>
Cash and cash equivalents	\$ 1,090,509	\$ 509,829
Other Assets	19,981,022	9,492,203
Capital assets, net accumulated depreciation	7,438,130	9,151,832
Deferred outflows of resources related to pensions	144,620	37,206
Total assets and deferred outflows	\$ 28,654,281	\$ 19,191,070
<u>Liabilities and Deferred Inflows</u>		
Current liabilities	\$ 7,909,325	9,354,325
Other long-term liabilities	1,269,842	1,709,922
Net pension liability	1,101,528	1,194,446
Deferred inflows of resources related to pensions	329,480	193,211
Total liabilities and deferred inflows	\$ 10,610,175	12,451,904
<u>Net Position</u>		
Net investment in capital assets	\$ 10,229,911	7,092,812
Restricted for Intermodal Facility Project	6,541,912	5,941,682
Unrestricted (deficit)	1,272,283	(6,295,328)
Total net position (deficit)	\$ 18,044,106	6,739,166

Of CARTA's net position, net investment in capital assets represents the cost-basis of capital assets less accumulated depreciation and related indebtedness used to acquire those assets, while restricted net position represents resources that are subject to external restrictions on how they may be used. Restricted net positions at September 30, 2016 include the Intermodal project. The net position that is not restricted and is not invested in capital assets is reported as unrestricted. The change in net position of CARTA's Governmental Activities for the year ended September 30, 2016 reflected an increase of \$11,304,940. The key components of these changes are as follows:

	Governmental Activities	
	2016	2015, as restated
<u>Revenue</u>		
Program Revenue:		
Charges for services	\$ 6,445,147	\$ 5,920,063
Operating grants and contributions	9,416,090	6,132,670
Appropriations	7,927,250	7,750,922
General revenue:		
Appropriations	6,256,167	0
Gain on sale of capital assets	28,467	(240,961)
Interest	230	682
Total Revenue	\$ <u>30,073,351</u>	\$ <u>19,563,376</u>
<u>Expenses</u>		
Direct personnel costs	\$ 450,631	\$ 938,679
Operating costs	16,961,302	17,972,433
Miscellaneous	223,760	153,647
Depreciation	1,132,718	1,823,054
Total Expenses	\$ <u>18,768,411</u>	\$ <u>20,887,813</u>
<u>Change in net position</u>		
Beginning net position	\$ 6,739,166	\$ 8,063,603
Net change	<u>11,304,940</u>	<u>(1,324,437)</u>
Ending net position	\$ <u>18,044,106</u>	\$ <u>6,739,166</u>

Governmental Funds

The general government functions are reported in the All Governmental Funds. The focus of CARTA's governmental funds is to provide information on near-future inflows, outflows, and balances of spendable resources. Such information is useful in assessing CARTA's annual financing and budgeting requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current 2016 fiscal year, CARTA's governmental funds reported ending fund balance of \$9,135,013, which resulted in an increase of \$8,075,502 over the restated beginning fund balance of \$1,059,511 in comparison with the prior year restatement. The proceeds from a one-time distribution in appropriations were the major contributor to these favorable results.

Capital Asset and Debt Administration

Capital Assets – The capital assets of CARTA are those assets (furniture, fixtures, equipment and vehicles), which are used in the performance of CARTA’s functions. At September 30, 2016, net capital assets of the governmental activities totaled \$11,877,127. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation was \$1,132,717.

Additional information on CARTA’s capital assets can be found in *Note 3* of this report.

Long-Term Debt – CARTA’s long-term debt consists of the liability for disposal of the initial Intermodal facility location, net pension liability, and other post-employment benefits (OPEB) and is more fully disclosed in *Note 7* of this report.

Current Known Facts, Decisions, or Conditions

In May 2016, CARTA implemented changes to their service based on the Comprehensive Operational Analysis (COA) for a cost savings of approximately \$1,400,000 annually. Under the management of the BCD Council of Governments, CARTA will continue to make necessary adjustments to the service as needed.

In addition, CARTA will continue to replace rolling stock, and make required improvements in safety components of the system. The intermodal facility is scheduled to start construction in May 2017.

The BCDCOG Executive Director and staff will continue to perform oversight and daily operations of CARTA and coordinate with BCD RTMA d/b/a TriCounty Link to provide services to all citizens within the BCD region.

To obtain additional information, please contact:

Deputy Director of Finance and Administration
Charleston Area Regional Transportation Authority
1362 McMillan Avenue, Suite 100
North Charleston, South Carolina 29405
843-529-0400

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
As of September 30, 2016

ASSETS

	<u>Governmental activities</u>
Current assets	
Cash and cash equivalents	\$ 1,090,509
Accounts receivable, net	919,806
Grants receivable, net	7,920,764
Prepaid expense	130,439
Inventory	29,104
Total current assets	<u>10,090,622</u>
Noncurrent assets	
Restricted assets - cash and cash equivalents	6,541,912
Land, construction in progress, and idle assets	2,943,876
Capital assets held for resale	1,495,121
Capital assets, net of accumulated depreciation	7,438,130
Total noncurrent assets	<u>18,419,039</u>
Total assets	<u><u>28,509,661</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	<u>144,620</u>
Total deferred outflows of resources	<u>144,620</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 28,654,281</u></u>

The accompanying notes are an integral part of this statement.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION - CONTINUED
As of September 30, 2016

LIABILITIES

Current liabilities

Accounts payable	\$ 7,371,152
Accrued payroll	2,438
Accrued payroll taxes and employee withholding	2,931
Unearned revenue	121,000
Current portion of due to federal government	411,804
Total current liabilities	7,909,325

Noncurrent liabilities

Due to federal government, net of current portion	1,235,412
Accrued compensated absences	21,830
Other post-employment benefits	12,600
Net pension liability	1,101,528
Total noncurrent liabilities	2,371,370
Total liabilities	10,280,695

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pension	329,480
Total deferred inflows of resources	329,480

NET POSITION

Net investment in capital assets	10,229,911
Unrestricted	1,272,283
Restricted	6,541,912
Total net position	18,044,106
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 28,654,281

The accompanying notes are an integral part of this statement.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

	Transportation
EXPENSES	
Purchased transportation - fixed route	\$ 12,774,031
Purchased transportation - paratransit	2,139,665
Fuel	1,029,185
Vehicle insurance	504,166
Depreciation expense	1,132,718
Salaries and benefits	450,631
Marketing	17,350
Professional services	48,508
Publications and printing	59,448
Repairs and maintenance, net of insurance	388,949
Other operating expenses	223,760
Total expenses	18,768,411
PROGRAM REVENUES	
Federal	
Operating grants	3,007,396
Capital grants	6,022,379
State	
Capital grants	386,315
Local	
Sales tax apportionment - operations	3,007,396
Sales tax apportionment - capital	2,652,629
Other	2,267,225
Farebox and passes	3,173,615
Advertising revenue	724,419
Contract revenue	2,434,623
Other	112,490
Total program revenues	23,788,487
Net program expense (revenue)	(5,020,076)
Change in net position before non-program revenues (expenses)	5,020,076
NON-PROGRAM REVENUES (EXPENSES)	
Non-program grant	6,256,167
Investment earnings	230
Gain/(loss) on retirement of fixed assets	28,467
Change in net position	11,304,940
NET POSITION - BEGINNING, as restated	6,739,166
NET POSITION - ENDING	\$ 18,044,106

The accompanying notes are an integral part of this statement.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
BALANCE SHEET - ALL GOVERNMENTAL FUNDS
As of September 30, 2016

ASSETS

Cash and cash equivalents	\$ 1,090,509
Cash and cash equivalents - restricted	6,541,912
Accounts receivable, net	919,806
Grants receivable, net	7,920,764
Prepaid expense	130,439
Inventory	29,104
	29,104
TOTAL ASSETS	\$ 16,632,534
	\$ 16,632,534

LIABILITIES AND FUND BALANCE (DEFICIT)

LIABILITIES

Accounts payable	\$ 7,371,152
Accrued payroll	2,438
Accrued payroll taxes and employee withholding	2,931
Unearned revenue	121,000
	121,000
Total liabilities	7,497,521
	7,497,521

FUND BALANCE (DEFICIT)

Nonspendable	159,543
Assigned	
Intermodal Project	6,541,912
Unassigned	2,433,558
	2,433,558
Total fund balance (deficit)	9,135,013
	9,135,013

TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 16,632,534
	\$ 16,632,534

The accompanying notes are an integral part of this statement.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
BALANCE SHEET - ALL GOVERNMENTAL FUNDS - CONTINUED
As of September 30, 2016

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund balance (deficit) - governmental funds \$ 9,135,013

Amounts reported for governmental activities in the statement of net position are different because:

Liabilities are not due and payable in the current period; therefore, they are not reported in the governmental funds:

Compensated absences	(21,830)
Due to federal government	(1,647,216)
Other post-employment benefits	(12,600)
Net pension liability	(1,101,528)
	(2,783,174)

Deferred outflows and inflows related to the pension liability are applicable to future periods; therefore, they are not reported in the governmental funds:

Deferred outflows - pension	144,620
Deferred inflows - pension	(329,480)
	(184,860)

Assets are capitalized and depreciated in the statement of net position, but charged to expenditures in the governmental funds:

Land, construction in progress, and idle assets	2,943,876
Capital assets held for resale	1,495,121
Capital assets, net of accumulated depreciation	7,438,130
	7,438,130

TOTAL NET POSITION \$ 18,044,106

The accompanying notes are an integral part of this statement.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) -
ALL GOVERNMENTAL FUNDS
For the year ended September 30, 2016

	Special Revenue Funds
REVENUES	
Intergovernmental	
Federal	\$ 9,029,775
State	386,315
Local	2,267,225
Sales tax	5,660,025
Charges for services	3,173,615
Contract revenue	2,434,623
Advertising revenue	724,419
Interest	230
Other/local	6,258,588
Total revenues	29,934,815
EXPENDITURES	
Salaries and benefits	542,970
Contracted services	15,427,951
Supplies	1,029,185
Fixed charges	504,167
Capital	3,858,012
Debt service:	
Principal	411,804
Other	223,760
Total expenditures	21,997,849
Excess of revenues over (under) expenditures	7,936,966
OTHER SOURCES (USES)	
Proceeds from disposal of assets	28,467
Insurance proceeds	110,069
Excess of revenues and other sources (uses) over (under) expenditures	8,075,502
FUND BALANCE (DEFICIT) - BEGINNING, as restated	1,059,511
FUND BALANCE (DEFICIT) - ENDING	\$ 9,135,013

The accompanying notes are an integral part of this statement.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) -
ALL GOVERNMENTAL FUNDS - CONTINUED
For the year ended September 30, 2016

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Excess of revenues and other sources (uses) over (under) expenditures	\$	8,075,502
Amounts reported for governmental activities in the statement of activities are different because:		
Capital asset costs are reported as expenditures in the governmental funds, but are recorded as capital asset additions on the statement of net position		3,858,015
Depreciation of capital assets is reported as an expense in the statement of activities		(1,132,717)
Other post-employment benefit expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds		(3,168)
The (increase) decrease in compensated absences reported as an expense in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds		31,444
Repayments of long-term debt are reported as expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position		411,804
A portion of the net pension liability expenses reported in the statement of activities does not require the use of current financial resources and, as a result, is not reported as expenditures in the governmental funds		64,060
INCREASE (DECREASE) IN NET POSITION	\$	11,304,940

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2016

1. Significant Accounting Policies

a. Nature of Business

The Charleston Area Regional Transportation Authority (the "Organization") was created pursuant to Sections 58-25-10 to 58-25-100, Code of Laws of South Carolina, 1976 (the Enabling Act), as implemented by ordinances adopted by each of Charleston County Council, City Council of the City of Charleston, Town Council of the Town of Mt. Pleasant, and City Council of the City of North Charleston. These entities effectuated an agreement (the "Agreement") to document various aspects of the operations of the Organization.

The purpose of the Organization is to provide for public transportation of passengers for hire by means, without limitation, of motor vehicle, motor bus, or other means of conveyance, operating as a common carrier, initially, only in the territorial area lying within the jurisdiction of the governmental entities which created the Organization; and with the right to expand its services to cover jurisdictional areas of other governmental entities, as such entities elect to become members of the Organization, but limited to the territorial area embraced by the Regional Planning District Number 9 commonly referred to as the B.C.D. Council of Governments.

The Organization is governed by an eighteen member Board of Directors with members representing jurisdictions of: Charleston County, the City of Charleston, the City of Hanahan, the City of Isle of Palms, the City of North Charleston, the Town of Kiawah Island, the Town of Mount Pleasant, and the Town of Sullivan's Island.

The Organization's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements as well as the FASB Codification unless it is inconsistent with GASB pronouncements.

These government-wide financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments* and No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. The primary impact of using these statements involves the presentation of the government-wide financial statements on an accrual basis of accounting and the inclusion of a statement of activities, which demonstrates the degree to which the direct expenses of the Organization's programs are offset by program revenues, and the inclusion of the management's discussion and analysis.

The Organization's significant accounting policies are as follows:

b. Reporting Entity

The financial reporting entity consists of a primary government, as well as any component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable in terms of imposition of will, financial burden, or fiscal dependency. Based on these standards, the Organization has no component units and is not a component unit of any other entity.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

c. Basic Financial Statements

The Organization's basic financial statements include both government-wide (reporting the non-fiduciary activities of the Organization as a whole) and fund financial statements (reporting the Organization's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Organization's programs are classified as governmental activities. The Organization has no business-type activities.

d. Government-wide Financial Statements

In the government-wide statement of net position, the governmental activities column (a) is presented on a consolidated basis by column, (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations, and (c) does not include any fiduciary funds. The Organization's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the Organization's functions. The functions are also supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function of Transportation. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants row reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (grant revenues, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Organization as an entity and the change in the Organization's net position resulting from the current year's activities.

e. Fund Financial Statements

The financial transactions of the Organization are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of accounts that comprises its revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental category. The major funds were determined to be the general fund and transportation. The Organization provides transportation services such as fixed-route, flex service, express commute service, and paratransit service throughout the Charleston Metropolitan area, including the trolley (DASH) service in the Historic Peninsula area of Charleston. The Organization's general fund had no activity for the year ended September 30, 2016, nor were there any associated balance sheet items; accordingly, the general fund is not presented in the Organization's basic financial statements.

GASB *Statement No. 34* sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

e. Fund Financial Statements, Continued

The following fund types are used by the Organization:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Organization:

1) General Fund

All financial transactions not properly accounted for in another fund are recorded in the general fund.

2) Special Revenue Fund

Monies appropriated or granted for special purposes are recorded in the special revenue fund. Uses and limitations are specified by the Organization appropriating or granting the monies.

f. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures (expenses) are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1) Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2) Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 90 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

g. Cash and Cash Equivalents

The Organization has defined cash and cash equivalents to include cash on hand and demand deposits. All highly liquid investments with an initial maturity of three months or less at the date of purchase are considered to be cash equivalents.

h. Restricted Assets

The Organization has certain cash and cash equivalents that are restricted as to their use. There are external restrictions on the use of these funds. They are to be used to fund the Intermodal Facility development project.

i. Prepaid Items

Payments that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenses.

j. Investments

The Organization may invest money subject to their control and jurisdiction in:

- 1) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- 2) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- 3) (1) General obligations of the State of South Carolina or any of its political units; or (2) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- 4) Savings & Loan Associations to the extent that they are insured by a federal government agency.
- 5) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by a federal agency.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

k. Investments, Continued

- 6) Repurchase agreements when collateralized by securities as set forth in this section.
- 7) No-load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar per share and values its assets by the amortized cost method.

Interest Rate Risk

The Organization does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Organization does not have a policy regarding credit risk. State law limits investments of the primary government as noted above.

Concentration of Credit Risk

The Organization does not have a policy regarding diversification among issuers and types of investments to avoid over-concentration in specific issuers or sectors.

Custodial Credit Risk

For an investment, the custodial credit risk is the risk that, in the event of the failure of the counterparty, the Organization will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Organization has no formal policy on custodial credit risk.

l. Receivables and Allowance for Doubtful Accounts

Accounts receivables are stated net of their allowance for uncollectible amounts. Receivables in governmental funds include revenue accruals that are recognized when they become measurable and available as previously defined.

m. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as "due from other funds" or "due to other funds" on the statement of net position and the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

n. Inventory

Items on hand, such as maintenance, operating, and office supplies, that are not considered to be material in amount and are not inventoried as assets are charged to operations in the period purchased. Inventory consists of fuel supplies valued at cost using the first-in, first-out method.

o. Capital Assets

Capitalized assets include land, improvements to land, buildings, building improvements, vehicles, equipment, furniture, and all other tangible or intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period. Capital assets also include assets purchased with grant funds in which the grantor retains a reversionary interest. Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of a gift. The Organization capitalizes additions, renovations, and other improvements which provide new uses or extend the useful life of an existing capital asset. Routine repairs and maintenance are charged to operations in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. A full month of depreciation is taken in the month the asset is placed in service. The Organization capitalizes assets costing \$5,000 or more.

A summary of the Organization's useful lives by asset category is as follows:

<u>Depreciable asset</u>	<u>Life</u>
Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 20 years
Motor vehicles	5 - 10 years
Fareboxes	5 - 10 years
Intangible assets	15 years

p. Long-lived Assets

If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

q. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Organization has one item that meets this criterion-- pension-related deferrals. In addition to liabilities, the statement of net position can also report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Organization has one item that meets this criterion-- pension-related deferrals.

r. Notes Payable

The accounting treatment for notes payable activities depends on whether they are reported in the government-wide or fund financial statements. All notes payable to be repaid from the Organization's resources are reported as liabilities in the government-wide statements. They are not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal and interest is reported as an expenditure.

Interest expense is reported as a direct function expense in the statement of activities since the borrowing was essential to the creation or continuing existence of the applicable function. Excluding the cost of the borrowing could significantly understate direct program expense.

s. Unearned Revenue

The Organization reports unearned revenue on its statement of net position and its balance sheet. Unearned revenues arise when resources are received by the Organization before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Organization has a legal claim to the resources, the liability for unearned revenue is removed from the combined statement of net position and the balance sheet and revenue is recognized.

t. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and unused holidays. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. The noncurrent portion of earned compensated absences for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

The amount of annual leave earned varies depending upon the number of years of employment.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

u. Pensions

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

v. Governmental Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Organization is bound to observe constraints imposed upon the use of the resources in the applicable governmental fund. The classifications are as follows:

1) Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form (e.g., inventories and prepaid amounts), or are legally or contractually required to be maintained intact.

2) Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Organization to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Organization can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

3) Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action it employed to commit those amounts previously. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Directors separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

v. Governmental Fund Balances, Continued

4) Assigned

Amounts in the assigned fund balance classification are intended to be used by the Organization for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Directors or by an Organization official or body to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes.

5) Unassigned

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Organization applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

w. Net Position

Net position is classified and presented in three components:

1) Net Investment in Capital Assets

Consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any mortgages, notes payable, or other borrowings that are attributable to the acquisitions, construction, or improvement of those assets.

2) Restricted

Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

3) Unrestricted

All other assets that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

x. Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis of accounting when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Organization, available means expected to be received within one year of the fiscal year end.

Nonexchange transactions, in which the Organization receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Organization must provide local resources to be used for a specific purpose; and expenditure requirements, in which resources are provided to the Organization on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized.

y. Expenditures (Expenses)

Expenditures (expenses) are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used rather than in the period purchased.

z. Budgets

The Organization must submit to the member municipalities and counties the annual operating and capital budget proposed for each fiscal year, at least sixty days prior to the beginning of the fiscal year. In the event a member municipality or county disagrees with the proposed budget, it may set forth points of disagreement and transmit its statement to the Organization and other governing bodies of the member municipalities and counties within thirty days of the receipt of the proposed budget. Budgets must be adopted by a majority of the member governments. In the event a majority of the governing bodies of the member municipalities and counties do not agree with the proposed budget, the Organization must convene a meeting of chief elected and administrative officials of member governments to develop a budget which may be acceptable to a majority of the member governments; a majority, for the purposes of budget approval, includes the governing bodies of the member municipalities and counties representing more than one-half of the service area population. In the event a budget acceptable to a majority of the member governments is not developed prior to the beginning of its fiscal year, the Organization shall continue to operate at the budget levels of the previously approved budget. Any budget changes requiring an increase in local funds in excess of ten percent during the budget year must be approved as provided above for annual budgets.

aa. Estimates

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

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

1. Significant Accounting Policies, Continued

bb. Donated Goods and Services

Donated materials and equipment are reflected as contributions at their estimated value at date of receipt. No amounts have been reflected for donated services since no objective basis is available to measure the value of such services. Nevertheless, a number of volunteers have given significant amounts of their time to the Organization's programs and management.

cc. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

dd. Financial Instruments

U.S. GAAP requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. The carrying amount of cash, receivables, accrued expenses, payables, and general long-term debt approximates fair value.

ee. Income, State, and Local Taxes

The Organization exists for nonprofit and public purposes and is a public agency, and it is found and declared that the carrying out of the purpose is exclusively for public benefit and its property is public property. The Organization shall not pay any state or local ad valorem, federal or state income, sales, fuel, excise, or other use taxes or other taxes from which municipalities and counties are exempt. The Organization or operator providing public transportation on behalf of an Organization may participate in the State Retirement System and utilize the services of the State Purchasing Department of the Division of General Services and any other joint activity of the State carried on for the benefit of state agencies and political subdivisions of the State. Operators providing public transportation on behalf of an Organization shall not pay state and local fuel taxes from which municipalities and counties are exempt.

2. Cash and Cash Equivalents

Cash consists of bank checking and savings accounts and petty cash. At year-end, the carrying amount of the Organization's cash was \$7,632,421 and the bank balance was \$7,839,017. Restricted cash was \$6,541,912. Federal depository insurance provides for insurance on deposits up to the maximum level of \$250,000 for each depositor. The bank balances were fully insured or collateralized at September 30, 2016.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

3. Accounts and Grants Receivable

Amounts receivable at September 30, 2016 consist of the following:

Accounts receivable

Passes	\$ 179,247
Contracts	520,491
Advertising	208,889
Other	14,579
Total accounts receivable	923,206
Less: allowance for doubtful accounts	(3,400)
Accounts receivable, net	\$ 919,806

Grants receivable

Federal Transportation Authority	\$ 5,984,953
Berkeley-Charleston-Dorchester Council of Governments - FTA Grant	1,935,811
Grants receivable, net	\$ 7,920,764

4. Capital Assets

Capital assets consist of the following:

	Balance September 30, 2015	Additions	Removals	Reclassifications	Balance September 30, 2016
Non-depreciable capital assets					
Land	\$ 539,509	\$ -	\$ -	\$ -	\$ 539,509
Idle vehicles	467,971	2,343,699	-	(467,971)	2,343,699
Construction in progress	1,472,621	83,168	-	-	1,555,789
Total capital assets not being depreciated	2,480,101	2,426,867	-	(467,971)	4,438,997
Depreciable capital assets					
Property and equipment	1,203,236	-	-	-	1,203,236
Motor vehicles	21,965,755	1,420,778	(556,194)	467,971	23,298,310
Fareboxes	875,096	-	-	-	875,096
Shelters and superstop	2,291,322	10,370	-	-	2,301,692
Bus signs	62,555	-	-	-	62,555
Maintenance center	8,918,113	-	-	-	8,918,113
Total capital assets being depreciated	35,316,077	1,431,148	(556,194)	467,971	36,659,002
Accumulated depreciation	(28,644,349)	(1,132,717)	556,194	-	(29,220,872)
Total capital assets being depreciated, net	6,671,731	298,431	-	467,971	7,438,130
Total capital assets, net	\$ 9,151,832	\$ 2,725,298	\$ -	\$ -	\$ 11,877,127

Depreciation expense for the year ended September 30, 2016 is \$1,132,717. Depreciation expense was charged to transportation.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

5. Due to United States Department of Transportation

The Organization incurred a liability related to its decision to dispose of the initial location of the Intermodal Facility Project. Federal Transportation Authority (the "FTA") funding was used to secure the initial location, as well as, to fund various construction costs. Under an agreement with the FTA, the Organization is required to repay \$3,667,000 over a six-year period. There is no interest assessed on the amount required to be repaid. Payments of \$1,607,980 were made in in the fiscal year ended September 30, 2015 and \$411,804 was paid in the fiscal year ended September 30, 2016. The remaining balance of \$1,647,216 must be repaid over the next four years. Annual payments of \$411,804 are required under the agreement with the FTA.

6. Compensated Absences

Compensated absences in the governmental funds are classified as long-term liabilities. These liabilities are expected to be paid from the General Fund and the Special Revenue Funds. A summary of accrued compensated absences liability for the year ended September 30, 2016 follows:

Balance, October 1, 2015	\$ 53,274
Additions (reductions)	<u>(31,444)</u>
Balance, September 30, 2016	<u><u>\$ 21,830</u></u>

7. Long-term Liabilities

a. Notes Payable

Notes payable consist of the following at September 30, 2016:

Annual Payment	Interest Rate	Maturity	Balance September 30, 2016
\$ 411,804	0.00%	FY 2020	\$ 1,647,216
			<u><u>\$ 1,647,216</u></u>

A summary of changes in notes payable follows:

Balance, October 1, 2015	\$ 2,059,020
Principal payments	<u>(411,804)</u>
Balance, September 30, 2016	<u><u>\$ 1,647,216</u></u>

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

7. Long-term Liabilities

a. Notes Payable, Continued

Approximate maturities of notes payable principal are as follows for the years ending September 30:

	Principal	Interest	Total
2017	\$ 411,804	\$ -	\$ 411,804
2018	411,804	-	411,804
2019	411,804	-	411,804
2020	411,804	-	411,804
	\$ 1,647,216	\$ -	\$ 1,647,216

The Organization incurred no charges for interest on its debt during the year ended September 30, 2016.

b. Post-employment benefits

In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the Organization, as represented by its Board of Directors, has autonomy in establishing funding for retiree and post-employment benefits.

Plan Description

The Organization contributes to the Retiree Medical Plan (RMP) and the Long-Term Disability Plan (LTDP), cost sharing multiple employer defined benefit post-employment healthcare and long-term disability plans administered by the South Carolina Public Employee Benefits Authority (PEBA), a part of the State Budget and Control Board (SCBCB). All full-time employees of the Organization are eligible to receive these benefits if they have attained a certain age or a minimum service requirement as stated in the Pension Plan note below. There is no separate audited GAAP basis post-employment benefit plan report.

Funding Policy

Under the State Insurance Benefits Program, each local subdivision develops its own policy for funding retiree insurance premiums for its eligible retirees. Therefore, the Organization has the option to choose the amount, if any, it wishes to contribute toward health and dental coverage for its eligible retirees. The Organization currently requires retirees to pay 100% of their premiums. The fact that the Organization does not contribute toward retiree premiums is irrelevant when considering the implicit rate subsidy because the contribution is a matter of employer policy and is outside the scope of GASB *Statement 45*. Currently, the Organization has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis. These benefits consist of an inherent rate insurances subsidy that retirees will receive by staying on the employer provided health plan. Retirees will reimburse the Organization for the insurance premiums charged. The liability and expense amounts are only included in the government-wide statements.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

7. Long-term Liabilities, Continued

b. Post-employment benefits, Continued

Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligation (NOO)

The Organization's annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer. The ARC is an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year. The following table shows the components of the Organization's annual OPEB cost for the year ending September 30, 2016, the amount actually contributed to the plan, and the change in the Organization's net OPEB obligation based on an actuarial valuation as of October 1, 2014.

Annual Required Contribution (ARC)	\$	<u>11,776</u>
Annual OPEB cost		11,776
Contributions Made		<u>(8,608)</u>
Change in net OPEB obligation		3,168
Net OPEB obligation - beginning of year		<u>9,432</u>
Net OPEB obligation - end of year	\$	<u><u>12,600</u></u>

The Organization's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of OPEB cost contributed	Net OPEB obligation
2016	\$ 11,776	73.10%	\$ 12,600
2015	11,776	19.90%	9,432

Funded Status and Funding Progress

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

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

7. Long-term Liabilities, Continued

b. Post-employment benefits, Continued

The funded status of the plan as of September 30, 2016, based on an actuarial valuation as of October 1, 2014, was as follows:

Actuarially accrued liability (AAL)	\$	73,870
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	<u>\$</u>	<u>73,870</u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	409,828
UAAL as a percentage of covered payroll		18.0%

Actuarial Methods and Assumptions

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

In the October 1, 2014 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 3.50% investment rate of return and an annual health care cost trend rate of 7.80% initially, reduced by decrements to an ultimate rate of 5.00% after 10 years. The Organization's unfunded actuarial accrued liability is being amortized as a level dollar on an open basis.

Health Insurance Continuation of Coverage

As required by the Consolidated Omnibus Budget and Reconciliation Act (COBRA), the Organization provides health insurance benefits to eligible former employees and eligible dependents based upon requirements outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth day of the month for the actual month covered. There is no associated cost to the Organization.

Section 125 Plan

The Organization provides its employees a Section 125 plan. The plan, available to eligible employees, provides for pretax deductions from payroll to be used for childcare, health issues, and dental costs. This plan is managed by the PEBA.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

7. Long-term Liabilities, Continued

c. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2016 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Due to federal government	\$2,059,020	\$ -	\$ (411,804)	\$1,647,216	\$ 411,804
Compensated absences	53,274	-	(31,444)	21,830	-
Other post-employment benefits	9,432	3,168	-	12,600	-
Net pension liability	1,194,446	-	(92,918)	1,101,528	-
	\$3,316,172	\$ 3,168	\$ (536,166)	\$2,783,174	\$ 411,804

8. Pension Plan

Plan description

The Organization is a member of the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit plan. SCRS is one of five defined benefit retirement systems maintained by the South Carolina Public Employee Benefit Authority (PEBA). Each system publishes its own component unit financial statement. Furthermore, the PEBA and the five pension plans are included in the comprehensive annual financial report (CAFR) of the State of South Carolina.

The systems provide retirement, death, and disability benefits to State employees, public school employees, and employees of counties, municipalities, and certain other State political subdivisions. Each system is independent. Assets may not be transferred from one system to another or used for any purpose other than to benefit each system's participants.

A CAFR containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by visiting www.retirement.sc.gov or by writing the South Carolina Public Employee Benefit Authority, Attn: Retirement Benefit, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Benefits provided

Under the SCRS Class II (membership effective prior to July 1, 2012), employees are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years credited service regardless of age, with reduced benefits payable as early as age 55. Under the SCRS Class III (membership effective on or after July 1, 2012), employees are eligible for a full service retirement annuity upon reaching age 65 or having met the "Rule of 90" requirement. The "Rule of 90" means that the sum of the member's age at requested retirement data plus years of service must equal at least 90. Early retirement under Class III is available as early as age 60.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

8. Pension Plan, Continued

Benefits provided, Continued

The benefit formula for full benefits for the SCRS is 1.82% of an employee's average final compensation (AFC) multiplied by the number of years of credited service. AFC is the average earnable compensation during a set number of consecutive quarters (12 quarters for all Class II members and 20 quarters for all Class III). AFC includes an amount for up to 45 days termination pay at retirement for unused annual leave for all Class II members.

Employees are vested for a deferred annuity after five years of service for all Class II and eight years of service for all Class III members; however, if a SCRS member becomes disabled after December 31, 2013, the member must be approved for disability benefits from the federal Social Security Administration prior to receiving the annuity from PEBA. Disability annuity benefits are payable to employees totally and permanently disabled provided they have a minimum of five years credited service for Class II and eight years for Class III (this requirement does not apply if the disability is the result of a job related injury). A group-life insurance benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service, unless the death resulted from actual performance of job duties, then the year of service requirement is removed.

Effective January 1, 2001, section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentives (TERI) Program. TERI is a deferred retirement option program, where a member can elect to retire and continue working for a maximum of five years, while their retirement benefits begin accumulating on a deferred basis. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits that will include any cost of living adjustments granted during the TERI period. Member contributions cease for participants who entered TERI prior to July 1, 2005. Participants who enter TERI on or after July 1, 2005 must continue to make member contributions. Employer contributions continue during TERI participation for all participants. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. The TERI program will end effective June 30, 2018. Effective July 1, 2012, any new enrollees in the TERI must end their participation within 5 years after their retirement date or June 30, 2018, whichever is earlier. TERI is only available to SCRS Class II members.

Contributions

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefit and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS are actuarially determined. The surcharges to fund retiree health and dental insurance are not part of the actuarially established rates.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

8. Pension Plan, Continued

Contributions, Continued

The Systems do not make separate measurements of assets and pension benefit obligations for individual employers. Under Title 9 of the South Carolina Code of Laws, the Organization's liability under the plans is limited to the amount of contributions (stated as a percentage of covered payroll) established by the PEBA. Required contribution rates for fiscal year ended September 30, 2016 are as follows:

	Period Covered	Employee	Employer			Total
			Employer Retirement	Accidental Death Program	Group Life Insurance Program	
SCRS (Class II and III)	10/01/2015 - 06/30/2016	8.16%	10.91%	N/A	0.15%	11.06%
SCRS (Class II and III)	07/01/2016 - 09/30/2016	8.66%	11.41%	N/A	0.15%	11.56%

These rates are actuarially determined as amounts that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Organization were \$45,523 for SCRS for the year ended September 30, 2016.

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

At September 30, 2016, the Organization reported a liability of \$1,101,528 for SCRS for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on a projection of the Organization's long-term share of contributions to the pension plan relative to the projected contributions of all participating Organizations, actuarially determined. At June 30, 2016, the Organization's proportion was 0.005157% for SCRS.

For the year ended September 30, 2016, the Organization made contractually required contributions totaling \$45,523. The Organization had a significant change in the number of plan participants, which reduced its proportionate share of the plan liability. Adjustments made to account for contributions made after the measurement date and for the change in the proportionate share of deferred amounts and net pension liability resulted in a reduction of expense in the amount of \$67,050. Due to the aforementioned adjustments, the Organization recognized a reduction in pension expense resulting in a credit to the pension expense account in the amount of \$21,527.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

8. Pension Plan, Continued

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

At September 30, 2016, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,419	\$ 1,196
Net difference between projected and actual earnings on pension plan investments	130,101	37,427
Changes in proportion and differences between Organization contributions and proportionate share of contributions	-	290,857
Organization contributions subsequent to the measurement date	3,100	-
Total	\$ 144,620	\$ 329,480

\$3,100 for SCRS was reported as deferred outflows of resources related to pensions resulting from Organization contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
June 30:	SCRS
2017	\$ (86,249)
2018	(92,218)
2019	(24,369)
2020	14,876
2021	-
Thereafter	-
Total	\$ (187,960)

Actuarial assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2015.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

8. Pension Plan, Continued

Actuarial assumptions, Continued

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	SCRS
	Entry age normal
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	3.0% to 12.5% (varies by service)
Inflation	2.75%
Benefit adjustments	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	RP-2000 males multiplied by 100%	RP-2000 females multiplied by 90%

Long-Term expected rate of return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market outlook at the end of the third quarter 2015. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of return, along with the expected inflation rate, form the basis for the revised target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation, which is summarized in the actuarial assumptions table above. For actuarial purposes, the 7.5% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the next page.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

8. Pension Plan, Continued

Long-Term expected rate of return, Continued

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity			
Global Public Equity	34%	6.52%	2.22%
Private Equity	9%	9.30%	0.84%
Real Assets			
Real Estate	5%	4.32%	0.22%
Commodities	3%	4.53%	0.14%
Opportunistic			
Global Tactical Asset Allocation/ Risk Parity	10%	3.90%	0.39%
Hedge Funds (Low Beta)	10%	3.90%	0.39%
Diversified Credit			
Mixed Credit	5%	3.52%	0.17%
Emerging Markets Debt	5%	4.91%	0.25%
Private Debt	7%	4.47%	0.31%
Conservative Fixed Income			
Core Fixed Income	10%	1.72%	0.17%
Cash and Short Duration (Net)	2%	0.71%	0.01%
Total	<u>100%</u>		<u>5.10%</u>
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u><u>7.85%</u></u>

Discount rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Organization's proportionate share of the net pension liability to changes in the discount rate

The following presents the Organization's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

System	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
SCRS	\$ 1,374,126	\$ 1,101,528	\$ 874,600

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

8. Pension Plan, Continued

Pension plan fiduciary net position

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

9. Risk Management

The Organization is exposed to various risks of loss and maintains state or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage during the year. Settled claims have not exceeded this coverage in the prior three years. The Organization pays insurance premiums to certain other state agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay for covered economic losses sustained during the policy period in accordance with the established policy limits and deductibles.

The Organization pays premiums to the State's Insurance Reserve Fund (IRF) which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following assets, activities, and/or events:

- Theft of, damage to, or destruction of assets;
- Tangible property owned by the Organization;
- Torts

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of certain property and equipment and auto liability. Reinsurance permits partial recovery of losses from reinsurers but the IRF remains primarily liable.

The Organization has not reported an estimated claims loss expenditure and the related liability at September 30, 2016 based on the requirements of GASB *Statement No. 10 and No. 30* which state that a liability for claims must be reported only if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before September 30, 2016 and the amount of the loss is reasonably estimable. Liabilities include an amount for incurred but not reported (IBNR) losses when it is probable a claim will be asserted. Claims liabilities when recorded are based on estimates of the ultimate cost of settling known but not paid claims and IBNR claims at September 30 using past experience adjusted for factors that would modify past experience.

In management's opinion, claims losses in excess of insurance coverage are unlikely and, if incurred, would be insignificant to the Organization's financial position. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expenditure and liability should be recorded; and, therefore, no loss accrual has been recorded.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

10. Commitments and Contingencies

The Organization receives a substantial amount of its support from the federal and local funds. While it is anticipated that funding will continue in the future, a significant reduction in the level of this support, if it were to occur, could have an adverse effect on the Organization's programs and activities.

Financial assistance from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. Management is not aware of any noncompliance or disallowed costs. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

11. Concentrations

The Organization is highly dependent on annual funding received from federal grants and loans. In addition, the Organization was appropriated significant funds from the County's sales tax increase beginning in fiscal year 2006. The funding by all of these agencies is subject to annual appropriation. The Organization is required to comply with a variety of federal and state requirements and restrictions to receive and retain grant funds and the related assets previously acquired with such funds.

Funding to provide services comes from a combination of federal and local funds. The Organization is required to provide local matching funds to draw down federal dollars, and grant funds, to provided services.

The Organization has entered into an agreement with the Berkeley-Charleston-Dorchester Council of Governments ("BCDCOG") for management and staff services. Oversight of the daily operations; decision making related to personnel, budget, contracts, and any other need; accounting and financial management services; grant compliance; budget analysis and preparation; and any additional duties requested by the Organization are included in the scope of services of the contract. The Organization is highly reliant on the BCDCOG at this time. Should either party exercise its right to terminate the contract, the ability for the Organization to self-manage would be severely impaired at that time.

The Organization relies heavily on its contract with TransDev to provide all transportation and maintenance services. Should this contract be terminated by either party, the Organization could be in jeopardy losing of its ability to operate its programs.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2016

12. Restatement of Net Position and Fund Balance

The Organization made one correction related to the prior year audited balances as reflected below. The Organization has historically recorded the entire amount of insurance premiums paid as a lump sum for the year to the South Carolina Insurance Reserve Fund as expense. For the year ended September 30, 2016, a correction was made to recognize part of this payment on the statement of net position as a prepaid expense as the policy runs from January through December.

The changes to beginning net position and fund balance are as follows:

	Net Position	Fund Balance
Ending balance per fiscal year 2015 audit	\$ 6,613,111	\$ 933,456
Correct for misstated asset	126,055	126,055
Balance, as restated	\$ 6,739,166	\$ 1,059,511

13. Subsequent Events

Charleston County voters approved an additional half-cent sales tax on November 8, 2016. It is anticipated that the Organization will receive approximately \$600 million of the \$2.1 billion anticipated to be collected over a twenty-five year period. These funds will be used to improve the fleet of buses and to develop a bus rapid transit system.

Discretionary funding in the amount of \$6.1 million from the Federal Transit Authority was awarded to purchase sixteen new commuter express vehicles. Matching funds of \$1.5 million will be required to draw down these federal funds.

South Carolina Parks, Recreation & Tourism Commission awarded a \$500,000 grant to fund rehabilitation of existing shelters, acquire new shelters, and add solar lighting to various shelters.

On October 1, 2016, the Organization reached an agreement with the Berkeley-Charleston-Dorchester Council of Governments to continue provision of management, accounting, and financial management services. The contract continues until either party gives notice of its intent to terminate the contract and any termination would be effective at the beginning of the subsequent fiscal year.

The Organization has evaluated all subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF THE ORGANIZATION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - SOUTH CAROLINA RETIREMENT SYSTEM
Last 10 Fiscal Years

	2016	2015
	SCRS	SCRS
Proportion of the net pension liability	0.005157%	0.006298%
Proportionate share of the net pension liability	\$ 1,101,528	\$ 1,194,446
Covered-employee payroll	\$ 499,380	\$ 590,505
Proportionate share of the net pension liability as percentage of covered-employee payroll	220.58%	202.28%
Plan fiduciary net position as a percentage of the total pension liability	52.90%	59.90%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF ORGANIZATION CONTRIBUTIONS -
SOUTH CAROLINA RETIREMENT SYSTEM
Last 10 Fiscal Years

	2016	2015
	SCRS	SCRS
Contractually required contribution	\$ 55,232	\$ 64,365
Contributions in relation to the contractually required contribution	(55,232)	(64,365)
Contribution deficiency (excess)	\$ -	\$ -
Organization's covered-employee payroll	\$ 499,380	\$ 590,505
Contributions as a percentage of covered-employee payroll	11.06%	10.90%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years for which information is available.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
PENSION PLAN SUPPLEMENTARY INFORMATION NOTE
September 30, 2016

CHANGE OF BENEFIT TERMS

No changes were made to the benefit terms during the fiscal year ended June 30, 2016 (the measurement year).

CHANGES OF ASSUMPTIONS

No changes were made to the actuarial assumptions utilized during the fiscal year ended June 30, 2016 (the measurement year).

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
OTHER POST EMPLOYMENT BENEFITS - DEFINED BENEFIT HEALTH CARE PLAN
SCHEDULE OF FUNDING PROGRESS
For the year ended September 30, 2016

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2014	\$ -	\$ 73,870	\$ 73,870	0%	\$ 446,991	16.53%

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION GRANT
For the Year Ended September 30, 2016

OPT Contract #

Contract Period:

Performance period:

CAPITAL

Bus Standard 40 ft (Replacement)

Maintenance Facility

GFI Odyssey Electronic Farebox

Total Capital

Total Program

Approved Budget

Total Federal Costs

Total State Costs

Total Local Costs

Budget Balance

PT - 59211 - C1				
January 1, 2015 - March 31, 2016				
Budget	Section 5309 (FTA #SC-04-0015)	SMTF	Local	Variance
September 2015 - February 2016				
\$ 1,369,201	\$ 982,000	\$ 376,425	\$ (47,618)	\$ 58,394
31,874	-	31,874	7,856	(7,856)
9,800	-	9,800	42,130	(42,130)
1,410,875	982,000	418,099	2,368	8,408
\$ 1,410,875	\$ 982,000	\$ 418,099	\$ 2,368	\$ 8,408

\$ 1,410,875
982,000
418,099
2,368
<u>\$ 8,408</u>



**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**

To the Board of Directors of
Charleston Area Regional Transportation Authority
North Charleston, South Carolina

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 governmental activities, each major fund, and the aggregate remaining fund information of Charleston Area Regional Transportation Authority (the Organization), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated February 20, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*.

Organization's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Columbia, South Carolina
February 20, 2017

Clark Eustace Wagner, PA



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Charleston Area Regional Transportation Authority
North Charleston, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Charleston Area Regional Transportation Authority (the Organization's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2016. The Organization'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 the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization 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 September 30, 2016.

Report on Internal Control over Compliance

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

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

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

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

Columbia, South Carolina
February 20, 2017

Clark Eustace Wagner, PA

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2016

Federal Grantor/Pass-through grantor/program title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Direct Programs:			
Federal Transit Cluster:			
Federal Transit Capital Investment Grants (5309)	20.500	SC-04-0015-00	\$ 982,000
Formula Grants for Urbanized Areas (5307)	20.507	SC-90-X264-01	150,000
Formula Grants for Urbanized Areas (5307)	20.507	SC-90-X307-00	5,961,964
Total Direct Programs			<u>7,093,964</u>
Passed through Berkeley-Charleston-Dorchester Council of Governments			
Bus and Bus Facilities Formula Program (5339)	20.526	SC-2016-001-00	1,920,907
Enhanced Mobility Program (5310)	20.513	SC-16-X010-00	14,904
Total Passed through Berkeley-Charleston-Dorchester Council of Governments			<u>1,935,811</u>
Total U.S. Department of Transportation			<u>9,029,775</u>
Total Federal Expenditures			<u><u>\$ 9,029,775</u></u>

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended September 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowed or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

SECTION 1
SUMMARY OF AUDITOR'S RESULTS

<u>Financial Statements</u>	<u>Summary of Auditor's Results</u>				
1. Type of auditor's report issued:	Unmodified				
2. Internal controls over financial reporting:					
a. Material weaknesses identified?	No				
b. Significant deficiencies identified not considered to be material weaknesses?	No				
3. Noncompliance material to financial statements noted?	No				
<u>Federal Awards</u>					
1. Internal controls over major programs:					
a. Material weaknesses identified?	No				
b. Significant deficiencies identified not considered to be material weaknesses?	No				
2. Type of auditor's report issued on compliance for major programs:	Unmodified				
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No				
4. Identification of major programs:					
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">CFDA</th> <th style="text-align: left; border-bottom: 1px solid black;">Federal Program Title</th> </tr> </thead> <tbody> <tr> <td>20.500; 20.507</td> <td>Federal Transit Cluster</td> </tr> </tbody> </table>	CFDA	Federal Program Title	20.500; 20.507	Federal Transit Cluster	
CFDA	Federal Program Title				
20.500; 20.507	Federal Transit Cluster				
5. Dollar Threshold used to distinguish between programs?	\$750,000				
6. Auditee qualified as a low-risk auditee?	No				

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
September 30, 2016

SECTION 2
FINANCIAL STATEMENT FINDINGS

No matters to report.

SECTION 3
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters to report.

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
September 30, 2016

FINANCIAL STATEMENT FINDINGS

No prior year findings reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No prior year findings reported.



MEMORANDUM

TO: Board of Directors

FROM: Robin W. Mitchum, Deputy Director of Finance & Administration *RW*

SUBJECT: January 31, 2017 Financial Report Overview

DATE: February 15, 2017

Please find attached the January 31, 2017 Financial Report. Below is a brief overview of the activities for FY17.

Revenues

The budget to actual revenues for the month were below our projections.

- The farebox revenue fell short of projections.
- The actual federal revenue includes operating and capital for the year to date.
- The Charleston County EOC revenue is for services provided for Hurricane Matthew evacuations. These funds will be provided from Charleston County through FEMA reimbursement. We do not have an estimated date for the receipt of these funds.
- Insurance proceeds are a result of accidents.
- Sale of Assets reflects the proceeds of the sale of five Cut-a-Way buses and two 40-foot express buses on GovDeals. This line item also includes the scrap bus sold to TransDev for \$3,601.

Expenditures

The budget to actual expenditures for the month were mostly on target with our projections with the exception of a few items.

- Dues/Publications are slightly over budget at 12% for the month. This is primarily due to annual payment for dues to the Metro Chamber of Commerce.
- Office Equipment Maintenance (OEM) is over budget by 49%. We had maintenance on the mobile radios that was unexpected. We will adjust the budget in the first revision.
- Advertising is over budget by 126% due to promotion of the "DASH" and refurbished bike giveaways. We will adjust the budget in the first revision is necessary.

- Contract Services (IGA & Management) is over budget by 16%. The overage is primarily due to the extensive services provided to CARTA. We will adjust the budget in the first revision as necessary.
- Operating Fees & Licenses is 25% over budget. This overage is due to annual Stormwater management fees.
- Insurance includes the cost of liability insurance provided by the Insurance Reserve Fund. The amount reflected is the bulk once a year renewal invoice. While we will receive premium adjustments throughout the year as we add and remove assets, this amount reflects the bulk of the expenditure for the year.
- Security/Cameras include the installation of security cameras on buses & at our facilities. In addition to installing cameras at the super stop, CARTA has purchased AngelTrax Digital Video Recording Systems for installation on the fleet. This purchase reflects in the percentage overage for this line item since it was a one-time large purchase.

We expect these items to come back into line since some of these expenses do not occur consistently every month. We will continue to monitor our line item budget and recommend changes through budget revisions as deemed necessary.

Overall, the agency ended the month with an excess of revenue of \$580,526.

If you have any questions, please contact me at 843-529-0400 ext. 213 or robinm@bcdcog.com.

CARTA
Statement of Revenues & Expenditures
For the Month Ending January 31, 2017

Time elapsed:
33%

	<u>FY17 Budget</u>	<u>Actual</u>	<u>% of Budget</u>
<u>Revenues</u>			
Farebox	2,696,890	776,492	29%
Passes	585,388	197,323	34%
COC Shuttle	452,580	152,479	34%
MUSC	807,000	257,150	32%
City of Charleston - DASH	516,600	167,280	32%
City of North Charleston	1,151,630	-	0%
Federal	18,279,154	3,520,289	19%
State Mass Transit Funds	661,636	-	0%
Sales Tax - Charleston County	8,147,000	2,642,416	32%
Charleston County EOC	-	47,316	N/A
Charleston County Intermodal	1,241,870	-	0%
Advertising	825,000	239,371	29%
Interest	300	42	14%
Insurance Proceeds	-	36,630	N/A
Sale of Assets	-	17,207	N/A
TOTAL REVENUES	<u>35,365,048.00</u>	<u>8,053,995</u>	23%
<u>Expenditures</u>			
Staff Salaries	147,327	50,595	34%
Supplies	15,000	5,628	38%
Printing	100,000	18,818	19%
Marketing	70,000	13,860	20%
Automotive	2,880	1,007	35%
Accounting (Auditing)	20,000	-	0%
Postage	2,500	610	24%
Dues/Publications	1,100	500	45%
Training/Travel	2,000	-	0%
Office Equipment Rental	17,496	6,404	37%
Office Equipment Maintenance	18,000	14,784	82%
Rent	11,963	4,021	34%
Communications	105,500	15,332	15%
Utilities	10,500	3,247	31%
Advertising	5,500	8,731	159%
Public Notices	3,500	365	10%
Money Counting	6,000	1,714	29%
Professional Services	36,000	4,673	13%
Contract Services	850,000	414,319	49%
Paratransit Certification	31,000	-	0%

CARTA
Statement of Revenues & Expenditures
For the Month Ending January 31, 2017

Time elapsed:
33%

	<u>FY17 Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Vehicle Maintenance	376,000	46,799	12%
Operating Fees & Licenses	17,000	9,903	58%
Insurance	538,147	514,351	96%
Fuel	1,300,000	361,499	28%
Fixed Route	12,084,000	3,751,384	31%
Paratransit	2,282,343	711,338	31%
Miscellaneous	12,500	533	4%
Intermodal Infrastructure - Construction	11,467,500	721,237	6%
Rolling Stock	1,866,627	475,600	25%
Support Vehicles	250,661	-	0%
Bus Shelter Construction/Bench Install	668,864	2,252	0%
Security/Cameras	344,084	225,267	65%
Fareboxes	1,000,000	-	0%
Signage	70,015	14,405	21%
Automated Vehicle Locator	919,237	-	0%
Capital (IT, Facility Repairs/Maint)	250,000	74,293	30%
Engineering	50,000	-	0%
Leeds Ave. (FTA Payback)	411,804	-	0%
TOTAL EXPENDITURES	<u>35,365,048</u>	<u>7,473,469</u>	21%
 Excess (Deficit) of Revenues Over (Under) Expenditures	 <u>-</u>	 <u>580,526</u>	

CARTA
Statement of Revenues & Expenditures
For the Month Ending January 31, 2017

	Administration	Operating	Capital	TOTAL
EXPENDITURES:				
Salaries & Benefits	23,882	26,713		50,595
Total Direct Personnel	23,882	26,713	-	50,595
Supplies	4,182	1,446		5,628
Printing	-	18,818		18,818
Marketing	13,860			13,860
Automotive	1,007			1,007
Accounting (Outside Services & Auditing)	-			-
Postage	556	54		610
Dues/Publications	500	-		500
Training/Travel	-	-		-
Office Equipment Rental	6,404			6,404
Office Equipment Maintenance	14,784			14,784
Rent	2,021	2,000		4,021
Telephone/Communications	1,754	13,578		15,332
Utilities		3,247		3,247
Advertising	1,081	7,650		8,731
Public Notices	-	365		365
Money Counting		1,714		1,714
Other Professional Services	1,923	2,750		4,673
Contract Services		414,319		414,319
Paratransit Certification				-
Low Income Fare Determination		-		-
Bus Shelter Cleaning		-		-
Consultant Fees - Vehicles				-
Vehicle Maintenance		46,799		46,799
Operating Fees & Licenses	1,198	8,705		9,903
Insurance	9,331	505,020		514,351
Fuel		361,499		361,499
Fixed Route		3,751,384		3,751,384
Paratransit		711,338		711,338
Miscellaneous	533			533
Intermodal Infrastructure - Construction			721,237	721,237
Rolling Stock			475,600	475,600
Support Vehicles				-
Bus Shelter Construction/Bench Install		2,252	-	2,252
Security Cameras		1,447	223,820	225,267
Fareboxes				-
Signage		14,405	-	14,405
Automated Vehicle Locator				-
Capital (IT, Facility Repairs/Maint)	2,990	71,303		74,293
Engineering		-	-	-
Leeds Ave. (FTA Payback)				-
TOTAL EXPENDITURES	86,006	5,966,806	1,420,657	7,473,469

CARTA
Statement of Revenues & Expenditures
For the Month Ending January 31, 2017

	Administration	Operating	Capital	TOTAL
<u>REVENUE</u>				
Farebox		776,492		776,492
Passes		197,323		197,323
COC Shuttle		152,479		152,479
MUSC		257,150		257,150
City of Charleston - DASH		167,280		167,280
City of North Charleston				-
Federal		2,340,066		2,340,066
Federal SC-90-X307			60,222	60,222
Federal SC-04-0010			576,990	576,990
Federal SC-90-X0259	1,893			1,893
Federal SC-90-X0287		1,801	57,006	58,807
Federal SC-16-X010		43,519		43,519
Federal SC-16-X013		49,815		49,815
Federal SC-2016-001-00			8,497	8,497
Federal SC-2016-016-00			380,480	380,480
State Mass Transit Funds				-
Sales Tax - Charleston County	664,597	1,640,357	337,462	2,642,416
Charleston County Intermodal				-
Charleston County EOC		47,316		47,316
Advertising		239,371		239,371
Interest	42			42
Insurance Proceeds		36,630		36,630
Sale of Assets		17,207		17,207
TOTAL REVENUES	666,532	5,966,806	1,420,657	8,053,995
EXCESS OF REVENUES OVER EXPENDITURES	580,526	-	-	580,526

**CARTA
BALANCE SHEET
1/31/2017**

ASSETS

ASSETS

GENERAL OPERATING (BB&T)	1,918,607.61
SAVINGS (BB&T)	1,241,953.12
INTERMODAL (BB&T)	4,700,000.50
CAPITAL (BB&T)	631,260.00
PETTY CASH	380.60
ACCOUNTS RECEIVABLE	4,460,227.34
HEALTH INS ADVANCE DEPOSIT	3,362.60
INVENTORY - FUEL	23,470.31
DEFERRED OUTFLOWS: ER CONTR	37,206.00
LAND	539,509.00
IDLE VEHICLES	2,343,698.77
CIP	1,472,621.00
VEHICLES	23,298,307.33
EQUIPMENT	1,203,236.00
FAREBOXES	875,095.84
SHELTERS	2,301,692.43
BUS SIGNAGE	62,555.32
FACILITIES	8,918,112.77
ACCUMULATED DEPRECIATION	(29,473,130.49)
PREPAID EXPENSES	1,296.68
TOTAL ASSETS	<u>24,559,462.73</u>

LIABILITIES & EQUITY

LIABILITIES

PAYROLL	5,304.01
ACCOUNTS PAYABLE	2,768,773.11
COMPENSATED ABSENCES	14,136.67
UNEARNED REVENUE	621,000.00
DUE TO FEDERAL GOVERNMENT	1,647,216.00
OPEB LIABILITY	11,883.00
DEFERRED INFLOWS: PENSION INVEST	193,211.00
PENSION PLAN	1,194,446.00
TOTAL LIABILITIES	<u>6,455,969.79</u>

EQUITY

CURRENT YEAR FUND BALANCE	580,525.90
INVEST IN CAPITAL ASSETS	9,831,760.53
FUND BALANCE	7,691,206.51
TOTAL EQUITY	<u>18,103,492.94</u>

TOTAL LIABILITIES & FUND EQUITY 24,559,462.73



CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY

MEMORANDUM

DATE: February 16, 2017

TO: Ron Mitchum, Executive Director

FROM: Jason McGarry, Procurement/Contracts Administrator 

SUBJ: Integrated Broadband Router IFB

The Integrated Broadband Router committee (Andrea Kozloski, and Jason McGarry) met on February 2, 2017 and reviewed two (2) proposals received for the Integrated Broadband Router IFB. Bids were received from RCN Technologies and Clever Devices.

- RCN Technologies \$87,878.44 Cradlepoint Model # IBR1100
- Clever Devices \$139,525.00 Cradlepoint Model # IBR1100
- \$155,383.00 Digi Model # WR44R

The staff recommendation is that CARTA negotiate a contract with **RCN Technologies** for the Integrated Broadband Router Installation based off knowledge of the requirements and being the low bid.

If you have any questions or need additional information, please let me know.

CARTA

CHARLESTON AREA REGIONAL TRANSPORTATION AUTHORITY
TRANSDEV TRANSPORTATION

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

February 22, 2017

Updated August 2, 2014
Updated August 31, 2013
August 31, 2010

TABLE OF CONTENTS

I. INTRODUCTION	3
INTRODUCTION TO THIS DOCUMENT	3
<i>How to Use This Document</i>	3
<i>Part Contents</i>	3
<i>Audience</i>	4
<i>Distribution</i>	4
II. DESIGN OF THE PLAN	4
OVERVIEW OF THE BUSINESS CONTINUITY PLAN	4
<i>Purpose</i>	4
<i>Assumptions</i>	5
<i>Development</i>	6
<i>Maintenance</i>	6
<i>Testing</i>	6
ORGANIZATION OF DISASTER RESPONSE AND RECOVERY	6
<i>Business Continuity Management Team</i>	6
<i>Operations Area Support Teams</i>	7
<i>Disaster Response</i>	8
<i>Disaster Detection and Determination</i>	8
<i>Disaster Notification</i>	8
INITIATION OF THE THE PLAN	9
<i>Activation of a Designated Hot Site</i>	9
<i>Dissemination of Internal and Public Communications</i>	9
<i>Provision of Support Services to Aid Recovery</i>	9
<i>Disaster Recovery Strategy</i>	9
<i>Emergency Phase</i>	10
<i>Back-up Phase</i>	11
<i>Recovery Phase</i>	11
SCOPE OF THE BUSINESS CONTINUITY PLAN	11
CATEGORY I CRITICAL FUNCTIONS	12
CATEGORY II ESSENTIAL FUNCTIONS	12
CATEGORY III NECESSARY FUNCTIONS	12
III. EMERGENCY OPERATIONS CENTERS	13
APPENDIX A – CONTACT LIST	13
APPENDIX B – PLAN DISTRIBUTION LIST	13

I. Introduction

Introduction to This Document

Part I contains information about this document, which provides the written record of the CARTA/TRANSDEV Business Continuity Plan ("the PLAN").

Planning for the business continuity of CARTA/TRANSDEV (CARTA) in the aftermath of a disaster is a complex task. Preparation for, response to, and recovery from a disaster affecting the administrative functions requires the cooperative efforts of many support organizations in partnership with the areas supporting operations. This document records the plan that outlines and coordinates these efforts, reflecting the analyses by representatives from these organizations.

For use in the event of a disaster, this document identifies the recovery facilities (hot sites and shell sites) that have been designated as backups if the functional areas are disabled.

How to Use This Document

Use this document to learn about the issues involved in planning for the continuity of the critical and essential business functions at CARTA, as a checklist of preparation tasks, for training personnel, and for recovering from a disaster. This document is divided into four parts, as the table below describes.

Part Contents

- I. Information about the document itself
- II. Design of the plan that this document records, including information about the overall structure of business continuity planning at CARTA.
- III. General responsibilities of the Business Continuity Management Team (BCMT) and Operations Area Support Teams, emphasizing the function of each representative and its preparation responsibilities.
- IV. Recovery actions for the Operations Area Support Teams and important checklists such as the notification list for a disaster and an inventory of resources required for the environment. [Note: If a "disaster" situation arises, Section IV of the Plan is the only section that needs to be referenced. It contains all of the procedures and support information for recovery.]

Audience

This document addresses several groups within CARTA with differing levels and types of responsibilities for business continuity, as follows:

Business Continuity Management Team (BCMT)

Operations Area Support Teams

It should be emphasized that this document is addressed particularly to the members of the BCMT, since they have the responsibility of preparing for, responding to, and recovering from any disaster that impacts CARTA. Part III of this document describes the composition of the BCMT in detail.

Distribution

As the written record of the THE PLAN, this document is distributed to each member of the BCMT, and all relevant stakeholders (Appendix C - Distribution List)

II. Design of the Plan

Overview of the Business Continuity Plan

Part II describes the philosophy of business continuity planning at CARTA generally, and the kind of analysis that produced this Plan. It also provides an overview of the functions of the BCMT in implementing this Plan.

Purpose

CARTA increasingly depends on computer-supported information processing and telecommunications. This dependency will continue to grow with the trend toward information technology solutions to support CARTA operations.

The increasing dependency on computers and telecommunications for operational support poses the risk that a lengthy loss of these capabilities could seriously affect the overall performance of CARTA. A risk analysis which was conducted identified several systems as belonging to risk Category I, comprising those functions whose loss could cause a major impact to CARTA within the first 24-48 hours. It also categorized a majority of CARTA functions as Essential, or Category II - requiring processing support within 1 week of an outage. This risk assessment process will be repeated on a regular basis to ensure that changes to our processing and environment are reflected in recovery planning.

CARTA management recognizes the potential probability of severe damage to data processing telecommunications or support services capabilities that support operations. Because of the potential impact to CARTA, a plan for reducing the risk of damage from a disaster is vital. CARTA's Business Continuity Plan is designed to reduce the risk to an acceptable level by ensuring the restoration of Critical processing within 24-48 hours, and all essential production (Category II processing) within 1 week of the outage.

The plan identifies the critical functions of CARTA and the resources required to support them. The plan provides guidelines for ensuring that needed personnel and resources are available for both disaster preparation and response and that the proper steps will be carried out to permit the timely restoration of services.

The PLAN specifies the responsibilities of the BCMT, whose mission is to establish functional level procedures to ensure the continuity of CARTA's business functions. In the event of a disaster affecting any of the functional areas, the BCMT serves as liaison between the functional area(s) affected and other organizations providing major services. These services include the support provided by CARTA administration, Transdev administration, operations, and maintenance.

Assumptions

The plan is predicated on the validity of the following three assumptions:

The situation that causes the disaster is localized to the operations facility and systems in North Charleston, SC; the building or space housing the functional area; or to the communication systems and networks that support the functional area. It is not a general disaster, such as an earthquake affecting a major portion of metropolitan Charleston.

It should be noted however, that the plan will still be functional and effective even in an area-wide disaster. Even though the basic priorities for restoration of essential services to the community will normally take precedence over the recovery of an individual organization, THE PLAN can still provide for a more expeditious restoration of resources for supporting key functions.

The plan is based on the availability of the hot sites or the back-up resources, as described in Part IV. The accessibility of these, or equivalent back-up resources, is a critical requirement.

The plan is a document that reflects the changing environment and requirements of CARTA. Therefore, the plan requires the continued allocation of resources to maintain it and to keep it in a constant state of readiness.

Development

CARTA's BCMT, with assistance from key Operations Support Area Teams, is responsible for developing the Business Continuity Plan.

Maintenance

Ensuring that the plan reflects ongoing changes to resources is crucial. This task includes updating the plan and revising this document to reflect updates; testing the updated plan; and training personnel. The BCMT is responsible for this comprehensive maintenance task.

Annually, the BCMT ensures that the plan undergoes a complete review to confirm the incorporation of all changes since the prior year, which could result in major revisions to this document. These revisions will be distributed to all authorized personnel, who exchange their old plans for the newly revised plans.

Testing

Testing the Business Continuity Plan is an essential element of preparedness. Partial tests of individual components and recovery plans of specific areas will be carried out on a regular basis. A comprehensive exercise of our continuity capabilities and support by our designated recovery facilities will be performed on an annual basis.

Organization of Disaster Response and Recovery

The organizational backbone of business continuity planning at CARTA is the Business Continuity Management Team. In the event of a disaster affecting CARTA or its resources, the BCMT will respond in accordance with this plan and will initiate specific actions for recovery.

Business Continuity Management Team

CARTA Executive Director or Designee: Manages and directs CARTA operations.

CARTA Deputy Director of Operations and Support: Provides liaison with the Committee for support of emergency response activities, service restoration, and resource allocation in the recovery from the disaster. Coordinates all information technology and telecommunication systems recovery.

CARTA Customer Service Supervisor: Oversees the operations of the Customer Service Department and works with the Deputy Director of Operations and Support on areas affected by the disaster.

CARTA Transit Coordinator: Coordinates services and issues with Transdev as a result of the disaster.

General Manager TransDev Transportation: Manages and directs the TransDev Administration, Operations and Maintenance functions.

Director Technology TransDev Transportation: Coordinates all information technology and telecommunications systems recovery, including operational restoration at the designated hot site.

Operations Manager, TransDev Transportation: Provides liaison with the Committee for support of critical business functions affected by the disaster in the area of OPERATIONS.

Maintenance Director, TransDev Transportation: Provides liaison with the Committee for support of critical business functions affected by the disaster in the area of MAINTENANCE.

Administrative Services Manager, TransDev Transportation: Provides liaison with the Committee for support of critical business functions affected by the disaster in the area of TRANSDEV ADMINISTRATION

For the business continuity of CARTA systems, two organizations are primary: the Business Continuity Management Team and its Operations Area Support Teams relevant as affected by the disaster. In the event of a disaster, the BCMT provides primary direction, while the support teams are concerned with resources and tasks integral to running the specific operations area.

This section provides general information about the organization of recovery efforts and the role of the BCMT. Part III of this document describes the BCMT and the responsibilities of each support team in detail.

The BCMT is composed of upper-level managers in CARTA operations and corporate administration. The following is a list of each position on the Business Continuity Management Team, and a brief overview of each member's responsibilities:

Operations Area Support Teams

Under the overall direction of the Business Continuity Management Team, support is provided to assist an operations area's recovery by Operations Area

Support Teams. These teams, described below, will work to restore services and provide assistance at the area level. In many cases, the organizations comprising these support teams have as their normal responsibility the provision of these support services. This support is generally documented in an operations procedures manual. The Business Continuity Plan is an adjunct to that documentation and highlights the individual actions of recovery. In cases where the documentation in this plan and the operations procedure documents differ, the operations documentation has precedence.

OPERATIONS AREA SUPPORT TEAM LISTING AND GENERAL RESPONSIBILITIES

Disaster Response

This section describes six required responses to a disaster, or to a problem that could evolve into a disaster:

1. Detect and determine a disaster condition
2. Notify persons responsible for recovery
3. Initiate the CARTA/TRANSDEV Business Continuity Plan
4. Activate the designated hot site
5. Disseminate Internal and Public Communications
6. Provide support services to aid recovery

Each subsection below identifies the organization(s) and/or position(s) responsible for each of these six responses.

Disaster Detection and Determination

The detection of an event which could result in a disaster affecting operations at CARTA is the responsibility of CARTA Executive Director or Designee or whoever first discovers or receives information about an emergency situation developing in one of the operations areas

Disaster Notification

The discovery individual will follow existing procedures and notify the General Manager. They will monitor the evolving situation and, if appropriate, will then notify the Business Continuity Management Team representatives based upon a predefined set of notification parameters.

Initiation of the PLAN

Initiation of this Plan is the responsibility of any member of the Business Continuity Management Team.

Activation of a Designated Hot Site

The responsibility for activating any of the designated hot sites or back-up resources is delegated to the CARTA Executive Director. In the absence of CARTA Executive, responsibility reverts to the Deputy Director of Operations and Support. Within 24 hours of the occurrence, the General Manager, or alternate, determines the prognosis for recovery of the damaged functional area through consultation with the Operations Area Support Team Leads.

If the estimated occupancy or recovery of the damaged functional area cannot be accomplished within 24 hours, the usual occupants of the designated back-up site are notified of the intention to occupy their facility.

Dissemination of Internal and Public Communications

The CARTA Executive Director is responsible for directing all meetings, communications and discussions internally and with the news media and the public. In the absence of Executive Director, the responsibility reverts to the most senior official present at the scene, which can include senior management of the TransDev Team.

Recovery Status Information Number **1-888-382-1149** has been established as a voice mail information number for posting recovery status and information notices. All reports will be placed by the Administrative Manager.

Provision of Support Services to Aid Recovery

During and following a disaster, Operations Area Support Teams are responsible for provisioning support services to aid recovery under the direction of the Business Continuity Management Team.

Disaster Recovery Strategy

The disaster recovery strategy explained below pertains specifically to a disaster disabling the main operations facility. Especially at risk are the critical services designated as Category I (see below). The Operations Support Team individual plans provides for recovering the capacity to support these critical services within 24-48 hours. Summarizing the provisions of the Operations Area Support Team plans, subsections below explain the context in which the CARTA Business

Continuity Plan operates. The Business Continuity Plan complements the strategies for restoring operations under these plans.

This section addresses three phases of disaster recovery:

- Emergency
- Backup
- Recovery

Strategies for accomplishing each of these phases are described below. It should be noted that the subsection describing the emergency phase applies equally to a disaster affecting all Operations Support areas within the facility, the functional area that provides support for the critical service.

Emergency Phase

The emergency phase begins with the initial response to a disaster. During this phase, the existing emergency plans and procedures of the facility direct efforts to protect life and property, the primary goal of initial response. Security over the area is established as local support services such as the Police and Fire Departments are enlisted through existing mechanisms. CARTA's Executive Director is alerted and begins to monitor the situation.

If the emergency situation appears to affect the main facility (or other critical facility or service), either through damage to building, equipment or support facilities, or if access to the facility is prohibited, the General Manager will closely monitor the event, notifying BCMT personnel as required to assist in damage assessment. Once access to the facility is permitted, an assessment of the damage is made to determine the estimated length of the outage. If access to the facility is precluded, then the estimate includes the time until the effect of the disaster on the facility can be evaluated.

If the estimated outage is less than 24-48 hours, recovery will be initiated under normal operational recovery procedures. If the outage is estimated to be longer than 1 week, then the General Manager activates the BCMT, which in turn notifies all relevant stakeholders and the Business Continuity Plan is activated. The recovery process then moves into the back-up phase.

The Business Continuity Management Team remains active until recovery is complete to ensure that the support teams will be ready in the event the situation changes.

Back-up Phase

The back-up phase begins with the initiation of the appropriate Operations Area Support Team plans for outages enduring longer than 24-48 hours. In the initial stage of the back-up phase, the goal is to resume critical services. Services will resume either at the main facility or at the designated hot site, depending on the results of the assessment of damage to equipment and the physical structure of the building.

In the back-up phase, the initial hot site must support critical (Category I) services for up to 1 week and as many Category II services as resources and time permit. During this period, services resume, possibly in a degraded mode, up to the capacity of the hot site. Within this 1 week period, the main facility will be returned to full operational status if possible.

However, if the damaged area requires a longer period of reconstruction, then the second stage of back-up commences. During the second stage, a shell facility (a pre-arranged temporary processing facility that we have contracted to use for this purpose) is assembled and equipment installed to provide for all services until a permanent site is ready. The current back up location is the Charleston County Fleet Operations Center on Headquarters Road.

Recovery Phase

The time required for recovery of the functional area and the eventual restoration of normal processing depends on the damage caused by the disaster. The time frame for recovery can vary from several days to several months. In either case, the recovery process begins immediately after the disaster and takes place in parallel with back-up operations at the designated hot site. The primary goal is to restore normal operations as soon as possible.

Scope of the Business Continuity Plan

The objective of this plan is to restore critical (Category I) systems within 24-48 hours, and Essential (Category II) systems within 1 week of a disaster that disables any functional area and/or essential service supporting the functions in that area.

The initial risk assessment of the services that support CARTA operations assigned services to Category I Critical. This risk category identifies services that have the highest priority and must be restored within 24-48 hours of a disaster disabling a functional area. Specifically, each function of these services was evaluated and allocated a place in one of four risk categories, as described below.

Category I Critical Functions

Communications

Vehicle Fueling

Vehicle Repair

Operation of Service

Documentation of Activities

Operator Support

Category II Essential Functions

ESSENTIAL SOFTWARE OPERATION

3CX Phone Management System

3CX is a cloud based phone management system that can be accessed from any location that has internet access.

Farebox Management System

Genfare is maintained on a computer in the cash counting room.

GV Edge Recording System

The GV Edge System is the camera system in the facility. This system can be accessed from any location that has internet access.

ADP Enterprise (payroll)

ADP Enterprise is an internet based application, and can be accessed from any location that has internet access.

RTA (maintenance and purchasing tracking)

RTA will be maintained through TransDev servers in Milwaukee. In an emergency situation, RTA will still be accessible through a PC with the software loaded.

Trapeze (Paratransit dispatching and scheduling)

Trapeze is maintained through TransDev servers in Milwaukee. In an emergency situation, Trapeze will still be accessible through a PC with the software loaded.

DATA REMOVAL

In the event of an emergency, servers will be removed from the premises, along with backup tapes. Essential PC's and laptops will also be removed in order to be set up at an alternate operating facility, if necessary.

Category III Necessary Functions

Preventative Maintenance

Administration

III. Emergency Operations Centers

Appendix A – Contact List

Title	Name	Primary Phone #	Secondary Phone #
General Manager	Ginger Stevens	843-329-1021	843 367-4180
Operations Manager	Kristen Carter	843-745-1001	843-642-2049
Maintenance Manager	David Bonner	843-745-1002	843-425-1461
Administrative Services Manager	Shannon Cooper	843-745-9402	843-729-6170
Corporate IT Director	Neal Hemenover	630-382-2386	630 666-9765
Para Transit Manager	Alisha Wigfall	843-745-9316	843-302-2390
Safety & Training Manager	Bryant Belvin	843-745-1003	843-425-5439

Appendix B – Plan Distribution List

Title	Name	Email Address
General Manager	Ginger Stevens	ginger.stevens@transdev.com
Executive Director	Ron Mitchum	rmitchum@ridecarta.com
Deputy Director of Operations and Support	Andrea Kozloski	andreak@bcdcog.com
Transit Coordinator	Rainee Kearney	rkearney@ridecarta.com
BCMT Team		
Relevant Stockholders		



CHARLESTON AREA REGIONAL
TRANSPORTATION AUTHORITY

INFORMATION TECHNOLOGY POLICY AND OPERATIONS MANUAL



CHARLESTON AREA REGIONAL
TRANSPORTATION AUTHORITY

INFORMATION TECHNOLOGY POLICY
AND OPERATIONS MANUAL

February 2017

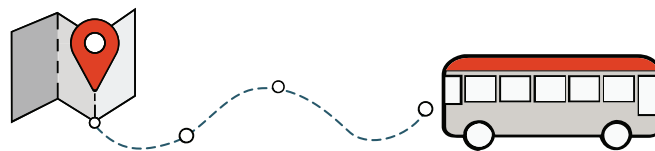
TABLE of CONTENTS

<i>Policy No.</i>	<i>Policy Title</i>	
	Technology Services	1
2016-31	<i>Access Control and User Account Management Policy</i>	3
2016-32	<i>Business Continuity and Disaster Recovery Plan</i>	6
2016-33	<i>IT Risk Strategy Policy</i>	8
2016-34	<i>Information Security Policy</i>	10
2016-35	<i>Remote Access Policy</i>	13



*Charleston Area Regional Transportation Agency
Policy and Procedure Manual*

TECHNOLOGY SERVICES



Information Security exists to further the mission of the agency. The agency has evolving needs related to information technology resources and data. This policy establishes a framework for establishing access control and user account management as well as adhering to regulatory and compliance requirements.

This policy applies to all agency employees, contractors, guests, consultants, temporary employees, and any other users who may have access to agency resources containing protected data.

DEFINITIONS:

- *Access Control: To permit or deny access to a particular resource.*
- *System Administrator: An individual who performs network/system administration duties and/or technical support of network/systems that are accessed by other people, systems, or services. Only full-time and permanent part-time employees of the agency and/or third party vendors approved by IT may function as system administrators.*
- *Agency: Refers to CARTA as a whole and includes all departments.*
- *User Account Management: Identity life cycle ranging from creating, maintaining, and ultimately decommissioning/deleting user accounts.*
- *Protected Data: Any data governed under Federal or State regulatory or compliance requirements such as HIPAA, as well as data deemed critical to business and agency processes which, if compromised, may cause substantial harm and/or financial loss.*

ACCESS CONTROL:

All individuals who require access to agency information resources containing Protected Data must be appropriately authorized prior to such access being granted. The authorization will be approved on a need-to-know basis by the relevant manager. Access to information systems must be restricted to authorized personnel in order to prevent and detect unauthorized access or abuse. To maintain effective security it is vital for the agency to ensure that data can only be accessed and processed by authorized personnel.

System Administrators must strictly control access to information resources under their direction or ownership. When approving access rights, the respective manager must ensure the following requirements are considered and evaluated prior to approving such access and before forwarding the request to the system administrator:

- *User's need for access;*
- *Potential conflict with segregation of duties;*
- *Any regulatory requirements;*
- *Level of access required (read, update, delete); and,*
- *Access duration.*

USER ACCOUNT MANAGEMENT:

The following requirements regarding User Account Management must be implemented:

- *All users must be assigned their own unique user account with only the privileges needed to perform their job.*
- *There must be a formal registration and de-registration procedure for providing an employee with an agency account requiring authorization from appropriate management, or an authorized delegate.*
- *Identifiers and authentication for accounts must be independent of the employees' internal unique identifiers.*



- Account creation, updates, disabling, suspending, resetting, and re-enabling must be a defined process. All such account activity should be logged in a secure audit trail.
- The number of users/administrators with privileged accounts on servers must be restricted.
- Appropriate managers must specifically authorize privileged accounts.
- Administrators must use unique administrator account allocated per administrator.
- Every unique user ID must correspond to an individual unless there is an operational need to allocate a generic user ID, in which case the appropriate justification must be presented in writing to the IT staff to determine if adequate compensating controls may be implemented to track and monitor use of the account.
- The use of any anonymous accounts or guest accounts must be limited to emergency access or if they are specifically required and must be authorized by appropriate managers.
- Accounts for employees must be immediately disabled upon separation from the agency.
- All other accounts must be automatically disabled after 180 days of inactivity. Inactive accounts will be checked to determine if the staff member is on extended leave.
- Disabled accounts must be deleted after 180 days of being disabled.

EXCEPTIONS:

Any requests for exceptions to this policy must be submitted in writing and will be reviewed on a case by case basis. Exceptions shall be permitted only after written approval from the Executive Director. The list of exceptions shall be reviewed annually and canceled as required.

IMPLEMENTATION:

USERS:

- Responsible for maintaining the confidentiality of their account(s).

SYSTEM ADMINISTRATOR:

- Responsible for following the policy of granting access to agency resources to necessary individuals on a need-to-know basis
- Responsible for communicating any exception requests to the Executive Director.
- Responsible for the provisioning and deprovisioning of accounts within their respective systems.

IT MANAGER:

- Responsible for regular review of this Policy. The review will occur annually or when significant changes occur.
- Responsible for reviewing exceptions yearly.
- Responsible for monitoring the enforcement of the policy.

EXECUTIVE DIRECTOR:

- Responsible for reviewing and approving or denying exception requests.

Accounts and network access may be administratively suspended with or without notice by the agency when, in the agency's judgment, continued use of the agency's resources may interfere with the work of others, places the agency or others at risk, violates agency policy, or interferes with disaster recovery efforts.

Violations of the policy will be addressed by disciplinary policies and procedures applicable to the individual.

All known and/or suspected violations, or knowing interference with disaster recovery efforts must be reported to the applicable Systems Administrator, who will report, as appropriate, to the IT Manager. All such allegations of misuse will be investigated by the appropriate staff member.

PENALTIES MAY INCLUDE:

- *Suspension or termination of access to computer and/or network resources;*
- *Suspension or termination of employment, to the extent authorized by other agency published policies and procedures;*
- *Suspension or termination of contract computer and/or network services; or*
- *Criminal and/or civil prosecution.*



Information Security exists to further the mission of the agency. The agency has evolving needs related to information technology resources and data. Information Technology Business Continuity Planning is critical to ensuring that in the event of a significant system interruption, the Agency can effectively recover information technology data and resources that enable business processes. The Business Continuity and Disaster Recovery Policy establishes a framework for developing IT business continuity and disaster recovery plans.

This policy applies to all agency employees, contractors, guests, consultants, temporary employees, and any other users who may have access to agency information technology resources.

POLICY:

Information Technology Comprehensive Business Continuity and Disaster Recovery Plans ("IT Continuity Plans") must be developed that address disruptions to normal business operations. These plans must be consistent with the broader Agency master plan and at a minimum must be reviewed and tested annually to ensure their viability during recovery. The plans must address recovery of information resources, personnel, processes, and applicable IT facilities for all sites. These plans are designed to reduce the disruption to critical business processes and the supporting information resources that may result from natural disasters and other events impacting the confidentiality, integrity and/or availability of such resources. All aspects of potential outages, ranging from human error, equipment failure, utility failure, and natural disasters must be taken into account in a comprehensive planning document. These plans must be a combination of both preventative as well as recovery controls. System administrators must be part of the planning process. The plans must:

- Be updated and tested no later than June 1st of each year with the results of the test documented.
- Remain up-to-date to include any software, hardware or application changes.
- List roles responsibilities and communication strategies in the event of a disaster.
- Be delivered and aggregated centrally to the IT Manager.

EXCEPTIONS:

Any requests for exceptions to this policy must be submitted in writing and will be reviewed on a case by case basis. Exceptions shall be permitted only after written approval from the Executive Director. The list of exceptions shall be reviewed annually and canceled as required.

IMPLEMENTATION:

IT MANAGER:

- Responsible for planning and testing IT business continuity and disaster recovery plans.
- Forwards proposed policies and recommendations for changes in policy as needed to the Executive Director.
- Responsible for regular review of this Policy. The review will occur annually or when significant changes occur.
- Responsible for reviewing exceptions yearly.
- Responsible for monitoring the enforcement of the policy.

EXECUTIVE DIRECTOR:

- Responsible for reviewing and approving or denying exception requests.

Accounts and network access may be administratively suspended with or without notice by the Agency when, in the Agency's judgment, continued use of the Agency's resources may interfere with the work of others, places the Agency or others at risk, or violates Agency policy.



Knowing violations of the policy will be addressed by disciplinary policies and procedures applicable to the individual.

All known and/or suspected violations or knowing interference with disaster recovery efforts must be reported to the applicable Systems Administrator, who will report, as appropriate, to the IT Manager. All such allegations of misuse will be investigated by the appropriate staff member.

PENALTIES MAY INCLUDE:

- *Suspension or termination of access to computer and/or network resources;*
- *Suspension or termination of employment, to the extent authorized by other agency published policies and procedures;*
- *Suspension or termination of contract computer and/or network services; or*
- *Criminal and/or civil prosecution.*



Information Security exists to further the mission of the agency. The agency has evolving needs related to information technology resources and data. This policy establishes the Enterprise Risk Management Policy, for managing risk associated with information assets, information leakage, and network vulnerabilities. The Risk Management Policy and associated plans, augment CARTA's mission, by pro-actively identifying threats and vulnerabilities, which can result in consequences.

The scope of this policy is applicable to all Information Technology (IT) resources owned or operated by CARTA. Any information, not specifically identified as the property of other parties, that is transmitted or stored on CARTA's IT resources (including e-mail, messages and files) is the property of CARTA. All users (CARTA employees, contractors, vendors or others) of IT resources are responsible for adhering to this policy.

The CARTA Information Security policy serves to be consistent with best practices associated with organizational Information Security management. It is the intention of this policy to establish an Information Security Risk Management capability throughout CARTA and its business units for identifying, assessing, and managing cyber security risk which may occur across the enterprise environment.

POLICY:

CARTA has chosen to adopt the Risk Management principles established in NIST SP 800-37 "Guide for Applying the Risk Management Framework to Federal Information Systems," as the official policy for this domain. The following subsections outline the Risk Management standards that constitute CARTA's policy. Each CARTA Business System is then bound to this policy, and must develop or adhere to a program plan which demonstrates compliance with the policy related the standards documented.

- **RA-1 Risk Assessment Procedures:** All CARTA Systems must develop, adopt or adhere to a formal, documented risk assessment procedure that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance.
- **RA-2 Security Categorization:** All CARTA Systems must categorize information and the information asset in accordance with applicable directives, policies, regulations, standards, and guidance. This includes documenting the security categorization results (including supporting rationale) for the system and to ensure the security categorization decision is reviewed and approved by the authorizing official or authorizing official designated representative.
- **RA-3 Risk Assessment:** All CARTA Systems must conduct an assessment of risk, including the likelihood and magnitude of harm, from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information asset and the information it processes, stores, or transmits. This includes:
 - Documenting the risk assessment results in a Risk Assessment report
 - Updating the risk assessment every three years or whenever there are significant changes to the information asset or environment of operation (including the identification of new threats and vulnerabilities), or other conditions that may impact the security state of the system.
- **RA-4 Vulnerability Scanning:** All CARTA Systems are required to conduct network vulnerability scans of their assets including; applications, databases, network or system operating platform, at least quarterly.

EXCEPTIONS:

Any requests for exceptions to this policy must be submitted in writing and will be reviewed on a case by case basis. Exceptions shall be permitted only after written approval from the Executive Director. The list of exceptions shall be reviewed annually and canceled as required.



IMPLEMENTATION:

IT MANAGER:

- *Forwards proposed policies and recommendations for changes in policy as needed to the Executive Director.*
- *Responsible for regular review of this Policy. The review will occur annually or when significant changes occur.*
- *Responsible for reviewing exceptions yearly.*
- *Responsible for monitoring the enforcement of the policy.*

EXECUTIVE DIRECTOR:

- *Responsible for reviewing and approving or denying exception requests.*

Violations of the policy will be addressed by disciplinary policies and procedures applicable to the individual.

All known and/or suspected violations or knowing interference with disaster recovery efforts must be reported to the applicable Systems Administrator, who will report, as appropriate, to the IT Manager. All such allegations of misuse will be investigated by the appropriate staff member.

PENALTIES MAY INCLUDE:

- *Suspension or termination of access to computer and/or network resources;*
- *Suspension or termination of employment, to the extent authorized by other agency published policies and procedures;*
- *Suspension or termination of contract computer and/or network services; or*
- *Criminal and/or civil prosecution.*



Information Security exists to further the mission of the agency. The agency has evolving needs related to information technology resources and data. This policy establishes an agency-wide approach to information security. Information security is intended to foster the business interests of the agency by helping to ensure the confidentiality, integrity, and availability of information resources and data; reduce the risk of information loss by accidental or intentional modification, disclosure, or destructions and preserve the agency's rights and remedies in the event of such a loss by implementing cost effective and appropriate controls.

This policy applies to all agency employees, contractors, guests, consultants, temporary employees, and any other users who may have access to agency information technology resources.

POLICY:

To address information security effectively the following framework has been identified. Agency management may become aware of situations that could place the Agency's facilities, employees, critical business and processes, and intellectual property at risk or harm. These situations include, but are not limited to:

- Knowledge of existing or potential security violations.
- Knowledge of a situation that may potentially place the Agency's critical business and information or intellectual property at risk of being lost, altered, or unavailable.
- Terminated employees or other business representatives who continue to have access to facilities or Information Technology resources once access is no longer warranted.
- Changes to user access needs (e.g., employees who transfer to another department and employee promotions).
- Processes that may place the Agency's information at risk.
- Unsolicited requests for Agency's information from external sources (e.g., questionnaires requesting organization financial and bio-data).
- Physical security or safety concerns.

All departments must establish minimal requirements for the security domains listed below where appropriate. Agency management must ensure that employees are complying with security policies, standards, and guidelines.

PHYSICAL SECURITY:

Physical security measures for controlling access to electronic information resources through physical means, including disaster controls, physical access controls, device and media controls, and procedural controls over financial instruments and maintenance records must be in place.

Access to data network facilities and other sensitive areas must be provided based on the principle of least privilege and the user's responsibilities.

PERSONNEL SECURITY:

The recruitment process must include control measures and security provisions. Appropriate background checks of individuals applying for employment, depending on the position and its associated responsibilities within the organization, must be conducted. Formal policies, procedures and processes must be in place to ensure all personnel who have access to sensitive information have the required authority as well as appropriate clearance. Upon employment all employees must be informed of and agree to the protection of confidential information.



LOGICAL SECURITY:

Access to data network resources must be controlled on the basis of “least privilege” and need to know. Adequate security must be provided to ensure the protection and maintenance of integrity, confidentiality and availability over the systems and information.

COMMUNICATIONS SECURITY:

It is important to establish an efficient flow of information without compromising the integrity and confidentiality of such information. The Agency may share information with employees, contractors, guests, consultants, temporary employees, and partner organizations which have a legitimate role. The Agency may also share information with non-partner organizations as required by law or by court orders/subpoenas. The appropriate information sharing protocol for each case must be established.

SYSTEMS DEVELOPMENT:

All systems developments must comply with the information security policies of the Agency. All systems developments must include security issues in their consideration of new developments or modifications.

RISK MANAGEMENT:

A risk management program must be put in place to identify and mitigate risks to IT systems and to Protected Data throughout Agency systems. Risk assessments must be conducted periodically to identify and reduce possible threats to Agency information security. An assessment of risks must be conducted for each information system to ensure it is secured appropriately in a cost effective manner.

DISASTER RECOVERY AND CONTINGENCY PLANNING:

Disaster Recovery and contingency plans must be developed for dealing with emergency situations in the event of damage, failure, and/or other disabling events that could impact the critical business and processes and the information systems that support such processes.

SECURITY INCIDENT MANAGEMENT:

Information Technology security incident response policy and procedures must be developed for dealing with security events that may require the full participation of Information Technology technical personnel as well as leadership to manage the outcome properly.

SECURITY AWARENESS, TRAINING AND EDUCATION:

All information resource users must be made aware of policies regarding access to, and appropriate use of Agency information resources, and especially of the need to guard Protected Data. Department Heads play an important role in fostering an environment in which all members of the Agency are “security aware.” In particular cases, employees may need to receive formal security training. Department Heads should periodically remind their employees to re-read this policy and the other IT security policies applicable to them and to understand the role they play in protecting Agency information resources.

AGENCY GUIDANCE FOR MANAGING THIRD-PARTY ACCESS:

It is important to maintain the security posture of the Agency network infrastructure and only allow third-parties access to what is needed as part of their business relationship with the Agency. Access by third parties should be controlled and should only be granted where there is a business need. In addition, a risk assessment must be conducted to determine if the security controls in place or planned will meet the security requirements of the Agency. If feasible, security controls must be defined clearly in the contract language.



EXCEPTIONS:

Any requests for exceptions to this policy must be submitted in writing and will be reviewed on a case by case basis. Exceptions shall be permitted only after written approval from the Executive Director. The list of exceptions shall be reviewed annually and canceled as required.

IMPLEMENTATION:

IT MANAGER:

- *Forwards proposed policies and recommendations for changes in policy as needed to the Executive Director .*
- *Responsible for regular review of this Policy. The review will occur annually or when significant changes occur.*
- *Responsible for reviewing exceptions yearly.*
- *Responsible for monitoring the enforcement of the policy.*

EXECUTIVE DIRECTOR:

- *Responsible for reviewing and approving or denying exception requests.*

Violations of the policy will be addressed by disciplinary policies and procedures applicable to the individual.

All known and/or suspected violations, or knowing interference with disaster recovery efforts must be reported to the applicable Systems Administrator, who will report, as appropriate, to the IT Manager. All such allegations of misuse will be investigated by the appropriate staff member.

PENALTIES MAY INCLUDE:

- *Suspension or termination of access to computer and/or network resources;*
- *Suspension or termination of employment, to the extent authorized by other agency published policies and procedures;*
- *Suspension or termination of contract computer and/or network services; or*
- *Criminal and/or civil prosecution.*

Information Security exists to further the mission of the agency. The agency has evolving needs related to information technology resources and data. The Remote Access Policy outlines the requirements for connecting to the internal network from a remote location in order to ensure the confidentiality, integrity, and availability of data and electronic resources throughout the Agency.

This policy applies to all agency employees, contractors, guests, consultants, temporary employees, and any other users who may have access to agency information technology resources.

POLICY:

Remote access to Protected Data on the Agency network should be granted on a case-by-case basis only to employees with job functions that make this type of access essential. Remote access requires additional security controls and monitoring due to the increased risk it presents. Users who access information resources remotely are responsible for the physical protection of the resources they use and for the information they access during remote access sessions. Scripted or automated entry of User IDs and passwords is not permitted. These additional guidelines should also be followed:

- Modems are not to be installed on Agency computer resources such as workstations/desktops, with the exception of Agency laptops.
- Modems shall be physically disconnected from any telephone line when not in use.
- Users shall maintain remote desktop instructions in a strictly confidential manner.
- IT staff shall ensure that adequate controls are in place for managing and monitoring remote access services (i.e., VPN, wireless).
- Remote workstations should include security software to detect and protect against malicious code such as adware, viruses and application exploits.
- Remote connections must time-out after 15 minutes of inactivity.
- Remote users must close any remote access connections when not in use.
- Remote users shall not employ any mechanisms that would force a connection to stay open automatically. In addition, remote users shall not connect to an Agency network from multiple places at the same time.

EXCEPTIONS:

Any requests for exceptions to this policy must be submitted in writing and will be reviewed on a case by case basis. Exceptions shall be permitted only after written approval from the Executive Director. The list of exceptions shall be reviewed annually and canceled as required.

IMPLEMENTATION:

REMOTE USERS:

- Responsible for following remote access rules outlined within the policy.

IT MANAGER:

- Responsible for reviewing and approving requests for remote access to data and resources.
- Forwards proposed policies and recommendations for changes in policy as needed to the Executive Director.
- Responsible for regular review of this Policy. The review will occur annually or when significant changes occur.
- Responsible for reviewing exceptions yearly.
- Responsible for monitoring the enforcement of the policy.



EXECUTIVE DIRECTOR:

- *Responsible for reviewing and approving or denying exception requests.*

Accounts and network access may be administratively suspended with or without notice by the Agency when, in the Agency's judgment, continued use of the Agency's resources may interfere with the work of others, places the Agency or others at risk, or violates Agency policy.

Knowing violations of the policy will be addressed by disciplinary policies and procedures applicable to the individual.

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- *Suspension or termination of employment, to the extent authorized by other agency published policies and procedures;*
- *Suspension or termination of contract computer and/or network services; or*
- *Criminal and/or civil prosecution.*

CARTA

Charleston Area Regional Transportation Authority

INTER-OFFICE MEMORANDUM

TO: Ronald Mitchum, Executive Director

FROM: Raineer' Kearney, Transit Coordinator

DATE: February 13, 2017

SUBJECT: January 2017 Ridership Report Summary Statistics

CC: file

As requested, the following information presents an overview of the ridership statistics for the month of January 2017.

- Ridership for January was 301,461, a decrease 1.7% over last year. That is a decrease of 2,902 passenger trips. Year-to-date, ridership is down by 1.7%
- Routes that did not meet performance standards include - Express 3 Dorchester Rd. , Express 4 NASH Airport, Rt. 31 Folly Rd., Rt. 41 Coleman Blvd., Rt. 42 Wando Circulator, Rt. 102 North Neck/Rutledge Ave., Rt. 103 Leeds Ave, Rt. 104 Montague Ave., Rt. 204 MUSC/Calhoun Circulator, Rt. 301 Glenn McConnell Circulator.
- The system wide cost per passenger was \$2.05 (\$2.06 last year)
- Revenue for the month was \$458,341.84, which is a decrease of 4.2% from last year. Year-to-date, revenue is down by 4.2%
- Farebox recovery for the system was 42.6%
- Tel-A-Ride ridership for the month was 5,885, which is a 1.8% increase when compared to the same period last year. Year-to-date ridership is up 1.8%.
- The cost per Tel-A-Ride trip was \$26.53 which is a 0.8% increase over January of last year. The average cost is 0.8% more than last year's average.

Please feel free to contact me with any questions or for further information.

Revenue/Cost/Ridership for the Month of January 2017

Route Name	Revenue	Pass/Presale Revenue	2016 Revenue	2017 Revenue	Cost of Operation	Weekday Hours of Operation	Saturday Hours of Operation	Sunday Hours of Operation	Holiday Hours of Operation	Hours Operated	Percent Cost Recovered	Cost Per Passenger	Deviation From System Average	Allowable Deviation Under Performance Standards	Passengers Per Hour	Passenger Per Hour Target Under Performance Standards	2016 Ridership	2017 Ridership	Change from Last Year	% of Total Ridership
Express	\$ 2,979.86	\$ 23,508.28	\$ 20,055.08	\$ 26,488.14	\$ 56,427.34	43.1	0.0	0.0	0.0	905.46	46.94%	\$ 1.74	4.35%	-5.00%	19	15	16,475	17,198	723	5.70%
Express	\$ 1,709.85	\$ 17,551.94	\$ 10,907.89	\$ 19,261.79	\$ 41,150.83	31.1	0.0	0.0	0.0	654.09	46.81%	\$ 2.19	4.22%	-5.00%	15	15	11,914	9,996	(1,918)	3.32%
3 Dorchester Road Express	\$ 1,270.84	\$ 8,864.87	\$ 8,810.95	\$ 10,135.72	\$ 30,711.24	23.0	0.0	0.0	0.0	482.31	33.00%	\$ 4.16	-9.59%	-5.00%	10	15	4,568	4,947	379	1.64%
4 NASH Express	\$ 1,578.44	\$ 708.76	\$ 28,068.57	\$ 2,287.20	\$ 24,268.88	13.3	13.3	7.3	7.3	376.30	9.42%	\$ 20.08	-33.17%	-5.00%	3	15	1,388	1,095	(294)	0.36%
10 Rivers Avenue	\$ 73,449.72	\$ 29,185.63	\$ 97,459.64	\$ 102,635.35	\$ 168,379.89	110.3	58.1	33.1	33.1	2747.60	60.95%	\$ 0.98	18.36%	-10.00%	24	20	74,594	67,158	(7,436)	22.28%
11 Dorchester/Airport	\$ 24,203.93	\$ 13,271.57	\$ 32,673.73	\$ 37,475.50	\$ 74,595.00	43.5	39.6	22.0	22.0	1204.40	50.24%	\$ 1.22	7.65%	-10.00%	25	20	24,843	30,539	5,695	10.13%
12 Upper Dorchester AFB	\$ 25,626.86	\$ 10,858.35	\$ 33,806.72	\$ 36,485.21	\$ 80,646.78	48.7	34.5	23.9	23.9	1303.98	45.24%	\$ 1.77	2.65%	-10.00%	19	20	24,830	24,986	156	8.29%
13 Remount Road	\$ 7,728.67	\$ 4,319.58	\$ 8,377.43	\$ 12,048.26	\$ 37,711.26	22.0	20.7	9.0	9.0	597.49	31.95%	\$ 2.58	-10.64%	-10.00%	17	20	6,581	9,940	3,359	3.30%
20 King Street/Citadel	\$ 11.50	\$ 13,846.82	\$ 11,119.67	\$ 13,858.32	\$ 42,038.91	25.9	14.6	11.2	11.2	668.70	32.97%	\$ 1.98	-9.63%	-10.00%	21	20	9,522	14,221	4,699	4.72%
30 Savannah Highway	\$ 8,851.55	\$ 4,221.99	\$ 15,307.89	\$ 13,073.54	\$ 41,536.92	23.0	26.6	11.8	11.8	660.44	31.47%	\$ 2.93	-11.12%	-10.00%	15	20	11,791	9,715	(2,076)	3.22%
31 Folly Road	\$ 4,342.69	\$ 2,191.00	\$ 7,298.61	\$ 6,533.69	\$ 29,048.07	16.1	12.5	11.0	11.0	454.94	22.49%	\$ 4.47	-20.10%	-15.00%	11	10	5,278	5,042	(236)	1.67%
32 North Bridge	\$ 9,339.07	\$ 5,089.95	\$ 18,892.10	\$ 14,429.02	\$ 27,925.59	15.3	14.3	9.9	9.9	436.47	51.67%	\$ 1.15	9.08%	-10.00%	27	20	13,631	11,712	(1,918)	3.89%
33 St. Andrews/Ashley River Rd.	\$ 11,054.90	\$ 5,461.79	\$ -	\$ 16,516.69	\$ 45,757.00	29.8	11.3	9.8	9.8	729.88	36.10%	\$ 2.33	-6.50%	-10.00%	17	20	-	12,568	12,568	4.17%
40 Mt. Pleasant	\$ 8,905.79	\$ 4,562.61	\$ 16,067.06	\$ 13,468.40	\$ 41,436.04	23.7	25.1	10.2	10.2	658.78	32.50%	\$ 2.66	-10.09%	-10.00%	16	20	12,446	10,499	(1,947)	3.48%
41 Coleman Boulevard	\$ 1,838.84	\$ 1,087.15	\$ 2,242.04	\$ 2,925.99	\$ 24,508.93	15.5	14.0	0.0	0.0	380.25	11.94%	\$ 8.63	-30.65%	-10.00%	7	20	2,187	2,502	315	0.83%
42 Wando Circulator	\$ 1,831.38	\$ 1,052.03	\$ -	\$ 2,883.41	\$ 24,308.99	12.7	12.4	10.1	10.1	376.96	11.86%	\$ 8.85	-30.73%	-15.00%	6	10	-	2,421	2,421	0.80%
102 North Neck/ Rutledge Ave	\$ 2,049.32	\$ 1,387.24	\$ 5,011.14	\$ 3,436.56	\$ 25,805.22	14.9	22.2	0.0	0.0	401.58	13.32%	\$ 7.01	-29.27%	-15.00%	8	10	4,570	3,192	(1,378)	1.06%
103 Leeds Avenue	\$ 2,183.94	\$ 1,260.54	\$ 3,773.16	\$ 3,444.48	\$ 17,059.38	12.3	0.0	0.0	0.0	257.67	20.19%	\$ 4.69	-22.40%	-15.00%	11	10	3,287	2,901	(386)	0.96%
104 Montague Avenue	\$ 3,648.03	\$ 1,910.17	\$ 6,429.91	\$ 5,558.20	\$ 35,038.46	22.6	19.6	0.0	0.0	553.51	15.86%	\$ 6.71	-26.73%	-15.00%	8	10	5,261	4,395	(865)	1.46%
203 Medical University Shuttle	\$ 4.25	\$ 37,340.33	\$ 35,314.83	\$ 37,344.58	\$ 34,050.29	25.6	0.0	0.0	0.0	537.25	109.67%	\$ (0.32)	67.08%	-15.00%	19	10	9,163	10,200	1,037	3.38%
204 MUSC/ Calhoun Circulator	\$ 118.96	\$ 71.20	\$ -	\$ 190.15	\$ 9,746.56	6.5	0.0	0.0	0.0	137.34	1.95%	\$ 58.33	-40.64%	-15.00%	1	10	-	164	164	0.05%
210 Aquarium/ CofC DASH	\$ -	\$ 45,563.00	\$ 43,479.67	\$ 45,563.00	\$ 47,630.02	33.1	11.9	11.6	0.0	760.70	95.66%	\$ 0.13	53.07%	-15.00%	21	10	15,396	16,211	815	5.38%
211 Meeting/King DASH	\$ -	\$ 17,940.00	\$ 17,940.00	\$ 17,940.00	\$ 64,642.21	35.5	33.3	32.4	0.0	1040.63	27.75%	\$ 2.26	-14.84%	-15.00%	20	10	25,791	20,704	(5,087)	6.87%
213 Lockwood/Calhoun DASH	\$ 3.06	\$ 9,940.00	\$ 9,940.00	\$ 9,943.06	\$ 27,663.05	15.6	13.3	10.3	0.0	432.15	35.94%	\$ 3.33	-6.65%	-15.00%	12	10	10,059	5,320	(4,739)	1.76%
201 Glenn McConnell Circulator	\$ 2,748.19	\$ 1,667.40	\$ 13,730.91	\$ 4,415.58	\$ 24,042.80	15.7	10.7	0.0	0.0	372.58	18.37%	\$ 5.12	-24.23%	-15.00%	10	10	10,789	3,837	(6,952)	1.27%
TOTAL	\$ 195,479.63	\$ 262,862.21	\$ 446,707.01	\$ 458,341.84	\$ 1,076,129.67	678.8	407.9	223.5	169.2	17,131.5	42.59%	\$ 2.05					304,363	301,461	(2,902)	100.0%

NOT meeting Revenue Recovery Standards

Meeting Passenger Per Hour Standards

NOT Meeting Passenger Per Hour Standards

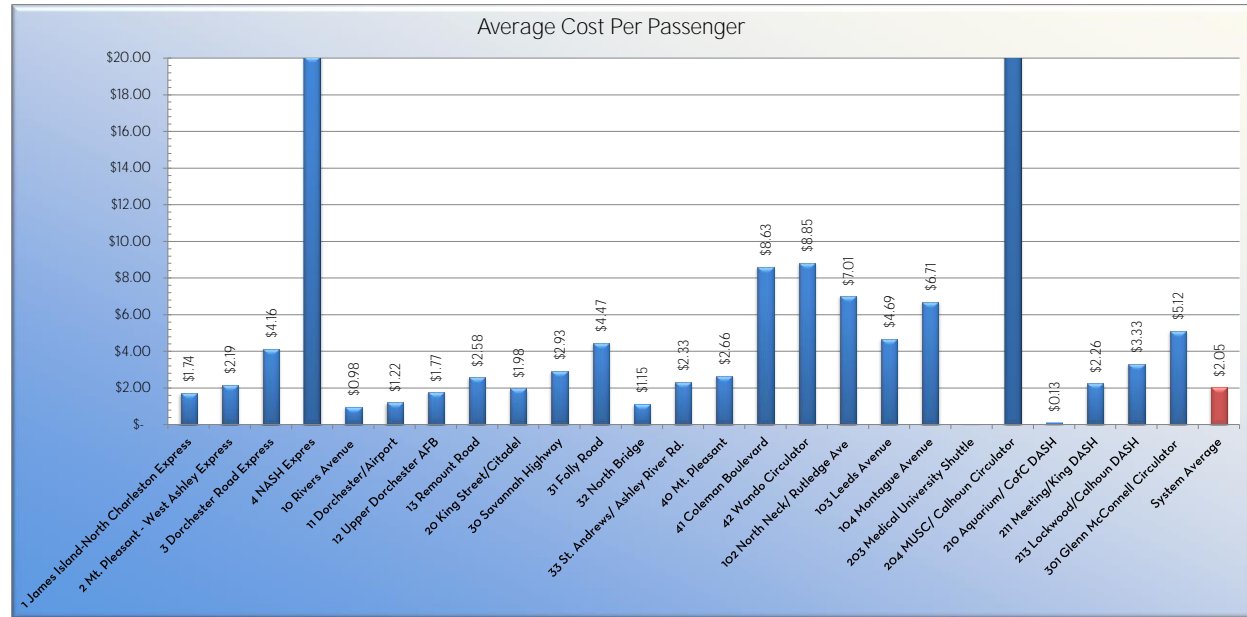
Revenue/Cost/Ridership for the Month of January 2017

Route Name	Revenue	Pass/Presale Revenue	2016 Revenue	2017 Revenue	Cost of Operation	Weekday Hours of Operation	Saturday Hours of Operation	Sunday Hours of Operation	Holiday Hours of Operation	Hours Operated	Percent Cost Recovered	Cost Per Passenger	Deviation From System Average	Allowable Deviation Under Performance Standards	Passengers Per Hour	Passenger Per Hour Target Under Performance Standards	2016 Ridership	2017 Ridership	Change from Last Year
1 James Island-North Charleston Express	\$2,979.86	\$23,508.28	\$23,234.80	\$26,488.14	\$56,427.34	43.1	0.0	0.0	0.0	905.5	46.94%	1.74	8.42%	-5.00%	19	15	16,475	17,198	723
3 Dorchester Road Express	\$1,270.84	\$8,864.87	\$8,569.66	\$10,135.72	\$30,711.24	23.0	0.0	0.0	0.0	482.3	33.00%	\$ 4.16	-5.52%	-5.00%	10	15	4,568	4,947	379
4 WASH Express	\$1,578.44	\$708.76	\$2,287.20	\$2,268.88	\$13.3	13.3	7.3	7.3	376.3	9.42%	\$ 20.08	-29.10%	-5.00%	-5.00%	3	15	1,388	1,095	(294)
10 Rivers Avenue	\$73,449.72	\$29,185.63	\$97,908.00	\$102,635.35	\$168,379.89	110.3	58.1	33.1	33.1	2747.6	60.95%	\$ 0.98	22.43%	-10.00%	24	20	74,594	67,158	(7,436)
11 Dorchester/Airport	\$24,203.93	\$13,271.57	\$31,691.09	\$37,475.50	\$74,595.00	43.5	39.6	22.0	22.0	1204.4	50.24%	\$ 1.22	11.71%	-10.00%	25	20	24,843	30,539	5,695
12 Upper Dorchester AFB	\$25,626.86	\$10,858.35	\$35,510.03	\$36,485.21	\$80,646.78	48.7	34.5	23.9	23.9	1304.0	45.24%	\$ 1.77	6.72%	-10.00%	19	20	24,830	24,986	156
13 Remount Road	\$7,728.67	\$4,319.58	\$8,658.51	\$12,048.26	\$37,711.26	22.0	20.7	9.0	9.0	597.5	31.95%	\$ 2.58	-6.58%	-10.00%	17	20	6,581	9,940	3,359
20 King Street/Citadel	\$11.50	\$13,846.82	\$11,899.71	\$13,858.32	\$42,038.91	25.9	14.6	11.2	11.2	668.7	32.97%	\$ 1.98	-5.56%	-10.00%	21	20	9,522	14,221	4,699
30 Savannah Highway	\$8,851.55	\$4,221.99	\$12,950.79	\$13,073.54	\$41,536.92	23.0	26.6	11.8	11.8	660.4	31.47%	\$ 2.93	-7.05%	-10.00%	15	20	11,791	9,715	(2,076)
31 Folly Road	\$4,342.69	\$2,191.00	\$6,377.91	\$6,533.69	\$29,048.07	16.1	12.5	11.0	11.0	454.9	22.49%	\$ 4.47	-16.03%	-15.00%	11	10	5,278	5,042	(236)
32 North Bridge	\$9,339.07	\$5,089.95	\$19,172.75	\$14,429.02	\$27,925.59	15.3	14.3	9.9	9.9	436.5	51.67%	\$ 1.15	13.14%	-10.00%	27	20	13,631	11,712	(1,918)
33 St. Andrew/ Ashley River Rd.	\$11,054.90	\$5,461.79	\$0.00	\$16,516.69	\$45,757.00	29.8	11.3	9.8	9.8	729.9	36.10%	\$ 2.33	-2.43%	-10.00%	17	20	-	12,568	12,568
40 Mt. Pleasant	\$8,905.79	\$4,562.61	\$15,760.82	\$13,468.40	\$41,436.04	23.7	25.1	10.2	10.2	658.8	32.50%	\$ 2.66	-6.02%	-10.00%	16	20	12,446	10,499	(1,947)
41 Coleman Boulevard	\$1,838.84	\$1,087.15	\$2,262.59	\$2,925.99	\$24,508.93	15.5	14.0	0.0	0.0	380.3	11.94%	\$ 8.63	-26.59%	-10.00%	7	20	2,187	2,502	315
42 Wando Circulator	\$1,831.38	\$1,052.03	\$0.00	\$2,883.41	\$24,308.99	12.7	12.4	10.1	10.1	377.0	11.86%	\$ 8.85	-26.66%	-15.00%	6	10	-	2,421	2,421
102 North Neck/ Rutledge Ave	\$2,049.32	\$1,387.24	\$4,824.55	\$3,436.56	\$25,805.22	14.9	22.2	0.0	0.0	401.6	13.32%	\$ 7.01	-25.21%	-15.00%	8	10	4,570	3,192	(1,378)
103 Leeds Avenue	\$2,183.94	\$1,260.54	\$3,554.49	\$3,444.48	\$17,059.38	12.3	0.0	0.0	0.0	257.7	20.19%	\$ 4.69	-18.33%	-15.00%	11	10	3,287	2,901	(386)
104 Montague Avenue	\$3,648.03	\$1,910.17	\$6,133.39	\$5,558.20	\$35,038.46	22.6	19.6	0.0	0.0	553.5	15.86%	\$ 6.71	-22.66%	-15.00%	8	10	5,261	4,395	(865)
203 Medical University Shuttle	\$118.96	\$71.20	\$0.00	\$190.15	\$9,746.56	6.5	0.0	0.0	0.0	137.3	1.95%	\$ 58.33	-36.57%	-15.00%	1	10	-	164	164
211 Meeting/King DASH																			
213 Lockwood/Calhoun DASH																			
301 Glenn McConnell Circulator	\$2,748.19	\$1,667.40	\$12,881.95	\$4,415.58	\$24,042.80	15.7	10.7	0.0	0.0	372.6	18.37%	\$ 5.12	-20.16%	-15.00%	10	10	10,789	3,837	(6,952)
TOTAL	\$195,472.32	\$152,078.88	\$313,632.92	\$347,551.20	\$902,144.10	569.0	349.3	169.2	169.2	14360.7	38.53%	\$ 2.23					243,954	249,026	5,072

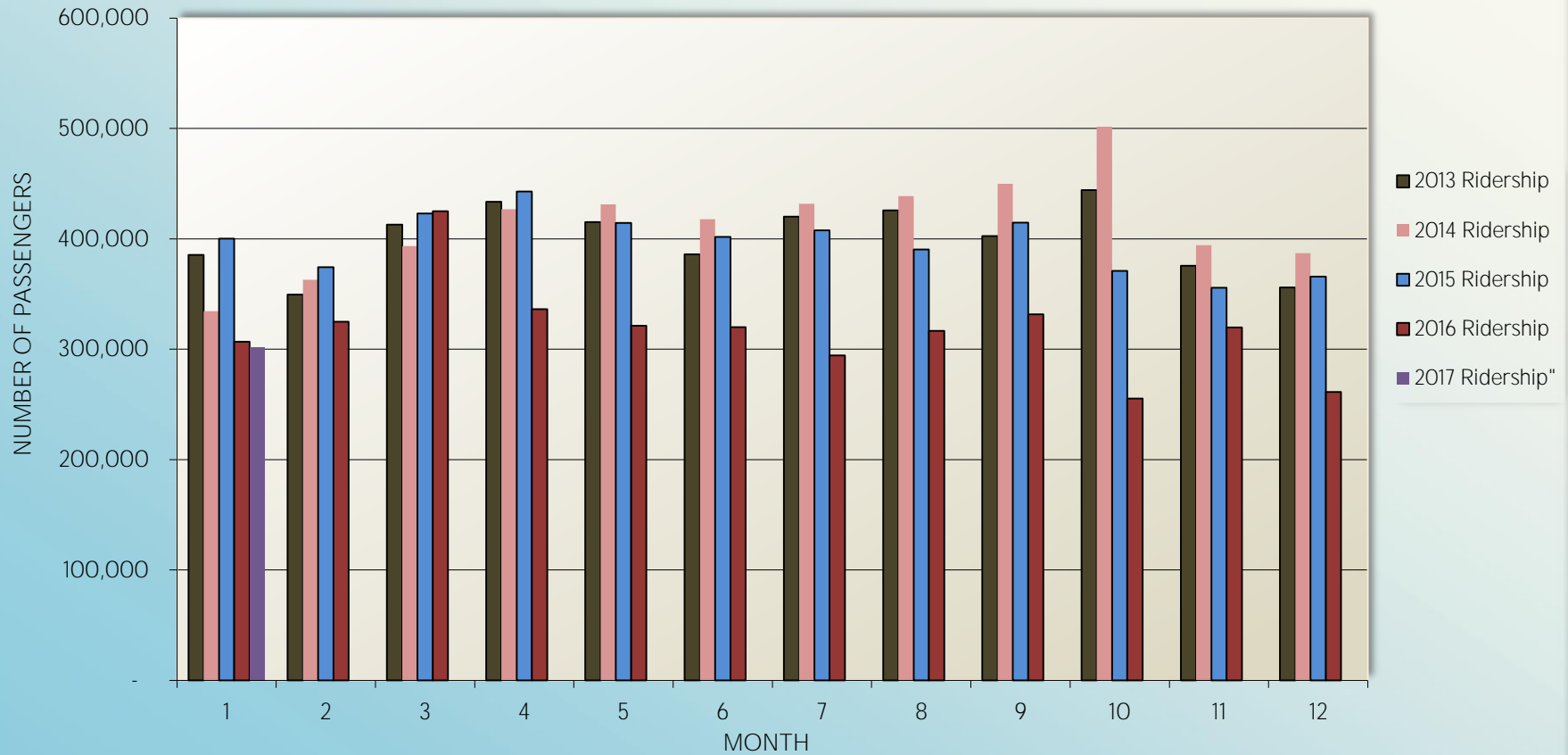
- NOT meeting Revenue Recovery Standards
- Meeting Passenger Per Hour Standards
- NOT Meeting Passenger Per Hour Standards

Average Cost Per Passenger for the Month of January 2017

Route Name	Average Cost Per Passenger
1 James Island-North Charleston Express	\$ 1.74
2 Mt. Pleasant - West Ashley Express	\$ 2.19
3 Dorchester Road Express	\$ 4.16
4 NASH Express	\$ 20.08
10 Rivers Avenue	\$ 0.98
11 Dorchester/Airport	\$ 1.22
12 Upper Dorchester AFB	\$ 1.77
13 Remount Road	\$ 2.58
20 King Street/Citadel	\$ 1.98
30 Savannah Highway	\$ 2.93
31 Folly Road	\$ 4.47
32 North Bridge	\$ 1.15
33 St. Andrews/ Ashley River Rd.	\$ 2.33
40 Mt. Pleasant	\$ 2.66
41 Coleman Boulevard	\$ 8.63
42 Wando Circulator	\$ 8.85
102 North Neck/ Rutledge Ave	\$ 7.01
103 Leeds Avenue	\$ 4.69
104 Montague Avenue	\$ 6.71
203 Medical University Shuttle	\$ (0.32)
204 MUSC/ Calhoun Circulator	\$ 58.33
210 Aquarium/ CofC DASH	\$ 0.13
211 Meeting/King DASH	\$ 2.26
213 Lockwood/Calhoun DASH	\$ 3.33
301 Glenn McConnell Circulator	\$ 5.12
System Average	\$ 2.05



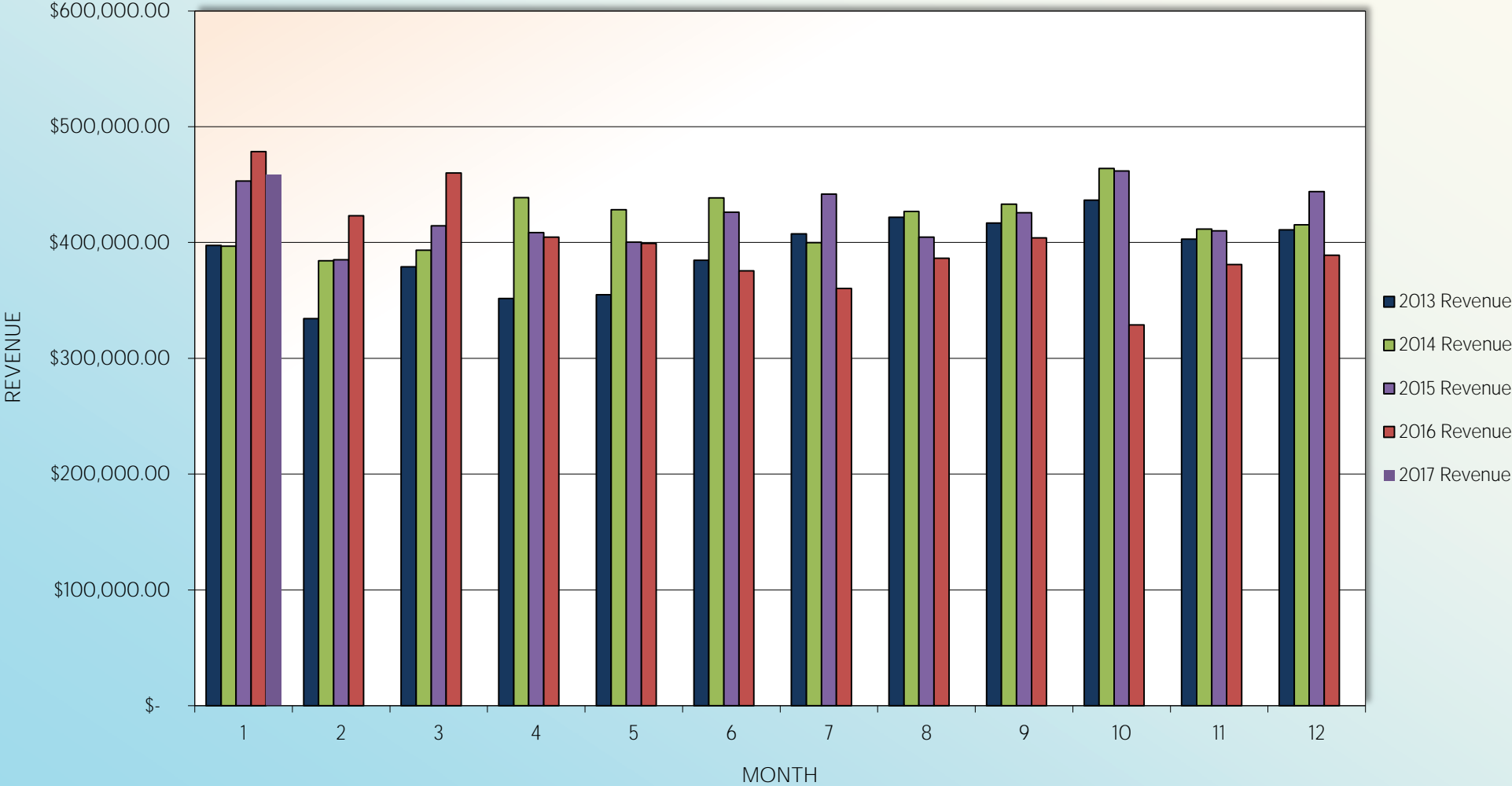
FIXED ROUTE RIDERSHIP Historical Through January 2017



Fixed Route Ridership for the month was 301,461 which is a decrease of 1.7% or 2,902 less passengers from the same period last year. YTD Ridership is down 1.7%.

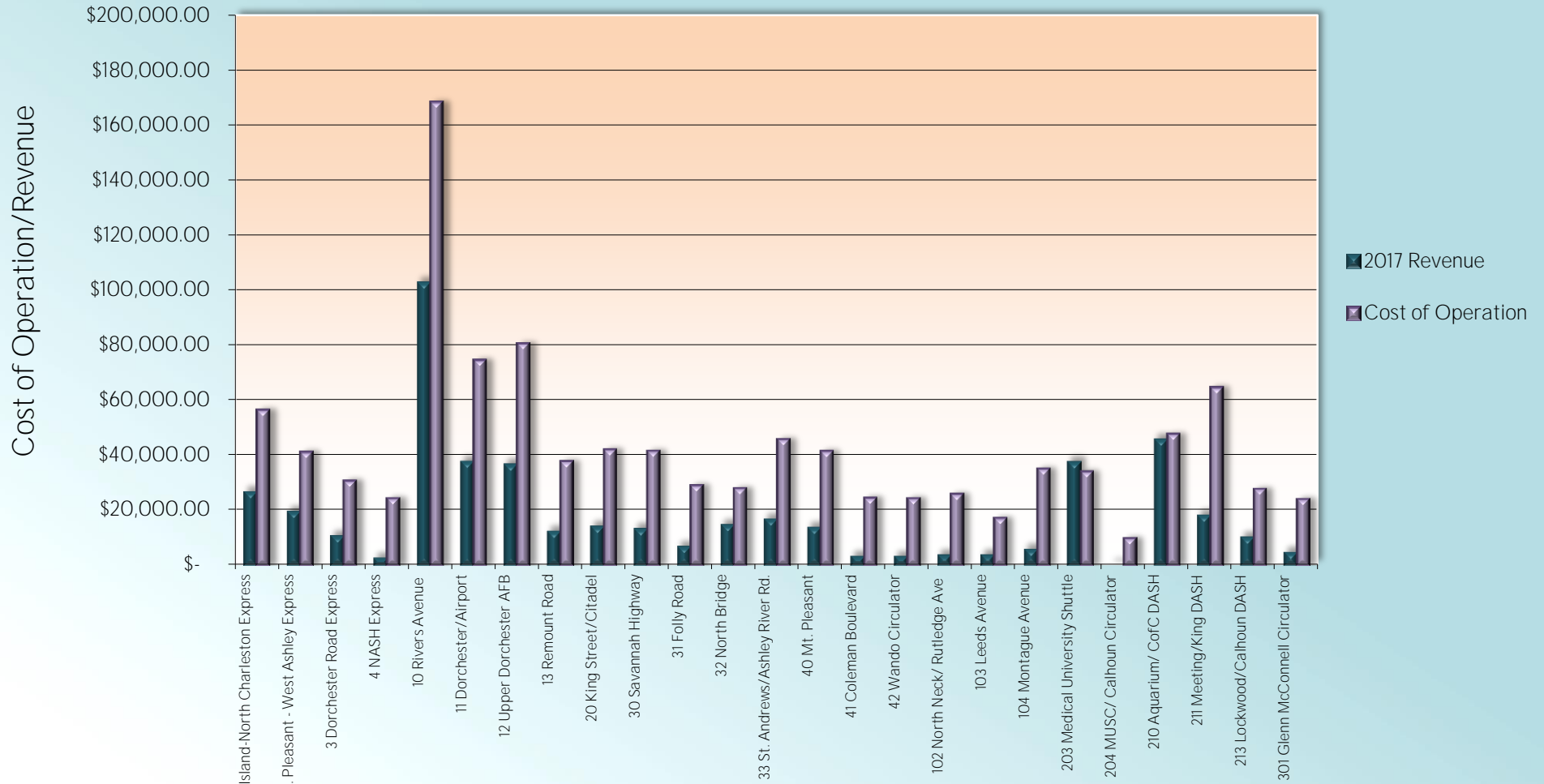
FIXED ROUTE REVENUE

Historical Through January 2017



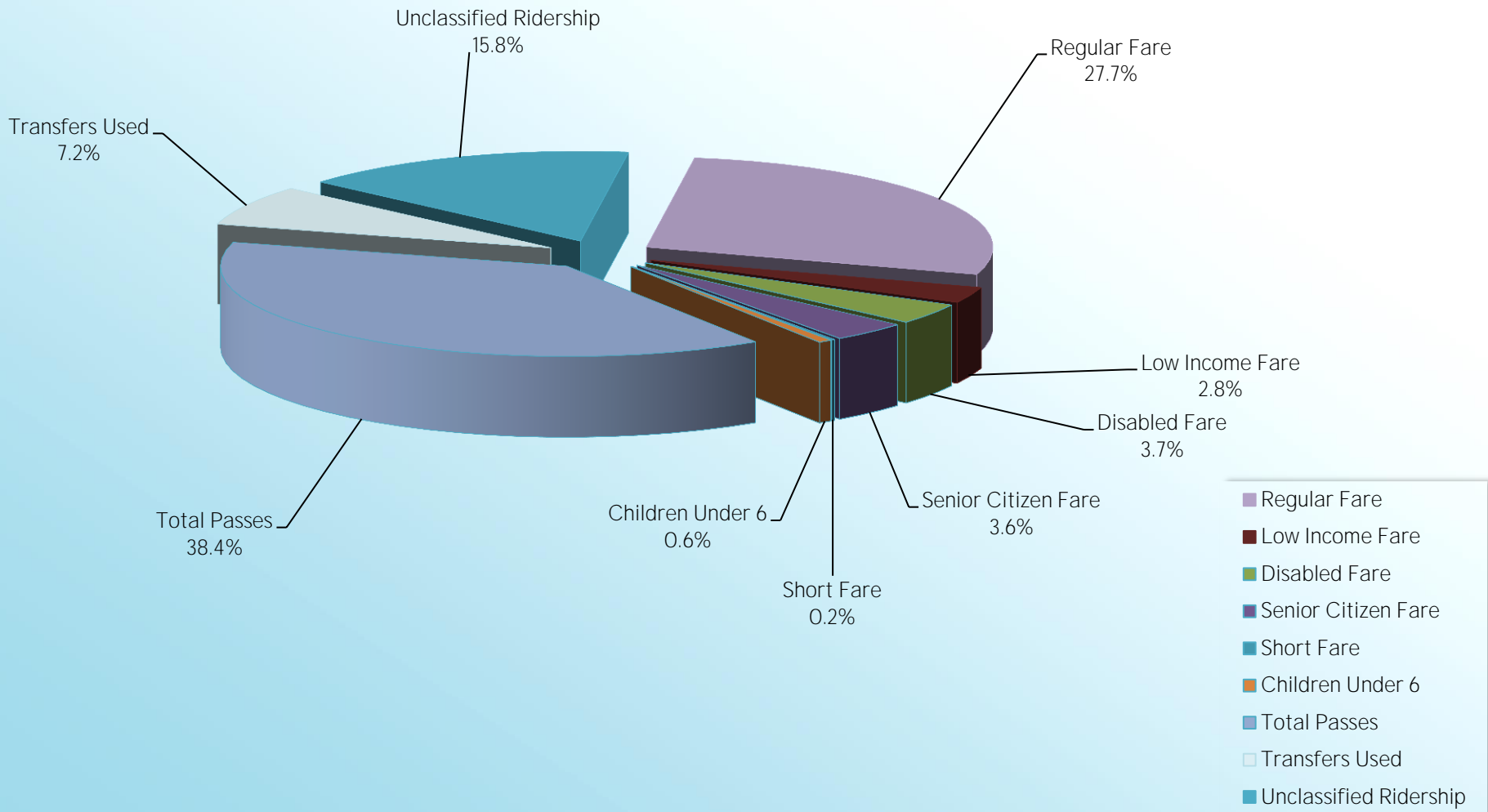
Fixed Route revenue for the month was \$458,341.84, a decrease of 4.2% from the same period last year. YTD revenue is down by 4.2%.

REVENUE V. COST BY ROUTE December 2017

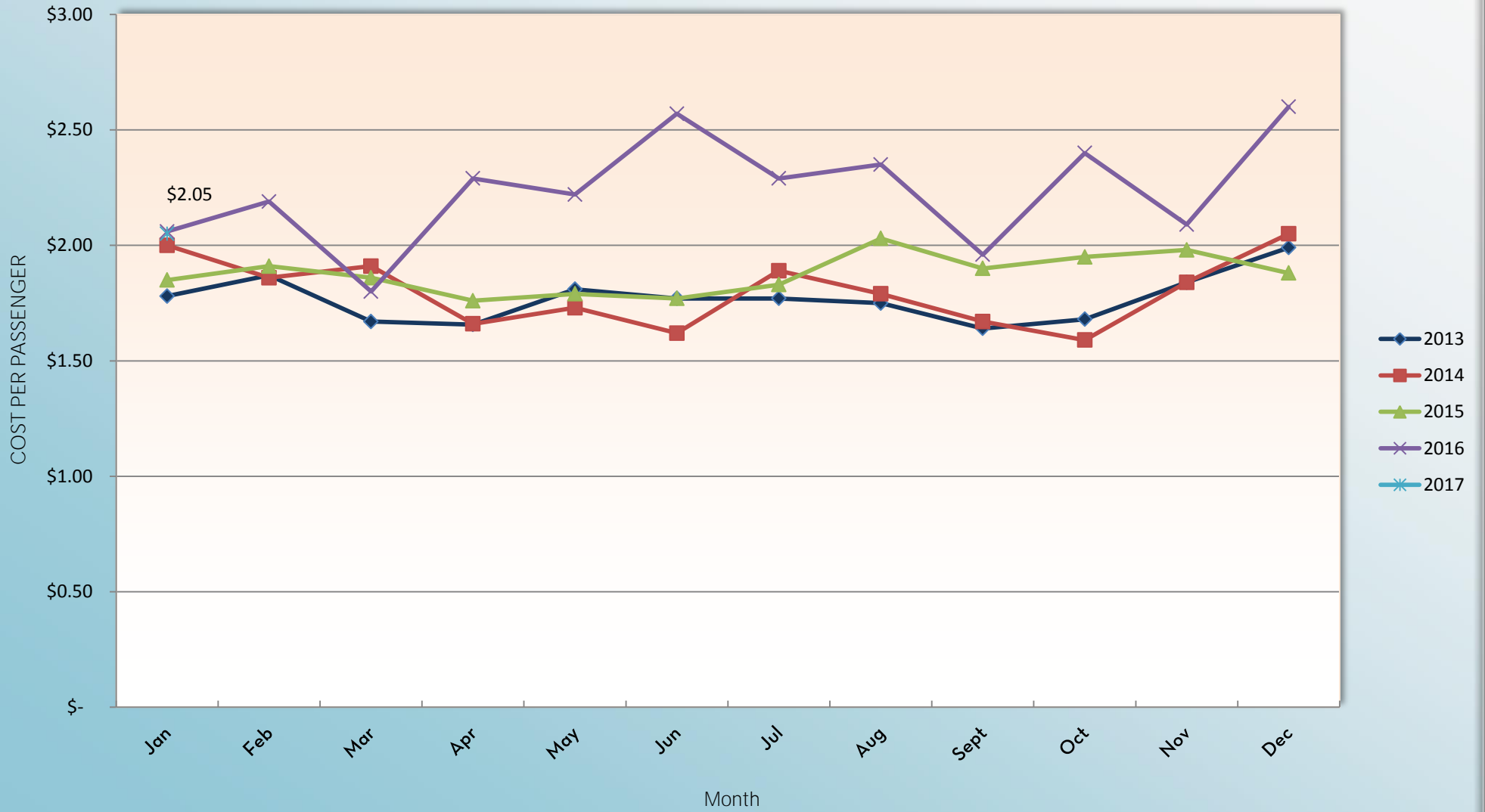


Farebox recovery was 42.6%, which means that 42.6% of the cost of service was captured in fares paid by passengers.

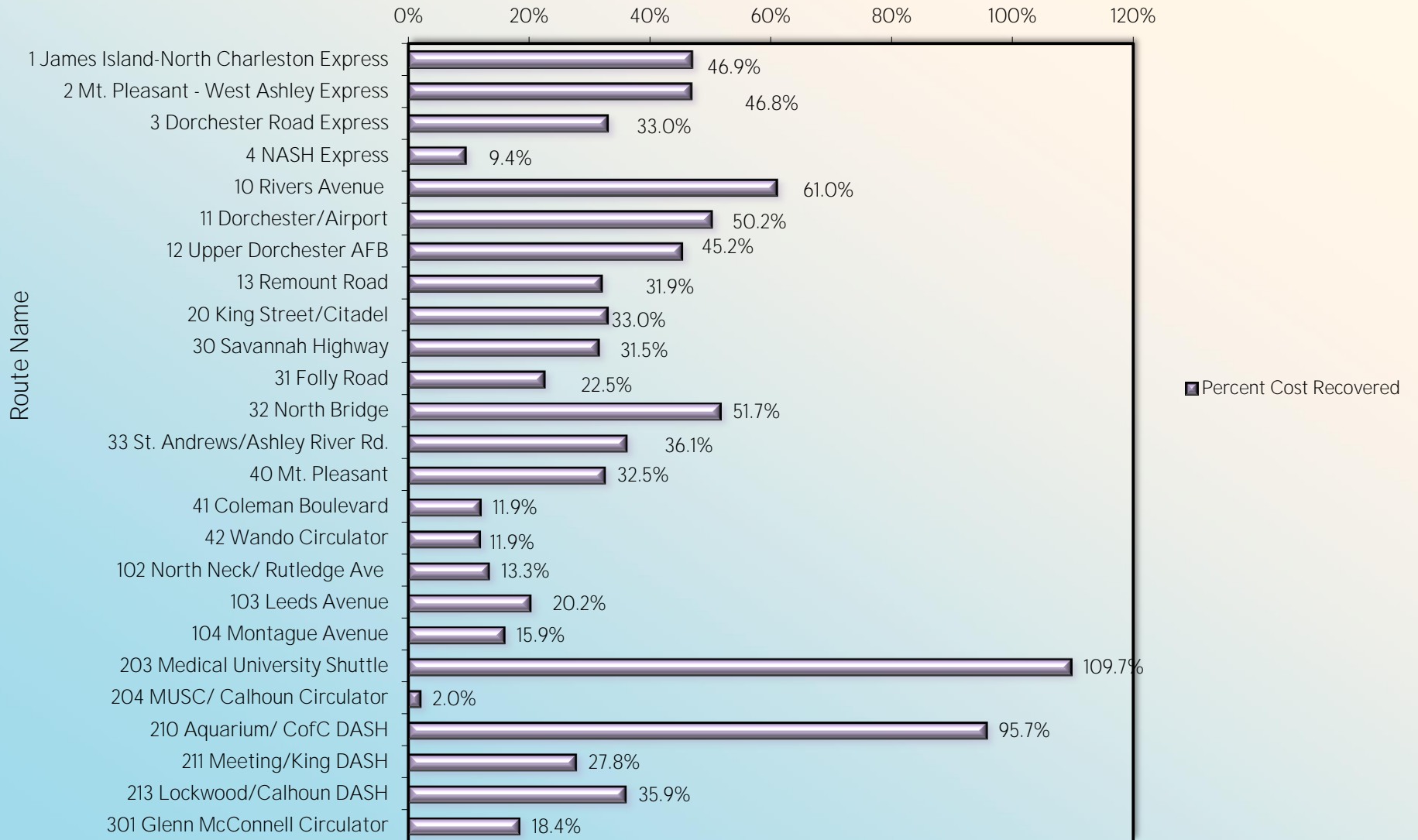
Ridership by Fare Type January 2017



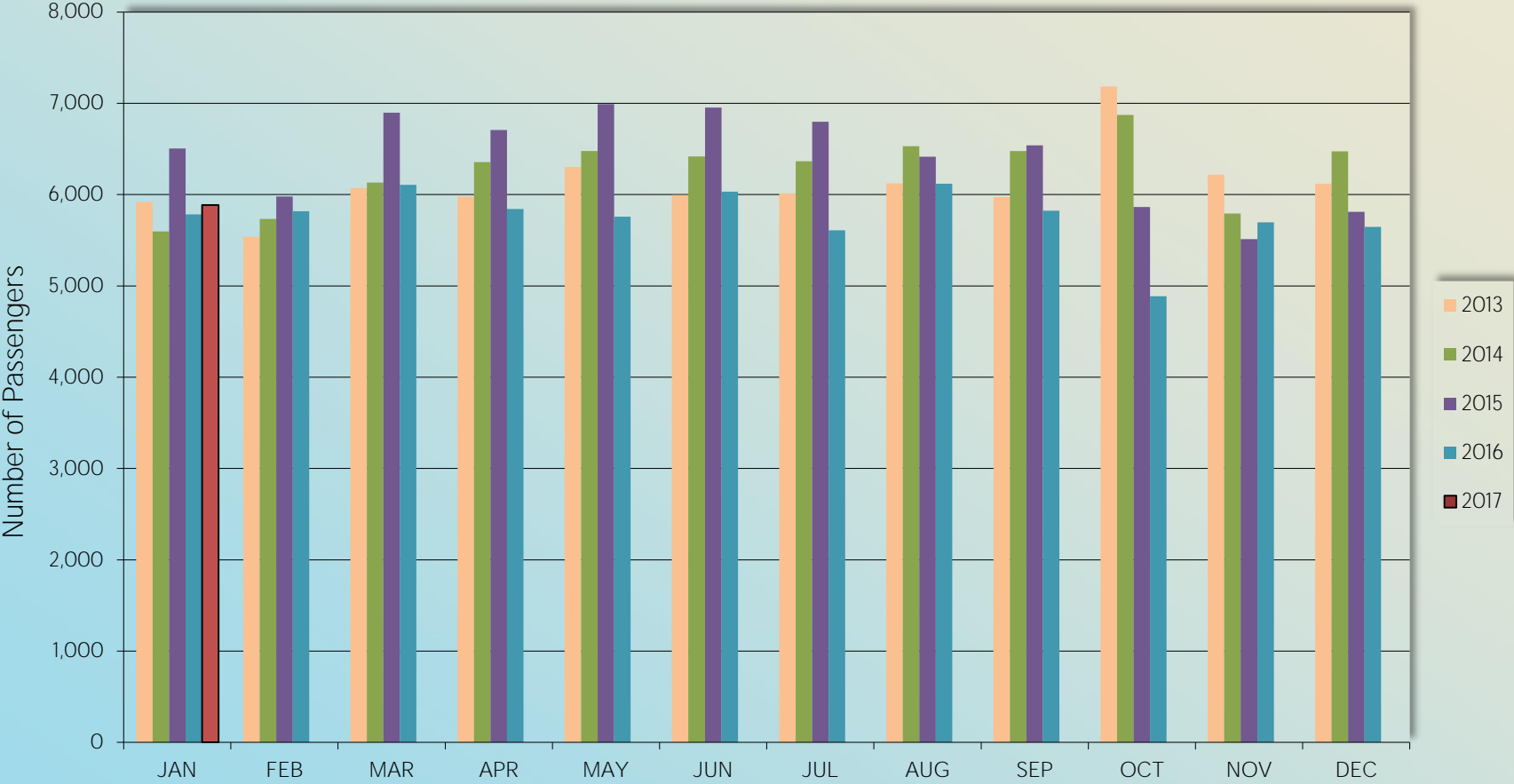
Fixed Route Cost Per Passenger 2013-2017



Percent Cost Recovered by Route January 2017

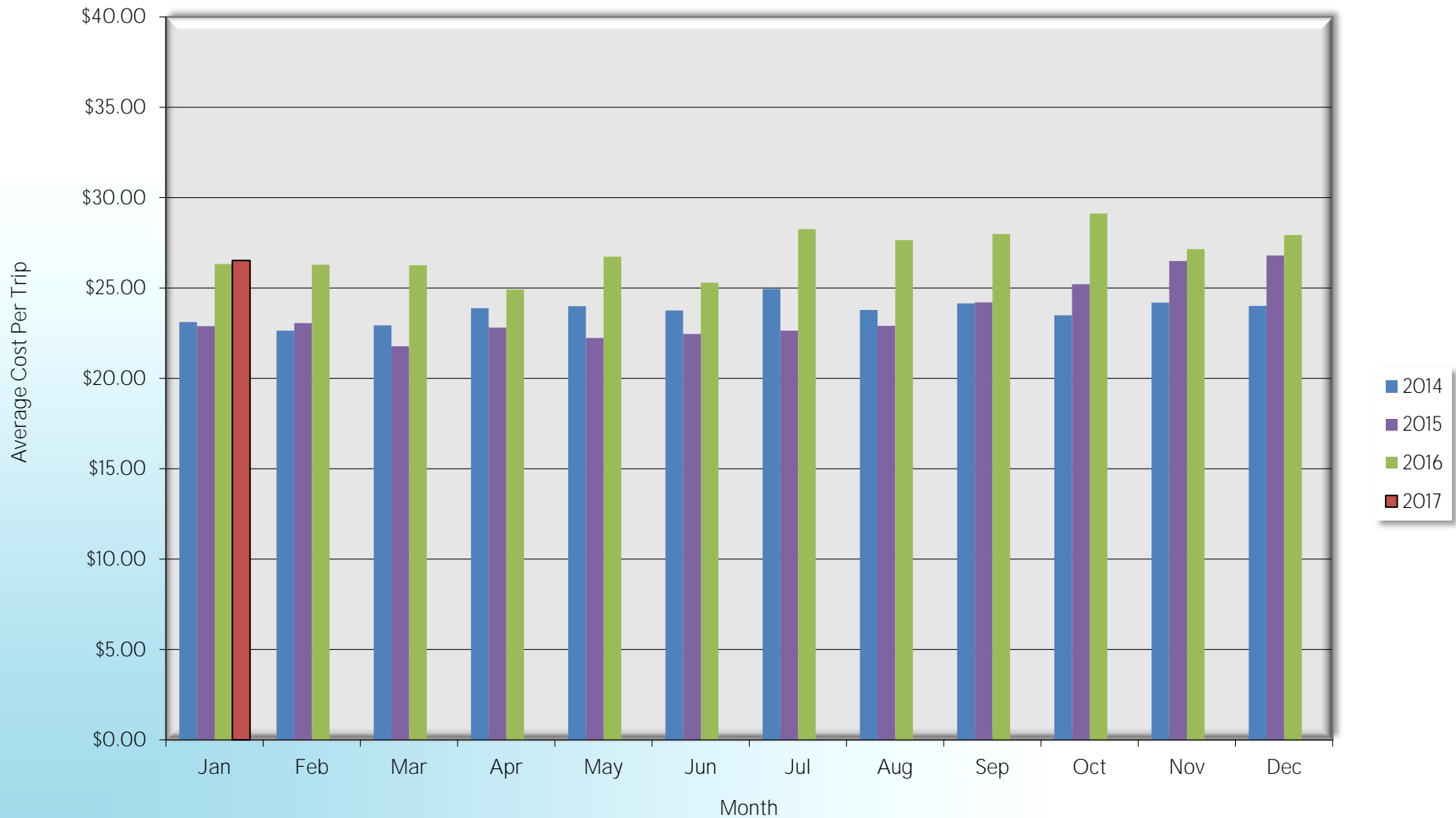


Tel-A-Ride Ridership 2013-2017



Ridership for the month was 5,885 passengers, which is a 1.8% increase when compared to the same period last year. YTD Ridership is down 1.8%.

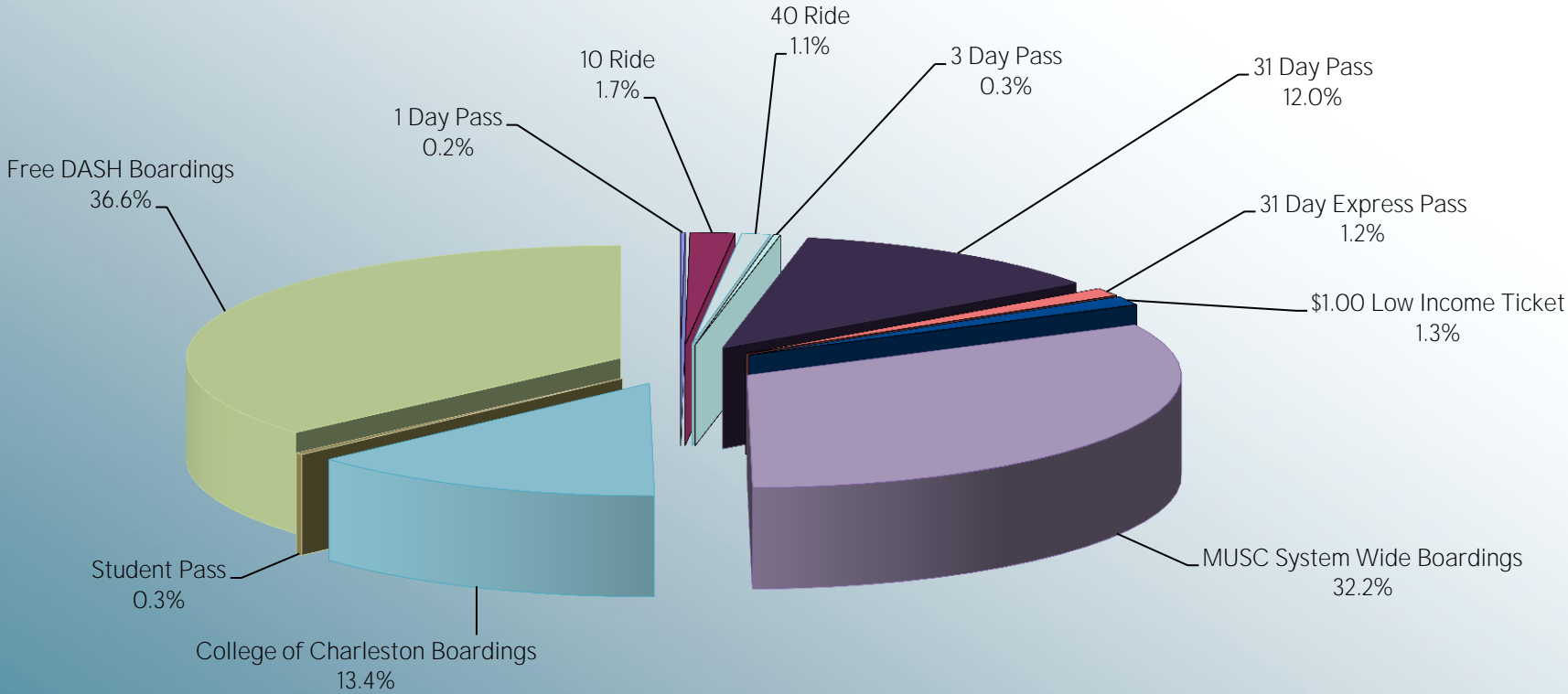
Average Cost Per One-Way Paratransit Trip



Average cost per trip is \$26.53 which is a 0.8% increase in the cost per passenger for the same month a year ago. Average cost is 0.8% more than last year's average.

Revenue/Cost/Ridership for the Month of January 2017		
Type of Fare		
Regular Fare	83,252	27.62%
Low Income Fare	8,553	2.84%
Disabled Fare	11,169	3.70%
Senior Citizen Fare	10,818	
Short Fare	488	0.16%
Children Under 6	1,856	0.62%
Wheelchair Count	295	0.10%
North Bridge Free Bike Use	67	0.02%
FREE Transfers from Tri Link	454	0.15%
Subtotal	116,952	38.80%
Type of Pass		
1 Day Pass	200	0.07%
10 Ride	1,922	0.64%
40 Ride	1,233	0.41%
3 Day Pass	290	0.10%
31 Day Pass	13,864	4.60%
31 Day Express Pass	1,342	0.45%
\$1.00 Low Income Ticket	1,485	0.49%
MUSC System Wide Boardings	37,207	12.34%
College of Charleston Boardings	15,434	5.12%
Student Pass	318	0.11%
Free DASH Boardings	42,235	14.01%
Total Passes	115,530	38.32%
Transfers		
Issued	26,126	8.67%
Transfers Used	21,597	7.16%
Unclassified Ridership	47,382	15.72%
Total Ridership	301,461	

Pass Use by Type January 2017



CARTA

Charleston Area Regional Transportation Authority

MEMORANDUM

TO: Ronald E. Mitchum, CARTA Executive Director
FROM: Sharon Hollis, Principal Planner
DATE: February 13, 2017
SUBJECT: Intermodal Center Project Update
CC: file

The following presents an update on the Intermodal Center project to include completed activities since the last Board meeting on January 18, 2017. This update also includes any relevant upcoming activities, impacts to the project schedule, and issues or concerns.

Completed Activities

- 100% design and bid documents were finalized.
- Permitting and zoning was finalized.
- City received fully executed Amtrak, CARTA, and SE Stages lease agreements.
- The Station History and Community Heritage Room & SHPO mitigation project was awarded to Brockington Associates. A kick-off meeting was held with the project committee and design team.
- Construction Agreement with CSX was being finalized.
- The City will advertise the Solicitation for Construction Bids in February.

Planned Activities

- A Pre-Bid Conference will be scheduled at the Amtrak Station.
- The City is finalizing a solicitation for a Construction Manager for the project.
- The Construction Contract Award is anticipated to occur in April 2017.
- A tentative ground breaking to be organized by the City has been set for Thursday, May 11, 2017.

Project Schedule

- Overall, the project is tracking fifteen months behind the original schedule.
- Current scheduled project completion date is **summer 2018**.

Anticipated Issues or Concerns

- None at this time.
- Staff continues to communicate with FTA regarding our progress.

Please feel free to contact me with any questions or for further information.

CARTA

Charleston Area Regional Transportation Authority

Upcoming Events

- February 19th – CARTA Night @ The Stingrays Game
- March 11th – Black Expo
- March 18th – Transit Driver Appreciation Day
- March 23rd – MUSC Senior Fair
- March 23rd – City of North Charleston Business Expo
- March 26th – Kids Fair
- April 12th – MUSC Earth Day
- April 24th-VA Earth Day
- May 31st – Senior Ride Free Day (National Senior Health & Fitness Day)
- August 21st-Senior Ride Free Day (National Senior Citizen Day)
- November 11th – Veterans Ride Free Day
- December 8th - Seniors Ride Free Day