Comprehensive Annual Financial Report

For Years Ended
September 30, 2014 and 2013

LYNX®
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a

LYNX

FOR YEARS ENDED
SEPTEMBER 30, 2014 AND 2013

PREPARED BY THE FINANCE DEPARTMENT

Blanche W. Sherman, CPA, Director of Finance
Patti Bryant, Manager of Accounting

LYNX BOARD OF DIRECTORS

Chairman Buddy Dyer
MAYOR OF ORLANDO

Vice-Chairman Frank Attkisson
OSCEOLA COUNTY COMMISSIONER

Secretary Teresa Jacobs
ORANGE COUNTY MAYOR

Carlton Henley
SEMINOLE COUNTY COMMISSIONER

Noranne Downs
FDOT DISTRICT 5 SECRETARY

LYNX EXECUTIVE MANAGEMENT

John M. Lewis Jr.
CHIEF EXECUTIVE OFFICER

Blanche W. Sherman, CPA
DIRECTOR OF FINANCE

LYNX CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CON'T.)

STATISTICAL SECTION

SINGLE AUDIT SECTION

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

BOARD OF DIRECTORS

Mayor Buddy Dyer	Chairman, City of Orlando
Commissioner Frank Attkisson	Vice-Chairman, Osceola County
Mayor Teresa Jacobs	Board Member, Orange County
Commissioner Carlton Henley	Board Member, Seminole County
FDOT District 5 Secretary, Noranne Downs	Board Member, FDOT

LYNX EXECUTIVE STAFF

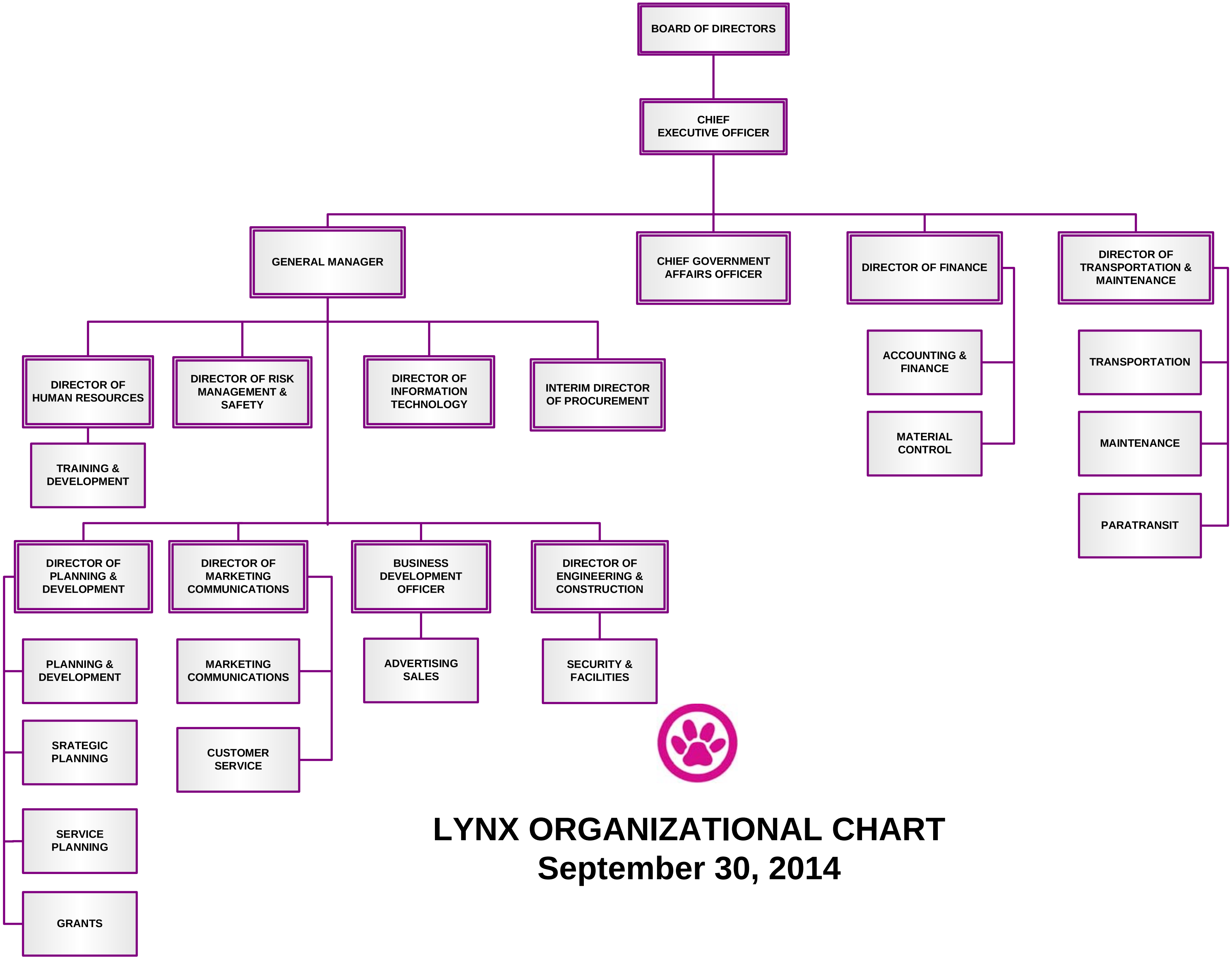
John M. Lewis, Jr.	Chief Executive Officer
Susan Black	General Manager

DEPARTMENT HEADS

Blanche W. Sherman, CPA	Director of Finance
J. Marsh McLawhorn	Chief Government Affairs Officer
Kathy Clary	Business Development Officer
Tangee Mobley	Director of Transportation & Maintenance
Andrea Ostrodka	Director of Planning & Development
Donna Tefertiller	Director of Human Resources
Craig Bayard	Director of Information Technology
Matt Friedman	Director of Marketing Communications
Charles Baldwin	Interim Director of Procurement
Baunie McConnell	Director of Risk Mgmt and Safety
David Healey	Director of Engineering

FINANCE DIVISION

Leonard Antmann	Comptroller
Patti Bryant	Manager of Accounting
Pedro Bustamante, CPA	Senior Accountant
Nancy Navarro	Senior Accountant
Denise Callihan	Supervisor of Payroll & Accounts Payable
Patty Dolan	Supervisor of Revenue Control
Nirso Amaya	Accountant
Seeragie Khadaroo	Accountant
Maritza Rodriguez	Accountant
Aida Diaz	Accountant
Sal Ajala	Budget Analyst
Vicki Hoffman	Fiscal Assistant
Kim George	Senior Accounting Technician
Edward Velez	Property Officer
Francine Firmiez-Pinder	Accounting Technician
Andrew O’Neill	Accounting Technician
Samorea Nelson	Accounting Technician



LYNX ORGANIZATIONAL CHART
September 30, 2014

March 18, 2015

To the Governing Board of the Central Florida Regional Transportation Authority d/b/a LYNX:

The Comprehensive Annual Financial Report (CAFR) of the Central Florida Regional Transportation Authority d/b/a LYNX for the fiscal year ended September 30, 2014 is hereby submitted for your review.

This CAFR, as prepared by the Finance Division, contains financial statements and statistical data that provide full disclosure of all the material financial operations and activities of LYNX. The Management Discussion and Analysis (MD&A), financial statements, supplemental schedules and statistical information are the representations of LYNX management, which bears the responsibility for their accuracy, completeness, and fairness. In conformance with accounting principles generally accepted in the United States, this report was prepared on the accrual basis of accounting, treating the Authority as a single enterprise fund. This CAFR is an indication of LYNX' commitment to provide accurate, concise, and quality financial information to its Governing Board, the citizens of this community, and all other interested parties.

The MD&A immediately follows the Report of Independent Auditor and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This CAFR is presented in the following four sections:

- The **INTRODUCTORY SECTION** contains a title page, a table of contents, a list of the Principal Officials, this Letter of Transmittal, the Authority's organizational chart, and a Certificate of Achievement for Excellence in Financial Reporting. This section is intended to acquaint the reader with the Authority's organizational structure, the nature and scope of the services it provides and a summary of the financial activities and factors that influence these activities;

- The **FINANCIAL SECTION** includes the MD&A, the Report of Independent Auditor, the Authority's comparative financial statements and notes to the financial statements;

- The **STATISTICAL SECTION** includes selected financial, economic, and demographic information presented on a multi-year basis and is used to determine trends for comparative fiscal year purposes; and,

- The **SINGLE AUDIT SECTION** includes supplemental schedules, internal control reports, and compliance reports as required by federal and state regulations.

REPORTING ENTITY

The Central Florida Regional Transportation Authority (CFRTA) was created in 1989 pursuant to Section 343.63, Florida Statutes. This same legislation was amended in 1993, allowing the CFRTA to assume the operations of the former Central Florida Commuter Rail Authority and provide an opportunity to merge with the local transportation provider, Orange-Seminole-Osceola Transportation Authority (OSOTA) d/b/a LYNX, thereby creating a one-stop public transportation entity. The CFRTA continues to use LYNX as its “doing business as” name and serves as the focal point in developing all modes of public transportation in the Central Florida region. Through formal action by both the CFRTA and OSOTA Board of Directors, the merger of the two organizations was ratified March 1994 and became effective October 1, 1994.

LYNX provides public transportation services to the general public in the Orlando, Florida metropolitan area -- Orange, Seminole, and Osceola counties. LYNX also offers some out-of-county express service to Lake and Volusia counties and flexible and fixed-route service to Polk County. LYNX provides alternative transportation services in the form of fixed-route bus services, bus rapid transit (BRT), neighborhood circulators, paratransit services, and vanpool services.

A five-member Governing Board serves LYNX. The members of the Governing Board are as follows: one Commissioner from Osceola County, one Commissioner from Seminole County, the Mayor of the City of Orlando, the Mayor of Orange County (or her designee), and a representative of the Florida Department of Transportation (FDOT). Each serves a term as designated by Section 343.63, Florida Statutes. The Board of Directors typically meets every other month on the fourth Thursday to conduct the business of the Authority.

Responsibility for managing the administration and operations of LYNX resides with the Chief Executive Officer (CEO). To assist in this effort a general manager, a government affairs officer and a manager of compliance support the executive office, as well as, nine directors. The nine directors are responsible for providing direction and oversight to the departments of: Engineering and Construction including Facility Maintenance and Security divisions, Human Resources, Information Technology, Communications, Planning, Procurement and Contracts, Risk Management and Safety, Transportation and Vehicle Maintenance including the Paratransit division, and Finance including the Accounting and Finance, Budgets, and Material Control divisions.

For purposes of defining the reporting entity, LYNX is a stand-alone governmental unit.

ECONOMIC CONDITION AND OUTLOOK

The tri-county area, which includes Orange, Seminole and Osceola counties, remains one of the top growth areas of the country and is the premier tourist destination of the world. This area is home to numerous tourist attractions such as Walt Disney World, Universal Studios, and SeaWorld. It is also home to two major league teams – NBA’s Orlando Magic and Major League Soccer’s (MLS) Orlando City Lions as well as the Solar Bears hockey team, and the

Orlando Predators indoor football team. The City of Orlando has a vibrant, downtown core including community venues: the Amway Center, a brand new Dr. Phillips Center for the performing Arts, newly renovated Florida Citrus Bowl, and an upcoming MLS soccer stadium. Additionally, Orlando hosts many conventions, utilizing some of the bigger hotels in the country and America's second largest convention center. The University of Central Florida, the nation's second largest university, and many other places of higher education also reside in the tri-county area.

The region has experienced significant growth in population over the last several years and is expected to continue growth in the next ten years. The population is projected to be 1.97 million in 2015 and 2.2 million in 2020. This growth can be attributed to the numerous activity centers throughout the region. The impact of SunRail train service has been felt throughout Central Florida. The new option in urban transit for area residents is redefining local transportation and spurring development along the corridor. SunRail also allows businesses and research and education centers to tap into geographically broader talent pools. LYNX continues to provide an array of public transit options to respond to the wide-range of transportation needs.

While the Central Florida area is known world-wide for its wonderful climate, many tourist attractions, and a relaxed lifestyle, the region is also one of the top ten locations in the country for business. Orange County's economy and job market continues to thrive as a result of public venues, SunRail, downtown redevelopment, Main Street business districts, an expanding computer simulation and technology industry and the new Lake Nona Medical City. Industry growth in Seminole County has taken several forms. Most notable is the establishment of corporate headquarters, such as American Automobile Association (AAA), Mitsubishi-Hitachi Power Systems, and Scholastic Book Fairs, as well as the emergence of many high tech companies, including CuraScript, Kinetics and Faro Technologies and on-going expansion of the Orlando Sanford International Airport. Osceola County has shown signs of success with a 1,200-acre industrial park at Poinciana, commercial development at Celebration, and planned future development around the 12.5 mile Osceola Parkway, which connects Orlando International Airport with area attractions and major roadways. With the tri–county efforts well underway, it is anticipated that the region's economic conditions will be favorable.

MAJOR INITIATIVES

Over the past few fiscal years, LYNX, through the effective leadership of its Governing Board, has continued to enhance public transportation in Central Florida. In FY2014, LYNX continued implementing enhanced fare technology in coordination with the Florida Department of Transportation (FDOT) and other vehicle-related technology improvements. This additional equipment is being pursued to result in an improved customer experience while providing the data necessary to increase operational efficiency and system safety. In FY2014 LYNX provided 30,141,247 passenger trips.

LYNX completed a number of infrastructure projects that included rehabilitation of LYMMO shelters; construction of LYNX shelters at SunRail stations; and installation of thirty-two bus shelters throughout the LYNX service area. The Kissimmee Intermodal Station officially opened in February 2014 and serves as the hub for all transit services in Osceola County.

In FY2014, LYNX completed the US 192 Alternatives Analysis Final Report with a locally preferred alternative of Bus Rapid Transit that will be supported with express and local bus. LYNX also began providing contracted express service through a pilot program.

LYNX completed and adopted its Comprehensive Operation Analysis, which included an analysis of the route network. Short-term and long-term modifications were recommended, which led to the adoption of new service guidelines.

LYNX continued to provide several human service agencies with operating funding from the Federal Transit Administration Job Access and Reverse Commute and New Freedom grants to pay for fifty percent of new or expanded transportation service or service for job access. Agencies receiving funding under these programs included the Opportunity Center, ITN Orlando, and Meals on Wheels.

Current Year Projects
LYNX is working with the cities of Casselberry, Longwood, Maitland and Altamonte Springs to test its “Flexbus” system, a local circulator system supported by enhanced technology.

LYNX continues to provide on-going professional development and training activities for its employees to meet the agency’s goals of attracting, developing, and maintaining a diverse team of skilled associates.

LYNX also continued to revise fixed-route service to gain efficiencies and plan for the most effective service delivery network throughout the Orange, Osceola, and Seminole county areas. During the 2014 fiscal year, LYNX continued to review service options and the need for additional operating facilities and passenger shelters to most effectively provide service while managing costs. The following is additional information describing both LYNX’ performance in delivering service and in managing the organization:

Ridership
Total ridership for FY2014 was 30,141,247, including all service modes.

Paratransit Services
Access LYNX is a special door-to-door bus service for customers unable to access regular fixed route bus service. Accomplishments this year included:

- Answered a total of 79,283 incoming eligibility calls, up 7% from 74,158 in 2013;
- Averaged 220 referrals per month for Functional Assessment, up 4% from an average of 212 in 2013;
- Maintained an on time performance of 89%;
- Cross trained compliance staff in paratransit eligibility to be able to perform all aspects of eligibility should paratransit eligibility staff not be available;
- Developed, mapped, and began new NeighborLink service to the Sanford SunRail station and instituted new NeighborLink service to the Maitland Center via the Maitland SunRail station;

- With funding under the Vocational Rehabilitation Program expiring, provided ongoing transportation to Quest, Inc. students under the "Project Search" initiative; and,
- Provided presentations and public outreach on 103 occasions, including 17 public forums on disability transportation to employment venues.

Service Initiatives
The heart of the LYNX business is the daily transit service we provide to our customers. LYNX implemented efficiency measures and service adjustments to address the service needs of the community. The following service adjustments were initiated over the past year:

- Efficiencies within the current LYNX fixed-route system were implemented to address running time concerns for over forty routes;
- LYNX moved eight routes to the new Kissimmee Intermodal Station located next to the historic Kissimmee Amtrak station. This eight bay transfer facility now serves as the hub for all transit services in Osceola County. The multi-modal uses of this facility have had an immediate impact as passengers can now connect with Amtrak, Greyhound and on-street transfer opportunities. Additional connections will occur once Phase II of SunRail is extended to the adjacent train station.

Other service initiatives underway include:

- LYNX readjusted service on nineteen (19) existing routes to provide feeder bus service to nine (9) SunRail stations;
- LYNX Central Station (LCS) connects SunRail with thirty-four (34) routes in the LYNX system;

Other realignment includes:

- Link 41 was split into two routes:
    - Link 436N covering north SR 436
    - Link 436S covering south SR 436

Added routes include:

- FastLink 418 covering Florida Mall/Meadow Woods/Medical City
- Link 505 covering Longwood SunRail
- Link 62 covering LYMMO (Grapefruit)
- NeighborLink 651 covering Goldsboro

In addition to fixed-route system improvements, LYNX also implemented or is in the process of implementing the following improvements to the LYMMO bus rapid transit (BRT) system:

- On April 10, 2014, LYNX joined with the city of Orlando and introduced a second LYMMO Bus Rapid Transit (BRT) downtown circulator line called the Grapefruit Line, serving the downtown area East and West of I-4 along a corridor bounded by Westmoreland Drive on the west, Summerlin Avenue on the east, Central Boulevard on the north, and Church Street and South Street on the south.
- The 3.51-mile Grapefruit Line also features a connection to SunRail commuter rail, which began operation on May 1, 2014, and serves an additional fifteen (15) stations and

several new destinations, including City Hall, the federal courthouse, the County Administration and Health Department building, the new Dr. Phillips Center for the Performing Arts as well as the Amway Center, home of the Orlando Magic pro basketball team, and the proposed Orlando City Soccer Club Stadium.

- LYNX plans in the future to introduce a third LYMMO line to operate in conjunction with the Orange and Grapefruit lines, called the Lime line, consisting of a 2.1 mile BRT extension to the original LYMMO system west of I-4 serving the Parramore area and the Creative Village development.
- On April 14, 2014, LYNX implemented the feeder bus system to serve the new SunRail commuter rail line, which opened with free service for two weeks and revenue service starting in May 2014.

Planning
In FY2014, the Planning Department accomplished the following:

- Completed a minor update to the LYNX Transit Development Plan 2015-2024 and Productivity and Performance Measures for FY2013;
- Continued work on the SR 50/UCF Connector Alternatives Analysis, a study of the SR 50 and SR 434 (Alafaya Trail) corridor between the Town of Oakland in West Orange County and the University of Central Florida Area in East Orange County;
- Completed the second year of data collection for the American Bus Benchmarking Group (ABBG) annual report which includes multiple departments throughout the organization and allows LYNX to compare its performance against seventeen (17) similarly sized transit agencies;
- Completed a minor update to the Transportation Disadvantaged Service Plan (TDSP);
- Completed an evaluation of seven potential locations for the relocation of the Pine Hills SuperStop which serves five links, some of which are LYNX's busiest routes, and is a top priority of Orange County;
- Continued work on the bus stop inventory study, cataloging the 4,500 bus stops and shelters across the tri-county region, collecting attribute data, such as on-street conditions and photographs, for each of the bus stops and shelters in Geographic Information System (GIS), developing a standard operating procedure to automatically update the inventory when a change to a bus stop location has been made; and,
- Evaluated operations and implemented service efficiencies.

Engineering and Construction
In FY2014, the Engineering and Construction Department accomplished the following:

- Completed the coordination between the Federal Transit Administration (FTA), LYNX and the private developer for reconstruction of the easement east of LYNX Central Station (LCS) into a pedestrian friendly zone including Gertrude's Walk and SunRail pedestrian access;
- Refurbished and repaired the office tower accent lighting at LCS and the blue neon accent lighting on the passenger terminal canopy including replacement of failed lighting fixtures;

- Completed remodeling of the air conditioning system in the money processing rooms and completed an upgrade of air conditioning in Building “A” at the LYNX Operations Center (LOC) for support of south wing offices and restrooms;
- Completed major upgrades to backflow preventers protecting Buildings A,B, C, and the fuel service island areas at LOC;
- Completed repairs to fire alarm pull stations, audible fire alarm strobes, and duct detectors at LOC;
- Completed the plan including roles and responsibilities for the closure of the South Street Facility and its sale to the City of Orlando;
- Identified the property for use by paratransit services and negotiated a lease with the property owner at LB McLeod; and,
- Completed the plan to move the paratransit division to the LB McLeod facility, including improvements to the new facility without interruption in service.

In addition the following passenger amenities were completed during FY2014:

- Finished construction of the Kissimmee Intermodal Station;
- Constructed a total of seventy-six (76) bus shelters, including twenty-six (26) shelters at SunRail stations;
- Designed thirty-seven (37) shelters for installation during FY2015, with an additional forty-eight (48) sites in preliminary design; and,
- Completed the design for a bus bay in Poinciana, including completion of permitting and bid documents.

Procurement

In FY2014, the Procurement Department accomplished the following:

- Solicited and executed a large consortium contract for heavy duty buses on behalf of the Florida Public Transit Association;
- Introduced and validated the Progressive Design Build Contract procurement methodology with funding partners;
- Solicited and executed a contract to provide a Transit System Simulator (TSS); and
- Received and processed an Unsolicited Proposal from Nopetro for Compressed Natural Gas (CNG) to provide a CNG facility and modification to the LYNX facility on John Young Parkway.

Vanpool Program

While the FDOT has centralized the Commuter Services program in each district office, LYNX still plays a vital role in the provision of Vanpool services throughout the tri-county area. LYNX continues to procure vehicles and coordinate with VRide on the Vanpool program. The mission of the Vanpool program is to offer transport options that can influence travel behavior in various ways. The Vanpool program continues to be a viable alternative mode of transportation for employees that have long commutes. Participation in the Vanpool program provides Central Florida commuters a more affordable and social form of transportation over the private automobile. LYNX foresees expanding use of the Vanpool program in the upcoming fiscal year.

As of September 30, 2014, LYNX had 1,088 active Vanpool program participants, had 126 Vanpools in service and had traveled 2,208,846 Vanpool revenue miles.

Customer Services

Customer Services is part of the Communications Department that ensures LYNX' products are more accessible and user-friendly and provide customers with all necessary information to easily access service. In FY2014, Customer Services continued to assist in making customer IDs while continuing to assist passengers via phone and in-person at the LYNX Central Station Terminal. Customer Services also managed LYNX' Lost and Found program. During the fiscal year the following highlights were achieved:

- Customer Service window served 223,168 customers and generated $2,823,849 in sales;
- Lost and Found returned 32.5% of the items found on LYNX buses and at LYNX facilities to their owners;
- ID program produced 15,469 IDs and replacements for LYNX' riders;
- ID replacements generated $8,330 in sales; and,
- Customer Relations documented 5,290 cases for investigation, compliments, and suggestions.

Employee Relations

Good employee relations are critical to the success of LYNX because our employees are our most valuable assets in delivering services to our customers. Great strides continue to be made in employee training and development. With increasing demands for public transportation, LYNX staff has increased to provide greater service and reduce overtime costs. Human Resources continues to work with all LYNX staff to ensure that the workplace is a fair, comfortable, and enjoyable environment, so that employees are afforded an opportunity to thrive.

Fiscal Controls and Improvements

The Finance Department continued to advance the integrity of the financial control systems of the organization. Monthly departmental budget reports, meetings, and programming procedures provide essential tools in managing the existing budget and in preparing for future year budgets. Other accomplishments were as follows:

- Continued to enhance stability of operations and match revenues from funding sources by continuing the fuel hedging program;
- Continued working with the FDOT to implement seamless fare technology between existing bus and future rail modes; and,
- Received the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the 22nd consecutive year.

Future Projects

In keeping with the results of the Transportation Development Plan (TDP) and the Vision 2030, LYNX' primary goal is to:

> Maximize mobility within the Orlando metropolitan area by ensuring that public transportation is provided in the right places, at the right times, to satisfy the changing travel needs within the community.

In order to accomplish such, the following emphasis areas have been identified for fiscal year 2014:

Fixed-Route Service
LYNX continues to explore ways to improve fixed-route services in order to better serve our customers. LYNX plans to improve service during the upcoming fiscal year through continued evaluation of route performance, service modifications and implementing alternative vehicle sizes resulting from the route evaluation. LYNX will also continue to determine the applicability of Flex services to allow greater community penetration of public transit, while at the same time, making corridor routes more efficient by eliminating their deviation into neighborhoods.

Paratransit Service
LYNX will continue to monitor the effectiveness of its Paratransit contract for core and non-core services in FY2015. In addition, efforts will be taken to increase community outreach to identify the needs of the disabled and transportation disadvantaged to update the Locally Coordinated Human Services Transportation Plan and maximize the use of federal and state funds as appropriate.

Communications
FY2014 was an award winning year for LYNX' marketing efforts as the team sustained a positive public image throughout Central Florida. The team won two American Public Transportation Association (APTA) AdWheel Awards for a Twitter and "shoestring" campaign. The team also won two first places Best in Class Florida Public Transportation Association (FPTA) awards for LYNX social media sites and the LYMMO Expansion Campaign.

This past year saw an overhaul of passenger way finding information, including a redrawing of the system map. LYNX became the first transit agency in the nation to regionalize its schedule brochures, streamlining 85 single brochures into 22 geographic and major destination hand held maps.

This year LYNX will stay the course with an aggressive marketing and communications program to inform the community about all current LYNX services; redesign golynx.com and enhance customer amenities through a marketing approach.

Capital Improvement Projects
Significant capital improvements are necessary in order for LYNX to deliver quality services. In FY2014, LYNX continued to expend a minimum amount of ARRA "stimulus" funds of approximately $2.8 million included in the FY2014 budget. In addition to ARRA funding, LYNX received other federal formula grant funding, state, and local contributions to support the overall agency capital program. Capital funding is important to ensure LYNX' vehicles and facilities are available to support operations and also improved. Major capital projects started in

FY2014 may continue into FY2015, such as the LYMMO expansion projects due to the various stages of work required to complete these types of improvements.

The purchase of vehicles, facility improvements, information tools, and passenger amenities included in the capital program for FY2014 are as follows:

- **Rolling Stock - $49.8 million**
  Revenue vehicles include expansion and replacement vehicles for fixed route, vanpool, and paratransit service;
- **Bus Rapid Transit (BRT) - $21.0 million**
  BRT includes the East/West and Parramore BRT design/build projects as well as the FlexBus project demonstration component;
- **Facilities - $4.5 million**
  Facilities include funds for LYNX Central Station (LCS) and LYNX Operations Center (LOC) improvements and facility lighting upgrades;
- **Passenger Amenities/Related Enhancements - $8.9 million**
  Passenger amenities include shelters, transfer centers, solar power, benches, and trash receptacles;
- **Technology - $9.4 million**
  Technology includes items to improve communication and information delivery such as network improvements, real-time information systems, phone system upgrades, and ticket vending machines;
- **Security - $1.1 million**
  Security includes equipment to enhance security and surveillance;
- **Support Equipment - $2.5 million**
  Support equipment includes items such as copiers, printers, shop tools, furniture and storage cabinets; and,
- **ARRA Projects - $2.8 million**
  The Federal Transit Administration (FTA) is allowing LYNX to complete existing projects funded by ARRA during FY2014, including real-time customer information and a fare payment system upgrade.

Capital Planning and Studies
The Transportation Development Plan (TDP) annual updates and progress report contains planned capital and service improvements necessary to meet the growing demand for public transportation throughout Central Florida during the years 2015 through 2024. The major TDP update was completed and adopted by the Governing Board in May 2012, with the last annual update being completed November 2014.

Highlights of the plan are:

- Monitor transit demand and improve span and/or frequency of service where needed;
- Right-size the fleet to better match capital resources with service demand;
- Locate and establish permanent satellite facilities in the northern and southern portions of the LYNX service area from which to more efficiently distribute service and provide minor maintenance;

- Transition from a hub-and-spoke approach to planning service (where most routes originate and/or terminate in downtown Orlando) to a network approach;
- Collaborate with regional partners to build support for a dedicated source of transit funding;
- Secure complementary and/or supplementary sources of funding for both capital and operating expenses;
- Provide real time information to customers; and,
- Utilize social media to provide and share up-to-date information and to receive input from customers and partners.

FINANCIAL INFORMATION

Internal Control Structure

The management of LYNX is responsible for establishing and maintaining an internal control structure that consists of policies and procedures established to provide reasonable, but not absolute, assurance that organizational objectives will be achieved, including safeguarding and protecting its assets from loss, theft or misuse, and providing adequate and reliable financial information. The concept of reasonable assurance recognizes that no structure is perfect and that the cost of an internal control should not exceed the benefits to be derived. Estimates and judgments by management are required to assess the valuation of expected benefits and related costs of internal control structures.

Budgetary Controls

The annual operating and capital improvements budget is prepared on a fiscal year basis. The budget is proposed by LYNX staff and adopted by the Governing Board. Since LYNX operates as an enterprise fund, the adopted budget is prepared on an accrual basis. Expenses are recognized when incurred and revenues are recognized when earned. The annual budget is a balanced budget, whereby total estimated revenues are equal to total projected expenses. The Governing Board must approve budget amendments that are increases or decreases to the total dollar amount originally adopted. The Chief Executive Officer and Governing Board must formally approve additions to the authorized personnel position level originally included within the adopted budget.

Upon final budget adoption by the LYNX Governing Board, the budget becomes the financial plan and serves as the legal document that regulates both the expenses and obligations of funds by LYNX. Budgetary control is maintained at the department level. It is the responsibility of each department head to manage its operations in a manner that is consistent with the goals and objectives adopted by the Board of Directors. Budget to actual comparisons are made on a monthly basis. Operating and un-obligated capital balances lapse at year-end. Obligated capital balances are carried forward into the following year.

Debt Administration

The Authority has two active State Infrastructure Bank (SIB) Loan Agreements. SIB Loan #2 provided $7,600,000 for the construction of the LYNX Operations Center facility and SIB Loan #3 provided $7,140,000 for the acquisition of revenue vehicles for expansion services. The principal balance for SIB Loans #2 and #3 as of September 30, 2014 was $2,392,156 and $0, respectively. In August 2007, the Authority leased twenty-one buses requiring twenty-eight quarterly lease payments over seven years, with the principal totaling $7,632,976. This loan was paid in full in FY2014. For additional information on the Authority's debt administration, please refer to notes to the financial statements discussing capital leases and loans payable.

Fuel Hedge Swap Agreements
Beginning in July 2011 the Authority entered into several fuel hedging contracts with a counterparty to cover a significant portion of planned fuel purchases for current and future fiscal years. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the fiscal year. As of September 30, 2014, the maturity dates of the open contracts are September 2015. For additional information on the Authority's fuel hedging activities, please refer to the fuel hedge swap agreements note to the financial statements.

Fiscal Controls and Improvements
The Material Control division continued to maintain the integrity of the financial control systems by the close monitoring and management of inventory items, fuels, lubricants, and bulk non-inventory sundry supplies. Service efficiencies and cost savings have been achieved through the centralized operation at LYNX Operations Center (LOC) warehouse to support all remote, unmanned locations.

Other accomplishments during FY2014 were as follows:

- Completed the annual physical inventory of 3,329 line items valued at $1.4 million, with a net variance of - 0.46 percent;
- Maintained an inventory turn rate of greater than three times per year through optimal inventory stock levels and the disposal of obsolete stock items;
- Continued to stock inventory parts by product category to enhance the efficiency of ordering, maintaining, and distributing parts;
- Developed a spare parts model inventory for newly purchased Gillig buses based on past systems and current or updated system specifications to minimize initial investment and bus down time;
- Continued to operate the region's only bio-diesel blending facility, supplying approximately 3.5 million gallons of blended product for fleet use;
- Expanded FY2014 inventory Blanket Purchase Orders (increase of $115,000) to support the electrical shop preventative maintenance (PM) program resulting in elimination of work stoppages, achievement of procurement efficiencies and reduction in lead times for receiving stock items;
- Streamlined counter work schedule to eliminate the swing shift which resulted in savings of 224 man hours (forced overtime) while still providing 24 hour customer service; and
- Converted non-inventory (janitorial/sundry supplies, lubricants, etc.) from manual record keeping to automated FA Suite location stock records, resulting in increased operational efficiencies in accountability, reporting, and replenishment.

OTHER INFORMATION

Independent Audit

The Single Audit Act Amendments of 1996 require state or local governments that expend $500,000 or more in a year in federal financial assistance to have an audit conducted for that year in accordance with the Office of Management and Budget (OMB) Circular A-133. The State of Florida has similar legislation, the Florida Single Audit Act, related to audits of State financial assistance. Pursuant to these Acts, the Authority's independent Certified Public Accountant, Cherry Bekaert LLP, has conducted the audit for fiscal year ended September 30, 2014.

Acknowledgments

The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Central Florida Regional Transportation Authority for its comprehensive financial report for the fiscal year ended September 30, 2013. This was the 22nd consecutive year that the Authority achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible by the hard work and dedicated service of the entire Finance Division. Special thanks and recognition goes to Patti Bryant, Manager of Accounting, and Vicki Hoffman, Fiscal Assistant, for their efforts in the preparation of this report. We also give our sincere thanks to the Marketing Division for their special effort in designing the cover for this report and to the LYNX Governing Board for their continued outstanding support.

Respectfully Submitted,

John M. Lewis, Jr.
Chief Executive Officer

Blanche W. Sherman, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Florida

Regional Transportation Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Financial Section

LYNX®
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on the Financial Statements

We have audited the accompanying statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of September 30, 2014 and 2013, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2014 and 2013, and the respective changes in financial position and, cash flows for the years 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 and required supplementary information, as listed in the table of contents, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 an opinion on the basic financial statements of the Authority taken as a whole. The introductory section, supplementary schedule of revenues and expenses – budget vs. actual (budgetary basis), schedule of local financial assistance and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are also presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*, and are not a required part of the basic financial statements.

The supplemental schedule of revenues and expenses – budget vs. actual (budgetary basis) and schedules of expenditures of federal awards, local financial assistance, and state financial assistance are the responsibility of management and were derived from and relate 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 2015, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
March 18, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the comprehensive annual financial report of Central Florida Regional Transportation Authority d/b/a LYNX (the “Authority”) presents management’s analysis of the Authority’s financial performance during the Fiscal Years that ended on September 30, 2014 and 2013, respectively. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

Fiscal 2014

- Operating revenues increased by 4%, or $2.2 million, from FY2013. This was due to increases in local contract service financial assistance and advertising revenues.

- Leases and loans payable, current and noncurrent, decreased by 72% or $6.2 million combined. This was due to repayment of the final bus lease installment during FY2014, along with final loan repayment for expansion vehicles purchased to support SunRail services.

- Overall net position increased by 8%, or $13.6 million, from FY2013, as the Authority has increased net property and equipment. Increases during FY2014 include completion of the LYMMO Grapefruit Line Bus Rapid Transit (BRT) capital project and bus expansion to support SunRail services that commenced during FY2014. Property and equipment acquisitions are largely funded through federal and state grants.

Fiscal 2013

- Operating revenues increased by 6%, or $2.7 million, from FY2012. This was due to increases in customer fares, local and other contract services and advertising revenues.

- Operating expenses increased by 7%, or $7.8 million, from FY2012. This was due in part to a $1.9 million increase in professional services related to service planning studies, contract bus stop maintenance expenses and legal services. A $3.4 million increase in casualty and liability expenses also contributed to the increase in operating expenses, in recognition of potential financial exposure associated with general liability claims in litigation as of the end of the fiscal year.

- Current liabilities increased by 47%, or $9.8 million, from FY2012, as a loan for the purchase of expansion vehicles supporting SunRail services is due in FY2014.

- Overall net position increased by 5%, or $8.3 million, from FY2012, as the Authority has increased net property and equipment to maintain existing service and to support future service expansion. Property and equipment acquisitions are largely funded through federal and state grants.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The basic financial statements consist of two parts: Financial Statements and Notes to the Financial Statements. The report also contains supplementary information in addition to the financial statements themselves.

Required Financial Statements

The financial statements of the Authority report information about the Authority using full accrual accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statements of Net Position include all of the Authority’s assets, liabilities, deferred outflows and inflows of resources and net position, and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. It also provides the basis for computing the rate of return, evaluation of the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its customer fares, contract services, and operating subsidies, as well as its profitability and credit worthiness. The final required financial statement for each year is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the Authority

Our analysis of the Authority begins below with the Financial Statements. One of the most important questions asked about the Authority's finances is "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and changes in them. You can think of the Authority's net position --- difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources --- as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, regulation, and new or changed government legislation.

Net Position

To begin our analysis, a summary of the Authority's Statements of Net Position is presented in Table A-1.

Table A-1

Condensed Statements of Net Position (In millions of dollars)

	September 30, FY2014	FY2013	FY2012
Assets:			
Current and other assets	$ 55.2	$ 63.8	$ 59.3
Capital assets	151.6	142.2	131.7
Total assets	$206.8	$206.0	$191.0
Deferred outflow of resources	$ .8	$ .1	$ 0.0
Liabilities:			
Current liabilities	$ 18.9	$ 31.0	$ 21.1
Long-term liabilities	10.2	10.4	12.7
Total liabilities	$ 29.1	$ 41.4	$ 33.8
Deferred inflow of resources	$ 0.0	$ 0.0	$ .7
Net Position:			
Net investment in capital assets	$147.6	$135.6	$124.9
Restricted	-	.1	.5
Unrestricted	30.7	29.0	31.1
Total net position	$178.3	$164.7	$156.5

The Statements of Net Position show the change in assets, liabilities, deferred outflows of resources, deferred inflows of resources and the resulting net position. Net position may serve, over time, as a useful indicator of a government's overall financial position. As can be seen from the Table A-1, Net Position increased $13.6 million to $178.3 million in FY2014 from $164.7 million in FY2013. Compared to FY2013, Net Investment in Capital Assets increased $12.0 million. The increase in total net position is due primarily to the purchase of replacement and expansion revenue vehicles and related equipment, along with the completion of the LYMMO Grapefruit BRT Line. Unrestricted Net Position increased $1.7 million, reflecting actual revenues in excess of expenses for the fiscal year.

Table A-2

Condensed Statement of Revenues, Expenses, and Changes in Net Position (In millions of dollars)

	September 30, FY2014	**FY2013**	**FY2012**
Operating Revenues:			
Customer fares	$ 29.1	$ 29.4	$ 28.6
Contract services	20.3	17.8	16.5
Advertising revenue	1.8	1.7	1.2
Other income	.4	.5	.4
Total operating revenue	51.6	49.4	46.7
Nonoperating Revenues (Expenses), net:			
Federal	16.2	19.0	19.7
State	11.7	10.5	10.5
Local	42.9	38.9	38.0
Interest and other income (expense)	(.1)	(.1)	(.1)
Total nonoperating revenue	70.7	68.3	68.1
Total Revenues	122.3	117.7	114.8
Depreciation Expense	23.5	19.9	19.2
Operating Expenses:			
Salaries and wages	41.3	39.4	38.2
Fringe benefits	22.0	21.5	20.8
Purchased transportation services	21.3	20.9	20.7
Fuel	16.9	16.4	16.5
Materials and supplies	7.0	6.6	6.3
Professional services	7.0	7.3	5.4
Lease and miscellaneous	.8	.8	.7
Casualty and liability insurance	2.2	5.0	1.6
Utilities, taxes, and licenses	2.0	1.9	1.8
Total operating expenses	120.5	119.8	112.0
Total Expenses	144.0	139.7	131.7
Loss before Capital Contributions	(21.7)	(22.0)	(16.4)
Capital Contributions	35.3	30.2	13.0
Change in Net Position	13.6	8.2	(3.4)
Beginning Net Position	164.7	156.5	159.9
Ending Net Position	$178.3	$164.7	$156.5

The Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the nature and source of changes in Net Position. As shown in Table A-2, the $13.6 million increase in net position in FY2014 is due to the increase in Capital Contributions of $35.3 million over the Loss before Capital Contributions of $21.7 million. The increase in contract services was primarily due to increases in the purchase of local contract services. The increase in operating expense is due to salaries and wage increases as employees received cost of living increases, along with an increase in the cost of fuel.

Capital Assets

At the end of FY2014, the Authority had a broad range of Capital Assets, consisting of Land, Buildings and Shelters, Revenue Vehicles, Bus Rapid Transit (BRT) Roadway and Equipment. For additional information on the Authority's capital assets, please see financial statement note 2, capital assets.

Table A-3
Capital Assets (In millions of dollars)

	September 30, FY 2014	**FY 2013**	**FY 2012**
Land	$ 8.6	$ 8.6	$ 8.6
Buildings and Shelters	96.6	93.8	92.4
Revenue Vehicles	144.0	125.0	108.4
BRT Roadway	6.4	0.0	0.0
Equipment	35.5	29.7	24.0
Subtotal	291.1	257.1	233.4
Less Accumulated Depreciation	(148.3)	(128.9)	(111.1)
Subtotal	142.8	128.2	122.3
Construction in Progress:			
Bus Shelters	1.0	1.7	.2
Facility Capital Improvements	.1	.1	.2
Other Miscellaneous Projects	7.7	12.2	9.0
Subtotal	8.8	14.0	9.4
Net Capital Assets	$151.6	$142.2	$131.7

Long-Term Obligations

On August 16, 2001, the Authority entered into a State Infrastructure Bank (SIB) Loan Agreement (SIB #1), allowing draws of up to $7,958,991 for the construction of the LYNX Central Station. The loan matured in FY2011 and there was no outstanding balance at September 30, 2014 or 2013. On June 9, 2004, the Authority entered into a second SIB Loan (SIB #2), allowing draws of up to $7,600,000 for the construction of the LYNX Operations Center Facility. This loan matures in FY2017; the outstanding loan balance as of September 30, 2014 was $2,392,156 On August 14, 2006, the Authority entered into a third SIB Loan (SIB #3), allowing draws of up to $7,140,000 for the acquisition of revenue vehicles. This loan was paid in full during fiscal year 2014. On August 16, 2007, the Authority leased 21 buses requiring 28 quarterly lease payments over seven years, with principal totaling $7,632,976. This lease was paid in full during fiscal year 2014. For additional information on the Authority's long-term obligations, please see financial statement notes 3 and 4, capital leases and loans payable.

Fuel Hedging

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was implemented in FY2011. This accounting standard requires that hedging derivative instruments be reported at fair value on the Statements of Net Position. Subsequently, GASB Statement No. 65, *Items Previously reported as Assets and*

Liabilities, has been issued to require presentation of related deferred outflows of resources or deferred inflows of resources for certain items that were previously reported as assets or liabilities.

Beginning in July 2011, the Authority entered into several fuel hedging contracts with a counterparty to cover a significant portion of planned fuel purchases. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the fiscal year. As of September 30, 2014 the maturity dates of the open contracts extend through September 2015. Because the fuel hedging contracts are considered effective hedges, the fair value of the open contracts is presented as a deferred outflow or inflow of resources, rather than as an activity. For additional information on the Authority's fuel hedging activities, see financial statement note 9, fuel hedge swap agreements.

Economic Factors and Next Year's Budget and Rates

The Authority's Board of Directors and Management considered many factors when setting the FY2014 budget and contract services hourly rates. These factors include the expected demand of the Authority's Funding Partners, which in turn consider such factors as anticipated population growth of the three counties and the economy of the region as a whole.

FINANCIAL STATEMENTS

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014 AND 2013

ASSETS	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	$ 35,228,849	$ 22,530,314
Receivables:		
Local, trade and operating assistance	2,702,530	3,701,335
Federal grants	6,158,952	23,253,319
State grants	6,574,304	6,872,235
Inventory	1,551,303	1,533,858
State fuel tax refund	145,673	95,919
Prepaid expenses and other assets	393,121	206,822
Total current assets	52,754,732	58,193,802
NONCURRENT ASSETS:		
Investment Pool B	-	211,506
Restricted cash and cash equivalents	2,183,142	5,221,083
Total investment and restricted cash and cash equivalents	2,183,142	5,432,589
Property and equipment:		
Land	8,571,465	8,571,465
Buildings and shelters	96,541,410	93,782,442
Bus Rapid Transit Roadway Infrastructure	6,404,069	-
Revenue vehicles	144,010,351	125,023,558
Equipment	35,489,755	29,662,337
Leasehold improvements	46,173	38,699
Total property and equipment	291,063,223	257,078,501
Less accumulated depreciation	(148,312,855)	(128,947,864)
Construction in progress	8,824,351	14,035,732
Net property and equipment	151,574,719	142,166,369
Net pension asset	234,450	224,757
Total noncurrent assets	153,992,311	147,823,715
Total assets	206,747,043	206,017,517
DEFERRED OUTFLOW OF RESOURCES		
Accumulated decrease in fair value of fuel hedge insrument	828,151	62,919

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014 AND 2013

LIABILITIES AND NET POSITION	2014	2013
CURRENT LIABILITIES:		
Accounts payable	$ 7,419,133	$ 14,771,347
Accrued salaries and related taxes	1,306,416	1,088,990
Accrued compensated absences, current	3,967,050	3,740,318
Accrued self-insurance liability, current	2,103,397	2,128,430
Leases payable, current	-	1,222,768
Loans payable, current	781,649	5,021,344
Unearned operating revenue	954,497	663,399
Unearned capital	1,566,370	2,256,057
Derivative instrument - fuel hedge	828,151	62,919
Total current liabilities	18,926,663	30,955,572
NONCURRENT LIABILITIES:		
Loans payable, long-term	1,610,507	2,392,156
Net OPEB obligation	1,424,525	1,189,525
Accrued compensated absences, long-term	523,380	510,595
Accrued self-insurance liability, long-term	6,699,104	6,291,109
Total noncurrent liabilities	10,257,516	10,383,385
Total liabilities	29,184,179	41,338,957
NET POSITION:		
Net Investment in capital assets	147,614,728	135,635,735
Restricted-capital projects	-	91,276
Unrestricted	30,776,287	29,014,468
Total net position	$ 178,391,015	$ 164,741,479

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
Customer fares	$ 29,081,116	$ 29,394,733
Contract services:		
Local financial assistance	11,768,912	8,680,856
Other contractual services	8,568,980	9,072,417
Advertising	1,765,543	1,682,921
Other income	371,905	548,882
Total operating revenues	51,556,456	49,379,809
OPERATING EXPENSES:		
Salaries and wages	41,350,461	39,371,561
Fringe benefits	21,951,183	21,479,560
Purchased transportation services	21,370,807	20,869,468
Fuel	16,889,968	16,464,091
Materials and supplies	6,994,113	6,640,470
Professional services	7,030,924	7,333,148
Lease and miscellaneous	809,151	788,595
Casualty and liability insurance	2,159,725	4,964,061
Utilities	1,439,781	1,384,664
Taxes and licenses	540,994	517,320
Total operating expenses before depreciation	120,537,107	119,812,938
OPERATING EXPENSES IN EXCESS OF OPERATING REVENUES BEFORE DEPRECIATION AND AMORTIZATION	(68,980,651)	(70,433,129)
DEPRECIATION AND AMORTIZATION	(23,469,896)	(19,871,208)
OPERATING LOSS	(92,450,547)	(90,304,337)
NONOPERATING REVENUES AND EXPENSES:		
Operating assistance grants:		
Federal	741,000	750,000
State of Florida	9,843,318	9,349,670
Local	42,889,695	38,932,846
Planning and other assistance grants:		
Federal	15,516,851	18,310,183
State of Florida	1,825,919	1,150,493
Interest expense	(72,079)	(177,619)
Interest income	32,427	50,150
Other income (expenses)	(34,661)	(15,256)
Total nonoperating revenues and expenses, net	70,742,470	68,350,467
LOSS BEFORE CAPITAL CONTRIBUTIONS	(21,708,077)	(21,953,870)
Capital contributions	35,357,613	30,204,891
Change in net position	13,649,536	8,251,021
NET POSITION AT BEGINNING OF YEAR	164,741,479	156,490,458
NET POSITION AT END OF YEAR	$ 178,391,015	$ 164,741,479

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 29,081,116	$ 29,394,733
Cash received for contract services	21,234,785	16,656,317
Cash paid to employees	(46,409,367)	(41,275,891)
Cash paid to suppliers	(80,456,734)	(69,262,153)
Cash received from advertising and miscellaneous	2,239,360	2,240,103
Net cash used in operating activities	(74,310,840)	(62,246,891)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from assistance grants	80,058,069	60,711,385
Net cash provided by noncapital financing activities	80,058,069	60,711,385
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction and acquisition of property and equipment	(24,546,329)	(30,455,015)
Principal paid on loans and capital leases	(6,244,112)	(1,927,050)
Interest paid on capital leases and SIB loans	(72,079)	(177,619)
Capital assistance grants	34,743,458	25,595,825
Net cash used in capital and related financing activities	3,880,938	(6,963,859)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	32,427	50,150
Pool B investment withdrawals	-	23,577
Net cash provided by investing activities	32,427	73,727
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,660,594	(8,425,638)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,751,397	36,177,035
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 37,411,991	$ 27,751,397
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	$ (92,450,547)	$ (90,304,337)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and Amortization	23,469,896	19,871,208
Changes in operating assets and liabilities:		
Local, Trade, and Operating Assistance Receivable	998,805	(1,088,656)
Inventory	(17,445)	(16,725)
State fuel tax refund receivable	(49,754)	148,253
Prepaid expenses and other assets	(749,718)	662,956
Accounts payable	(6,586,982)	4,536,622
Accrued salaries and related taxes	452,426	359,568
Accrued compensated absences	239,517	(102,297)
Accrued self-insurance liability	382,962	3,686,517
Net cash used in operating activities	$ (74,310,840)	$ (62,246,891)
NONCASH INVESTING ACTIVITY:		
Unrealized gain on investments	$ -	$ 23,577

See notes to financial statements.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

1. SIGNIFICANT ACCOUNTING POLICIES

Organization - The Central Florida Regional Transportation Authority (the "Authority") was created in 1989 pursuant to Section 343.63, *Florida Statutes*. This same legislation was amended in 1993, allowing the Authority to assume the operations of the entity formerly known as Central Florida Commuter Rail Authority and providing an opportunity to merge with the local transportation provider, Orange-Seminole-Osceola Transportation Authority (OSOTA) d/b/a LYNX, thereby, creating a one-stop public transportation entity. The Authority continues to use LYNX as its doing business as name and serves as the focal point in developing all modes of public transportation in the Central Florida region. Through formal action by both the Authority and OSOTA Board of Directors, the merger of the two organizations was ratified March 1994 and became effective October 1, 1994. The Authority provides public transportation services to the general public in the Orlando, Florida metropolitan area--Orange County, Seminole County, and Osceola County.

Reporting Entity - The Authority is a stand-alone governmental unit.

Basis of Accounting – The Authority accounts for its activities through the use of an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration (business-type activities). Because the Authority has only business-type activities, it is considered to be a special-purpose government for financial reporting under Governmental Accounting Standards Board (GASB) No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (GASB 34)*. Accordingly, the Authority only presents fund financial statements as defined in GASB 34. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when incurred. The Authority's property and equipment acquisitions and operations are subsidized by the Federal Transit Administration, the Florida Department of Transportation, and local governments. Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as grant receivables and credited to capital contributions when the related qualified expenditures are incurred. Unrestricted net assets consist of state and local government operating subsidies received in excess of net expenses.

Cash and Cash Equivalents and Investments - For purposes of the statements of cash flows, the Authority considers all investments with a maturity of three months or less when purchased to be cash equivalents. All cash and cash equivalents are insured by the Federal Deposit Insurance Corporation or are considered insured by the State of Florida collateral pool. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

The Authority's policy allows for investments in the Local Governmental Surplus Funds Investment Pool (the "Pool"), which is administered by the State Board of Administration of Florida. The Pool includes direct obligations of the United States government or its agencies and instrumentalities, interest bearing time deposits or saving accounts, mortgage-backed securities, collateralized mortgage obligations, bankers acceptance, commercial paper, repurchase agreements, and shares in common-law trust established under *Florida Statutes* Section 163.01. The Pool allocates investment earnings to participants monthly, based on a prorated dollar days participation of each account in the Pool.

The Authority held investments throughout fiscal years 2014 and 2013 in the Pool, which are considered cash and cash equivalents for financial reporting purposes. During fiscal year 2008 some securities were downgraded and the Pool was subdivided into Pool A and Pool B, with Pool B containing the downgraded securities. During fiscal year 2009, Pool A was renamed "Florida PRIME" by the SBA.

The Authority presents all investments at fair value as follows:

	September 30, 2014	September 30, 2013
Pool Investments -Florida PRIME	$ 616,772	$ 404,462
Pool Investments -Pool B	-	211,506
Bank Deposits	36,795,219	27,346,935
Total Cash and Cash Equivalents and Investments	$ 37,411,991	$ 27,962,903

Effective September 2014 the SBA transferred funds from Fund B to Florida PRIME, representing the final portion of original principal for all fund participants. These funds were transferred in proportion to participants' original adjusted Fund B balances. The remaining reserve amount will continue to be invested in an SEC-registered 2a-7 money market fund until the transfer back to Florida PRIME. The Fund B Trust Fund will continue to hold the remaining reserve until directed by the SBA Trustees to distribute to Florida Prime. The final amount to be transferred is uncertain.

Florida PRIME qualifies under GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to be treated as a "2a-7 like pool" because it has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940. The current rating of Florida PRIME by Standard and Poors is AAAm and the weighted average days to maturity at September 30, 2014 was 39 days. The securities in Florida PRIME are presented at fair value based on $1 per share.

It is the policy of the Authority to diversify its investment portfolios so as to protect against issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over concentration of assets in a specific maturity, a specific issuer, a specific geographical distribution, or a specific class of securities.

The Authority's investment policy's objectives are preservation of the principal of funds within its portfolio, ensure that funds are available to meet reasonably anticipated cash flow requirements, and maximize return on investments, while meeting the established quality, safety and liquidity restrictions.

To limit credit risk, in addition to diversification, the Authority has established a list of authorized investments, the principal ones are:

(1) The Local Government Surplus Funds Trust Fund;
(2) United States Treasury and Agency securities;
(3) Interest-bearing time deposits or savings accounts in Qualified Public Depositories;
(4) Obligations of the Federal Farm Credit Banks and the Federal Home Loan Mortgage Corporation; and
(5) Deposits, federal funds or bankers acceptance of any domestic bank.

Receivables - Local, Trade, Operating Assistance – Includes receivables from customers, Local Funding Partners and Medicaid Assistance. As of September 30, 2014 and 2013, the Authority had receivables, net of allowances, as follows:

	September 30, 2014	September 30, 2013
Customers	$ 1,313,857	$ 2,510,090
Local Funding Partners	673,817	264,643
Medicaid Assistance	714,856	926,602
Total	$ 2,702,530	$ 3,701,335

Inventory - Inventory, consisting of minor repair parts and fuel, is valued at the lower of cost or market. Cost is determined using the first-in, first-out method.

State Fuel Tax Refund **-** Represents claims refundable from the State of Florida Department of Revenue for fuel tax.

Restricted Assets **-** When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first, and then unrestricted resources, as they are needed. Restricted assets include $2,183,142 and $5,221,083 of cash and cash equivalents for the LYMMO expansion projects, planning projects, shelters, bus procurement and other enhancements, and various capital projects as of September 30, 2014 and 2013, respectively.

Property and Equipment **-** Property and equipment in the amount of $300 or more is recorded at historical cost and depreciated over the following estimated useful lives using the straight-line method:

	Years
Buildings and shelters	3 – 30
Revenue vehicles	5 - 9
Equipment	3 – 12
Leasehold improvements (shorter of useful lives or lease term)	5 – 10

The remaining construction work in progress primarily relates to design, engineering and construction costs of LYMMO BRT expansion projects, facilities improvements, bus shelters and transfer centers and other projects. Depreciation commences when projects are completed and the underlying fixed assets are available for use.

Accounts Payable **-** Accounts payable are recorded as expenses at the time services are rendered and the Authority receives items. As of September 30, 2014 and 2013, the Authority had accounts payable as follows:

	September 30, 2014	September 30, 2013
Trade	$ 3,362,332	$ 9,425,518
Commitments (Consultants/Construction)	1,327,271	1,882,983
Retainage	108,907	354,278
Other	2,620,623	3,108,568
Total	$ 7,419,133	$ 14,771,347

Accrued Compensated Absences **-** The Authority recognizes the accrual of compensated absences in accordance with GASB No. 16, *Accounting for Compensated Absences*, accruing vacation pay benefits as earned and sick pay benefits as vested by its employees.

	September 30, 2014	September 30, 2013
Accrued compensated absences liability, beginning of year	$ 4,250,913	$ 4,353,210
Obligations	4,206,567	3,638,021
Payments	(3,967,050)	(3,740,318)
Accrued compensated absences liability, end of year	$ 4,490,430	$ 4,250,913
Amount due within one year	$ 3,967,050	$ 3,740,318

Accrued Self-Insurance Liability **-** The Authority has a self-insurance program for public liability claims and workers compensation. Estimated claims are accrued in the year expenses are incurred to the extent payment is probable and subject to reasonable estimation.

Unearned Operating Revenue **-** Unearned operating revenue consists of revenue not yet recognized because services have not yet been rendered, although related cash has been received.

Net Position - Net position represents the difference between all other elements in the statements of financial position and is displayed in three components – net investment in capital assets, restricted and unrestricted.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating Revenues - Transactions reported as operating revenues are those that arise from the activities of primary ongoing operations. Those include: Customer Fares, Contract Services, Advertising and Other Operating Income. Customer fares are recorded as revenue at the time services are performed and revenues pass through the fare box. Contract services are recorded as revenue when services are provided, consisting primarily of bus services to area cities and counties that are funded based on hours of service and paratransit services funded through Medicaid, Transportation Disadvantage, and other means.

Nonoperating Revenues - Transactions reported in the nonoperating revenue category include government subsidies that are not contingent on service hours or other designated criteria, including Federal, State and Local Operating, Planning, and other grant assistance, as well as interest income and gains on the sales of capital assets, if applicable.

Operating Expenses - Transactions reported as operating expenses are those that arise from the activities of primary ongoing operations. Those include: Salaries and Wages, Fringe Benefits, Purchased Transportation Services, Fuel, Materials and Supplies, Professional Services, Leases and Miscellaneous, Casualty and Liability Insurance, Utilities, Taxes and Licenses.

Nonoperating Expenses - Transactions reported in the nonoperating expense category include those that do not arise from the activities of primary ongoing operations. These include interest expense for leases and loans as well as losses on the sales of capital assets, if applicable.

2. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

Property and Equipment:	**Beginning Balance**	**Additions**	**Reclass/ Disposals**	**Ending Balance**
Depreciable Assets				
Buildings and Shelters	$ 93,782,442	$ 3,132,055	$ (373,087)	$ 96,541,410
Revenue Vehicles:				
Buses	118,421,395	20,056,389	(2,479,109)	135,998,675
Other Support Vehicles	6,602,163	2,176,291	(766,778)	8,011,676
Furniture, Fixtures & Equipment	29,662,337	6,513,769	(686,351)	35,489,755
Leasehold Improvements	38,699	7,474	-	46,173
BRT Roadway Improvements	-	6,404,069	-	6,404,069
Non-Depreciable Assets				
Land	8,571,465	-	-	8,571,465
Construction in Progress	14,035,732	7,091,522	(12,302,903)	8,824,351
Totals at Historical Cost	$ 271,114,233	$ 45,381,569	$ (16,608,228)	$ 299,887,574
Less accumulated depreciation for:				
Buildings and Shelters	$ (34,533,248)	$ (6,040,438)	$ 284,483	$ (40,289,203)
Revenue Vehicles:				
Buses	(70,418,140)	(13,034,611)	2,400,339	(81,052,412)
Other Support Vehicles	(4,760,842)	(789,133)	743,988	(4,805,987)
Furniture, Fixtures & Equipment	(19,235,634)	(3,439,965)	676,095	(21,999,504)
Leasehold Improvements	-	(19,868)	-	(19,868)
BRT Roadway Improvements	-	(145,881)	-	(145,881)
Total Accumulated Depreciation	(128,947,864)	(23,469,896)	4,104,905	(148,312,855)
Capital Assets, net	$ 142,166,369	$ 21,911,673	$ (12,503,323)	$ 151,574,719

Capital asset activity for the year ended September 30, 2013 was as follows:

Property and Equipment:	Beginning Balance	Additions	Reclass/ Disposals	Ending Balance
Depreciable Assets				
Buildings and Shelters	$ 92,382,724	$ 1,480,068	$ (80,350)	$ 93,782,442
Revenue Vehicles:				
Buses	103,089,087	15,618,155	(285,847)	118,421,395
Other Support Vehicles	5,268,656	1,363,901	(30,394)	6,602,163
Furniture, Fixtures & Equipment	24,042,784	7,299,878	(1,680,325)	29,662,337
Leasehold Improvements	-	38,699	-	38,699
Non-Depreciable Assets				
Land	8,571,465	-	-	8,571,465
Construction in Progress	9,420,251	10,395,317	(5,779,836)	14,035,732
Totals at Historical Cost	$ 242,774,967	$ 36,196,018	$ (7,856,752)	$ 271,114,233
Less accumulated depreciation for:				
Buildings and Shelters	$ (28,906,593)	$ (5,660,685)	$ 34,030	$ (34,533,248)
Revenue Vehicles:				
Buses	(59,065,430)	(11,748,381)	395,671	(70,418,140)
Other Support Vehicles	(4,508,465)	(272,245)	19,868	(4,760,842)
Furniture, Fixtures & Equipment	(18,644,460)	(2,189,898)	1,598,724	(19,235,634)
Total Accumulated Depreciation	(111,124,948)	(19,871,209)	2,048,293	(128,947,864)
Capital Assets, net	$ 131,650,019	$ 16,324,809	$ (5,808,459)	$ 142,166,369

3. CAPITAL LEASES

The Authority leased 21 buses that were received in July 2007. The lease agreement that commenced August 2007 and covered a term of seven years, with the final lease payment made August 2014. The Authority subsequently exercised its option to purchase these buses at a cost of $1,488,750. As of September 30, 2014, these buses were included in property and equipment at a cost of $9,121,726. Amortization of assets under capital leases is included in depreciation expense. Leases payable activity for the years ended September 30, 2014 and 2013 was as follows:

Leases Payable
September 30, 2014

Leases Payable	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
Lease # 4	$1,222,768	$ -	$1,222,768	$ -	$ -
Total	$1,222,768	$ -	$1,222,768	$ -	$ -

Leases Payable
September 30, 2013

Leases Payable	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
Lease #4	$2,398,522	$ -	$1,175,754	$1,222,768	$1,222,768
Total	$2,398,522	$ -	$1,175,754	$1,222,768	$1,222,768

4. LOANS PAYABLE

On August 16, 2001, the Authority entered into a State Infrastructure Bank Loan Agreement (SIB #1), allowing draws of up to $7,958,991 for the construction of the LYNX Central Station; the loan matured in 2011. On June 9, 2004, the Authority entered into another SIB Loan (SIB #2), allowing draws of up to $7,600,000 for the construction of the New Operating Base Facility. This loan matures in 2016, was non-interest bearing until October 1, 2007, and bears an interest rate of 2%, thereafter. On August 14, 2006, the Authority entered into another SIB Loan (SIB #3), allowing draws of up to $7,140,000 for the acquisition of rolling stock, including paratransit vehicles. The allowable amount, $7,140,000, of SIB #3 was executed in FY2006. This was non-interest bearing until October 1, 2008, and had an interest rate of 1% thereafter and was paid in full October 1, 2013. Loans payable activity during the fiscal years ending September 30, 2014 and 2013 was as follows:

Loans Payable
September 30, 2014

	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
SIB #2	$ 3,158,478	$ -	$ 766,322	$ 2,392,156	$ 781,649
SIB #3	4,255,022	-	4,255,022	-	-
Total	$ 7,413,500	$ -	$ 5,021,344	$ 2,392,156	$ 781,649

Loans Payable
September 30, 2013

	Beginning Balance	Additions	Payments	Ending Balance	Amounts Due Within One Year
SIB #2	$ 3,909,774	$ -	$ 751,296	$ 3,158,478	$ 766,322
SIB #3	4,255,022	-	-	4,255,022	4,255,022
Total	$ 8,164,796	$ -	$ 751,296	$ 7,413,500	$ 5,021,344

Pursuant to the State Infrastructure Bank Loan Agreement, the Authority committed to use its Federal Transit Administration 5307 grant funds as the source to fund the payment obligations of the loans for SIB#1 and SIB#2, provided such funds are available after funding capital expenditures. The amount of pledged revenues was $27,495,769 and $23,509,503 for fiscal years 2014 and 2013, respectively. The Authority committed to use directly generated local funds and FTA 5307 funds for non-TRIP projects as the source to fund the payment obligations of SIB#3. The amount of pledged revenues for capital expenditures and SIB#3 loan payments was $6,396,308 and $4,426,503 for fiscal years 2014 and 2013, respectively. Fiscal year 2014 principal and interest payments were $5,021,344 and $105,720, respectively, and fiscal year 2013 principal and interest payments were $751,296 and $207,127, respectively.

Repayments to be made in fiscal years 2015 through 2018 are as follows:

Fiscal Year	Principal	Interest	Total
2015	$ 781,649	$ 47,843	$ 829,492
2016	797,282	32,210	829,492
2017	813,225	16,265	829,490
Totals	$ 2,392,156	$ 96,318	$ 2,488,474

5. ACCRUED SELF-INSURANCE LIABILITY

The Authority has been self-insured since 1986 for personal injury coverage related to its transit coaches and since 1991 for workers compensation coverage; all other risks of loss are covered through the purchase of commercial insurance. The Authority has sovereign immunity with respect to personal injury claims, which limits its liability to $100,000 for each claim and $200,000 for each accident. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The amounts recorded as accrued self-insurance liability at September 30, 2014 and 2013, the current portion of which represents an estimate of payments required in the next fiscal year, are at present value based on estimates derived through actuarial determinations discounted at 4% for the fiscal years 2014 and 2013. Such estimates are subject to change based on circumstances surrounding each claim. Changes in the balances of accrued self-insurance liability, including incurred but not reported claims (IBNR), were as follows during the years ended:

	September 30 2014	2013
Accrued self-insurance liability, beginning of year	$ 8,419,539	$ 4,733,022
Insured claims (including IBNR's)	2,159,725	4,964,061
Claim payments	(1,776,763)	(1,277,544)
Accrued self-insurance liability, end of year	$ 8,802,501	$ 8,419,539

The estimated amounts due in one year are $2,103,397 and $2,128,430 at September 30, 2014 and 2013, respectively.

6. PENSION PLANS

State Plan -

Plan Description

There are five (5) employees of the Authority who are not represented by the Amalgamated Transit Union (the "Union") and are participants in the Florida Retirement System (FRS), a cost-sharing multiple-employer public employee retirement system (PERS) administered by the Florida Department of Administration. Employees not filling regular established positions but working as temporary employees are not covered by the FRS. The Authority participated in the regular FRS class of membership, with contribution rates based on actuarially determined rates. For fiscal year 2014 and 2013, employers were required to contribute at a rate of 7.37% and 6.95%, respectively. Beginning July 2011, employees were required to contribute at a rate of 3%.

Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 22B, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida Legislature. Benefits are computed on the basis of age, average final compensation, and service credit. Members are also eligible for in-line-of duty or regular disability benefits, if permanently disabled and unable to work. Regular class employees who retire at or after age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. A post-employment health insurance subsidy is also provided to eligible retirement employees through the FRS in accordance with *Florida Statutes*.

Section 121.031 (3), *Florida Statutes* requires that an actuarial valuation of FRS be performed biannually. The conclusions of the valuation and historical trend data are included in the annual report of the FRS. Further information about the progress made by the FRS in accumulating sufficient assets to pay benefits when due, including 10-year historical trend information, is included in the State of Florida Comprehensive Annual Financial Report and various publications available from the Florida Department of Administration.

Funding Policy

The Authority's contributions to the FRS were equal to the required contribution for each fiscal year. Contributions for fiscal years ended September 30, 2012 through 2014 approximated the following:

Fiscal Year	Contributions
2014	$ 32,000
2013	$ 30,000
2012	$ 26,000

The Authority has historically contributed amounts equal to the required contributions for the FRS and, therefore, does not have a pension asset or liability as determined in accordance with GASB No. 27.

Union Plan -

Plan Description

Substantially all Union employees of the Authority are participants in the Amalgamated Transit Union Local 1596 Pension Plan (the "Union Plan"), a defined benefit, single-employer public employee retirement system, formed April 22, 1986 by agreement between the Authority and the Union. All Authority Union employees are eligible to participate in the Union Plan as of their hire date. Employees who have reached the age of 62 are entitled to a retirement union benefit, payable monthly for life, equal to 2.13% of their average compensation for each unit of benefit credit. Average compensation is the average of the highest sixty consecutive calendar months preceding retirement or termination. Participants are credited with units of benefit credit for hours of service worked in a plan year. Benefits fully vest upon reaching 10 years of vested service. Vested employees who retire on or after age 62 will receive full benefits. Participants who have reached age 58 and have 20 years of service are entitled to an unreduced pension benefit. The monthly payment is reduced by 0.56% for each month for the first three years the early retirement date precedes the unreduced early retirement date for participants with 20 or more years of services. In addition, the monthly payment is reduced by 0.56% for each month up to a maximum of 60 months the early retirement date precedes the normal retirement date for participants with less than 20 years of service. Participants' benefits are established by the Trustees of the Union Plan.

Available historical information showing the Union Plan's progress in accumulating sufficient assets to pay benefits when due is presented in the Union Plan's financial statements. The Union Plan's financial statements may be obtained by writing the Union Plan Trustees.

Funding Policy

The Authority and Union employees are obligated to contribute to the Union Plan in accordance with requirements of the Union Collective Bargaining Agreement; regular contribution rates are actuarially determined. Union Plan members are required to contribute 5.25% of earnings; the Authority is required to contribute 9.75% of Union Plan members' earnings. The amount by which the required contribution rate exceeds the regular contribution rate in the contract is shared on the same bases as the contribution rate – 65% employer and 35% employee. Employees may elect to enhance their future benefits by up to .25% and .50% by contributing an additional 2.5% and 5.0% of earnings, respectively. Shared contributions are the amount by which the required contribution rate exceeds the regular contribution rates, which is shared as 35% employee and 65% employer in the subsequent year.

Annual Pension Cost and Net Pension Obligation

The Authority's latest available union plan annual pension information, which includes costs for fiscal years 2014, 2013 and 2012 and a net pension asset at September 30, 2014, 2013 and 2012, is as follows:

	September 30		
	2014	2013	2012
Annual required contribution	$ 3,521,356	$ 3,422,542	$ 3,543,980
Interest on net pension (asset)	(16,879)	(6,040)	1,077
Adjustment to annual required contribution	21,527	7,755	(1,383)
Annual pension cost	3,526,004	3,424,257	3,543,674
Contributions made	(3,535,697)	(3,588,761)	(3,618,585)
Increase in net pension (asset)	(9,693)	(164,504)	(74,911)
Net pension (asset), beginning of yr.	(224,757)	(60,253)	14,658
Net pension (asset), end of year	$ (234,450)	$ (224,757)	$ (60,253)

The annual required contribution for fiscal year 2014 was determined as part of the October 1, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.00% to 13.13% per year, dependent on years of service. Both (a) and (b) included an inflation component of 3.5%. The assumptions did not include post-retirement benefit increases, which are funded by the Authority when granted. Such assumptions are subject to future changes due to certain market conditions. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll on a closed basis. The remaining amortization period at September 30, 2013 was 17 years.

Three-Year Trend			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)/Obligation
9/30/14	$ 3,526,004	100.3%	$(234,450)
9/30/13	$ 3,424,257	102.7%	$(224,757)
9/30/12	$ 3,543,674	102.1%	$ (60,253)

Funded Status and Funding Progress

The most recent actuarial report for the Union Plan was prepared as of October 1, 2013. As of this point in time, the actuarial value of the Union Plan's assets was $102,676,017 and the actuarial accrued liability for benefits was $105,637,539, resulting in an unfunded actuarial liability of $2,961,522 and a funded ratio of 97.20%. The annual covered payroll was $34,962,723 and the ratio of the funded excess to covered payroll was 8.47%.

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 and mortality trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Employee 401(a) Pension Plan - Employee 401(a) Pension Plan - The Authority maintains a single-employer, defined contribution pension plan, Central Florida Regional Transportation Authority Money Purchase Plan (the “Plan”), administered by Mass Mutual Financial Group for employees who are not represented by the Union, effective October 1, 1994. The Plan is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code. All full-time administrative employees not represented by the Union are eligible for participation in the plan, with the exception of employees hired before October 1, 1994 who opted to stay in the FRS and supervisors represented by Union 1749.

The Plan provisions provide for the Authority to contribute 12% or 6% of employee earnings; employees are not required to make contributions. On October 1, 2013, Authority contribution changed from 12% to 6% for new employees. All plan amendments are administered and authorized by the Plan’s trustees. At the Plan’s inception, employees who switched from the FRS were automatically 100% vested and all other employees are 100% vested after five years of employment with the Authority or other public service or transportation agencies. All employees may withdraw vested balances upon the normal retirement age of 65. The Plan permits withdrawals for retirement, termination, and disability but does not allow participants to borrow against their accounts.

The payroll for Authority employees covered by the plan for the years ended September 30, 2014 and 2013 was $9,699,702 and $9,810,567 respectively. The Authority’s contribution to the plan for the years ended September 30, 2013 and 2012 amounted to $1,231,432 and $1,177,268 respectively, representing 12% or 6% of covered payroll less forfeitures.

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In addition to the pension benefits described in Note 6, effective October 1, 1999, the Authority entered into a contractual agreement with Local 1596 of the Amalgamated Transit Union to provide postemployment health care benefits for those employees who, in accordance with Article 28 of the Amalgamated Transit Union Local 1596 Pension Plan, have at least ten (10) years vesting and retire between the ages of 62 and 67 or until they are eligible for Medicare benefits (whichever occurs first). Benefit provisions and contribution obligations have been established by the Authority’s Board. Eligibility for retirement health care benefits will be determined by the years of credited services.

In order to comply with the requirements of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, the Authority contracted with a certified actuarial firm to provide an actuarial valuation of postemployment benefits. The postemployment health insurance benefits will continue to be offered on a pay-as-you-go basis a percentage of the cost of the Consumer Driven Health Plan (CDHP, Employee Only) in accordance with the following schedule:

Years of Service	Contribution Rate
10-14	60% of CDHP, Employee Only
15-19	75% of CDHP, Employee Only
20+	100% of CDHP, Employee Only

Employees who elect to continue their health care coverage upon retirement are responsible for the employee and employer share over and above the previously stated contributions. Dependent coverage is available at the retiree's expense provided the retiree elects to continue health care coverage. As required by the State of Florida Statute 112.08011, the claims experience of the retirees is co-mingled with active employees in determining the health plan cost. In accordance with GASB 45, the co-mingling of claims requirements equates to an implicit subsidy to retirees that creates another postemployment benefit (OPEB) liability on the part of the Authority. Therefore, the Authority will incur a liability at the beginning of this fiscal year for the implicit rate subsidy as the Authority implements GASB 45. The Authority does not intend to fund the actuarial accrued liability.

The Authority's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. In the year of implementation, the net OPEB Obligation and the ARC are the same amount. The following table shows the components of the Authority's OPEB cost for the year, the amount contributed to the plan, and changes in the Authority's net OPEB obligation at September 30, 2014, 2013 and 2012, as follows:

	September 30		
	2014	2013	2012
Annual required contribution	$ 426,000	$ 402,000	$ 329,109
Interest on net OPEB obligation	48,000	39,000	29,148
Adjustment to annual required contribution	(53,000)	(42,000)	(40,519)
Annual OPEB cost	421,000	399,000	317,738
Contributions made	(186,000)	(172,000)	(83,901)
Increase in net OPEB obligation	235,000	227,000	233,837
Net OPEB obligation, beginning of year	1,189,525	962,525	728,688
Net OPEB obligation, end of year	$ 1,424,525	$ 1,189,525	$ 962,525

As of the October 1, 2013 actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was $2,995,000. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was $41,350,461 and the ratio of the UAAL to the covered payroll was 7.2%. The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
September 30, 2014	$421,000	44.2%	$1,424,525
September 30, 2013	$399,000	43.1%	$1,189,525
September 30, 2012	$317,738	26.4%	$ 962,525

(A schedule of funding progress is presented on page 39.)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. (As an unfunded plan, there are no plan assets to report.)

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

Valuation date	October 1, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar/open
Remaining amortization period	30 years
Asset valuation method	Pay as you go
Actuarial assumptions:	
Projected salary increases	2.50%
Investment rate	4.0% per year
Healthcare cost trend (including 2.80% inflation)	7.5% initially and 5.49% ultimately, in 2049

8. COMMITMENTS

Operating Lease - Total lease expense amounted to $231,530 and $154,888 during the years ended September 30, 2014 and 2013, respectively.

9. FUEL HEDGE SWAP AGREEMENTS

The Authority first entered into fuel hedge swap agreements (“swaps”) during fiscal year 2011 in order to smooth out the fluctuation in diesel fuel cost and to set predetermined upper limits with respect to the cost of fuel. Eighteen swaps have occurred to date through September 30, 2014 as follows:

Trade Date	Effective Period	Total Quantity - Gallons	Fixed Price Per Gallon
05/03/2011	05/01/11 – 10/31/11	720,000	$3.3160
05/06/2011	05/06/11 – 10/31/11	360,000	$3.0050
05/06/2011	11/01/11 – 09/30/12	1,430,000	$3.0420
09/23/2011	11/01/11 – 09/30/12	770,000	$2.8900
05/15/2012	10/01/12 – 09/30/13	840,000	$3.0125
05/17/2012	10/01/12 – 09/30/13	840,000	$2.9400
06/29/2012	10/01/12 – 09/30/13	756,000	$2.3800
06/29/2012	10/01/12 – 09/30/13	1,104,000	$2.7300
04/05/2013	10/01/13 – 09/30/14	840,000	$2.9500
04/05/2013	10/01/13 – 09/30/14	264,000	$2.6050
04/15/2013	10/01/13 – 09/30/14	840,000	$2.8900
04/15/2013	10/01/13 – 09/30/14	264,000	$2.5700
04/16/2013	10/01/13 – 09/30/14	840,000	$2.8650
04/16/2013	10/01/13 – 09/30/14	264,000	$2.5200
04/23/2014	10/01/14 – 09/30/15	1,430,000	$3.0420
04/23/2014	10/01/14 – 09/30/15	396,000	$2.6025
04/28/2014	10/01/14 – 09/30/15	204,000	$2.5990
04/28/2014	10/01/14 – 09/30/15	1,680,000	$2.8950

Settlements with the counterparty are made monthly based on the difference between the number of gallons hedged at the fixed price and the number of gallons hedged at the average price per gallon based on the U.S. Gulf Coast Pipeline Ultra Low Sulfur Diesel Platts Index and the U.S. Gulf Coast Pipeline Gasoline Unleaded 87 Platts Index ("Platts"). If the Platts price is higher than the fixed price the counterparty pays the Authority a settlement amount and if the fixed price is higher than the Platts price the Authority pays the counterparty. The Authority is exposed to basis risk on the swaps if the index on which fuel is purchased differs from the Platts index specified in the related fuel hedge agreements. During fiscal year 2013, the Authority purchased all diesel fuel from vendors using the Platts index.

The Authority is also exposed to rollover risk on the swaps to the extent that the maturities of fuel hedges differ from the timing of fuel purchases. To the extent there are timing differences, the Authority is re-exposed to the fuel price risks being hedged.

The swaps are considered effective hedges at September 30, 2014 under the dollar-offset method, which compares the changes in expected cash flows of the hedging instruments to the cash flows of the diesel fuel subjected to hedge. Accordingly, the swaps are presented at estimated fair value on the statement of net position, with $828,151 as a deferred outflow of resources and derivative financial instrument on the statement of net position at September 30, 2014. The estimated fair value of the swaps is determined based on contracted strike prices and applicable futures prices at September 30, 2014, and these values represent the change in fair value of the swaps during the fiscal year.

The fixed price per gallon has declined significantly from hedged prices subsequent to September 30, 2014. Deferred outflows arising from such declines are recognized as fuel expense throughout the effective period of the hedge.

10. LITIGATION

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation, most of which are covered by the self-insurance program discussed in Note 5. In the opinion of management, any adjustments that would result from the settlement of lawsuits and other claims would not be significant.

REQUIRED SUPPLEMENTARY INFORMATION

UNION PENSION PLAN

Schedule of Funding Progress

	Valuation Dates, October 1		
	2013	**2012**	**2011**
Actuarial value of assets	$102,676,017	$ 92,836,502	$ 87,639,137
Actuarial accrued liability	105,637,539	97,947,220	93,786,097
Unfunded actuarial liability	$ 2,961,522	$ 5,110,718	$ 6,146,960
Funded Ratio	97.20%	94.78%	93.45%
Annual covered payroll	$ 34,962,723	$ 32,821,564	$ 34,369,299
Unfunded actuarial liability as a percent of annual covered payroll	8.47%	15.57%	17.89%

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Other Postemployment Benefits (OPEB)
For the Years Ended September 30, 2014, 2013 and 2012

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (normal cost) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
October 1, 2013	$ -	$2,995,000	$2,995,000	0.0%	$41,350,461	7.2%
October 1, 2012	$ -	$2,793,000	$2,793,000	0.0%	$39,371,561	7.1%
October 1, 2011	$ -	$4,074,600	$4,074,600	0.0%	$38,177,711	10.7%

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
BUDGET VS ACTUAL (BUDGET BASIS)
YEAR ENDED SEPTEMBER 30, 2014

	Budget	Actual	Variance Favorable/ (Unfavorable)
OPERATING REVENUES			
Customer fares	$ 29,429,794	$ 29,081,116	$ (348,678)
Contract services:			
Local financial assistance	11,813,896	11,768,912	(44,984)
Other contractual services	9,702,406	8,568,980	(1,133,426)
Advertising -on Buses	1,730,000	1,765,543	35,543
Other income	417,099	371,905	(45,194)
Total operating revenues	53,093,195	51,556,456	(1,536,739)
OPERATING EXPENSES:			
Transportation	41,957,565	40,327,241	1,630,324
Maintenance and operations	69,591,304	65,536,760	4,054,544
General and administrative	17,367,177	14,673,106	2,694,071
Total operating expenses before depreciation	128,916,046	120,537,107	8,378,939
OPERATING LOSS	(75,822,851)	(68,980,651)	6,842,200
NONOPERATING REVENUES/(EXPENSES):			
Federal	20,940,968	16,257,851	(4,683,117)
State of Florida	11,510,852	11,669,237	158,385
Local	42,957,976	42,889,695	(68,281)
Interest income	75,000	32,427	(42,573)
Interest expense	(78,101)	(72,079)	6,022
Total nonoperating revenues/(expenses), net	75,406,695	70,777,131	(4,629,564)
Increase/(decrease) in net position	$ (416,156)	1,796,480	$ 2,212,636
BASIS DIFFERENCES:			
Depreciation		(23,469,896)	
Other income (expenses)		(34,661)	
Capital contribution		35,357,613	
Increase in net position - GAAP basis		$ 13,649,536	

Statistical Section

LYNX
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

STATISTICAL INFORMATION

This section contains statistical tables reflecting various supplemental financial data concerning the Authority's operations. Where applicable, a 10-year history has been depicted to disclose trends in financial operations and other finance-related matters. These tables have been included as a part of this report for information purposes only, and, therefore, have not been subjected to audit by the Authority's independent auditors. Below is a summary of the components and purpose for the tables provided here-in.

CENTRAL FLORIDA REGIONAL TRANSPORATION AUTHORITY
LYNX
Miscellaneous Statistics
Year End September 30, 2014
(Unaudited)

Form of Government	Local Government (Independent Special District)
Number of Directors	Five (5) Voting
Area Population	1,960,634
Counties Served	Orange, Seminole and Osceola
Number of Service Routes	77
Peak Vehicle Requirement	248
Hours of Operation	4:00 a.m. to 3:10 a.m.
Average Weekday Passengers	92,049
Vehicle Miles Operated	16,040,104
Vehicle Hours Operated	1,132,713

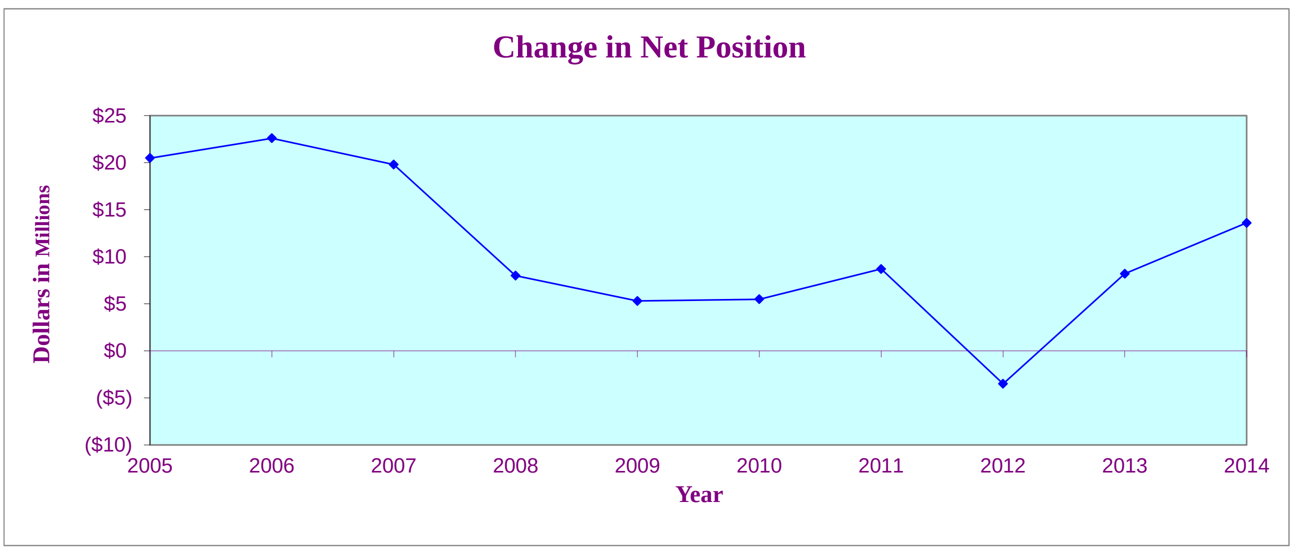
Sources: Metro Orlando Economic Development Commission

National Transit Database Report

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX

Revenue, Expenses, and Change in Net Position
Last Ten Years
Dollars in Millions
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenue:										
Customer Fares	$ 17.2	$ 18.9	$ 19.1	$ 21.7	$ 21.5	$ 22.4	$ 26.1	$ 28.6	$ 29.4	$ 29.1
Other	18.0	17.1	21.0	20.1	20.8	20.8	20.6	18.0	20.0	22.5
Total Operating Revenue	35.2	36.0	40.1	41.8	42.3	43.2	46.7	46.6	49.4	51.6
Operating Expenses:										
Administration, Transportation, and Maintenance	86.1	89.1	97.8	110.7	106.6	106.7	110.6	112.0	119.8	120.5
Depreciation	8.7	9.2	10.1	15.2	16.7	17.0	18.2	19.1	19.9	23.5
Write-off of Assets (Note 1)	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	94.8	98.3	107.9	125.9	123.3	123.7	128.8	131.1	139.7	144.0
Operating Loss	(59.6)	(62.3)	(67.8)	(84.1)	(81.0)	(80.5)	(82.1)	(84.5)	(90.3)	(92.4)
Non-Operating Revenue (Expenses):										
Operating Assistance	37.6	38.9	53.1	50.1	54.3	48.9	46.4	47.8	49.0	53.4
Planning and Other Income (Expenses)	13.3	16.0	14.1	14.0	14.9	18.5	20.2	20.3	19.3	17.3
Capital Contributions	29.2	30.0	20.4	28.0	17.1	18.6	24.2	12.9	30.2	35.3
Total Non-Operating Revenue (Expenses)	80.1	84.9	87.6	92.1	86.3	86.0	90.8	81.0	98.5	106.0
Change in Net Position	$ 20.5	$ 22.6	$ 19.8	$ 8.0	$ 5.3	$ 5.5	$ 8.7	$ (3.5)	$ 8.2	$ 13.6



For the past 10 years the chart shows the change in net position each year versus the immediately preceding year. Net position peaked in fiscal year 2006 at $22.6 million due to the design, development and construction of the new LYNX Central Station (LCS) and LYNX Operations Center (LOC) , as well as the acquisition of rolling stock and other capital assets. The 13.6 million increase in fiscal year 2014 is due primarily to completion of LYMMO Grapefruit Line BRT and replacement and expansion revenue vehicles.

Source: Financial Statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

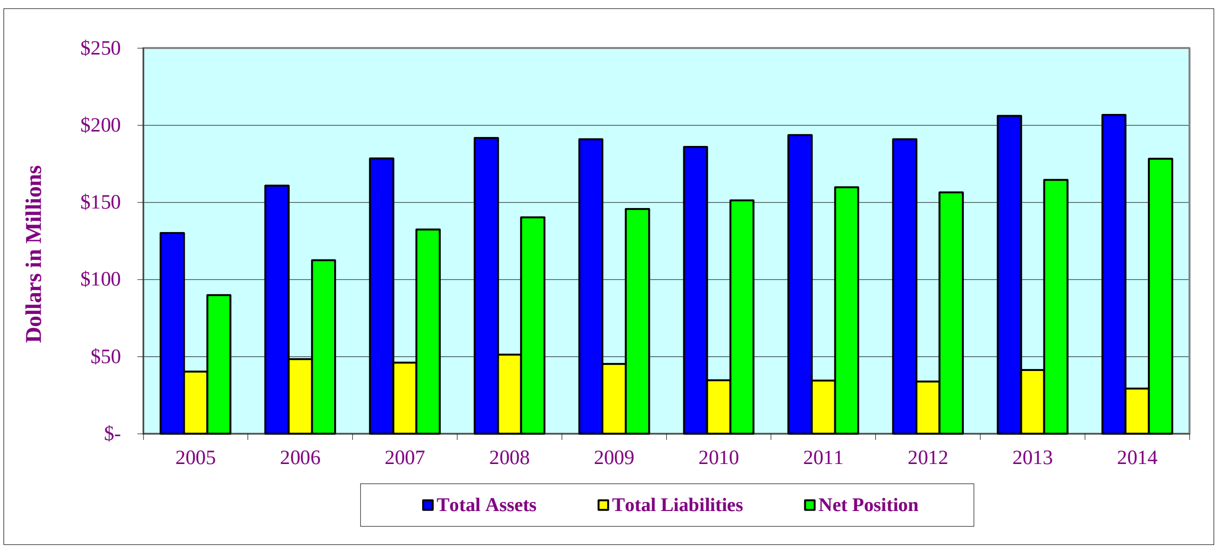
Condensed Summary of Net Position

Last Ten Years

Dollars in Millions

(Unaudited)

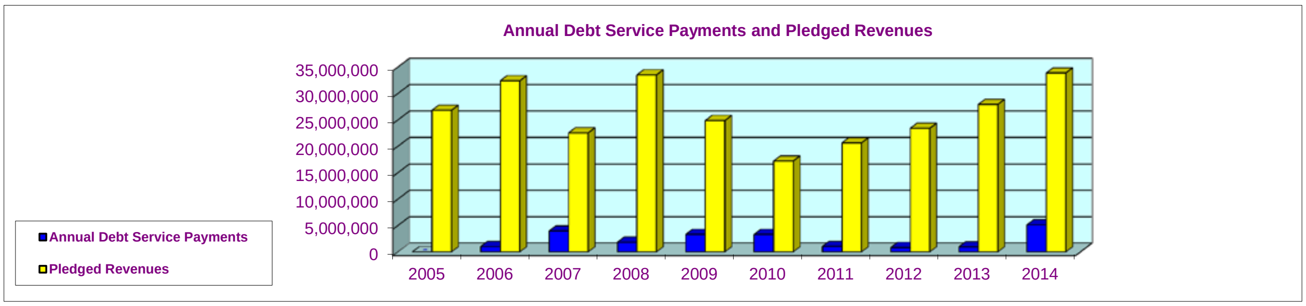
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Assets	$130.1	$160.9	$178.5	$191.7	$190.9	$185.9	$193.7	$191.0	$206.0	$206.7
Deferred Outflow of Resources	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.6	$0.0	$0.1	$0.8
Deferred Inflow of Resources	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.7	$0.0	$0.0
Total Liabilities	$40.2	$48.3	$46.1	$51.3	$45.2	$34.7	$34.4	$33.8	$41.4	$29.2
Ending Net Position	$89.9	$112.6	$132.4	$140.4	$145.7	$151.2	$159.9	$156.5	$164.7	$178.3
Net investment in capital assets	$80.2	$98.0	$110.2	$123.7	$123.5	$125.1	$131.1	$124.9	$135.6	$147.6
Restricted	$0.0	$3.1	$1.3	$0.5	$0.5	$0.5	$0.5	$0.5	$0.1	$0.0
Unrestricted	$9.7	$11.5	$20.9	$16.2	$21.7	$25.6	$28.3	$31.1	$29.0	$30.7
Ending Net Position	$89.9	$112.6	$132.4	$140.4	$145.7	$151.2	$159.9	$156.5	$164.7	$178.3

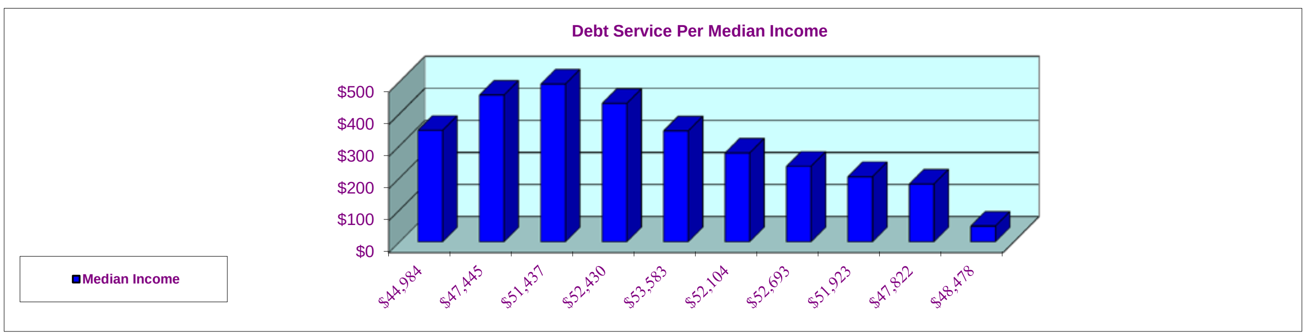


This chart compares Total Assets, Total Liabilities, and Net Position values over the last 10 years. Total Assets increased 66% during this period as the Authority expanded service, acquired new rolling stock, developed land, constructed the LYNX Operations Center and LYMMO BRT. Total Liabilities at the end of fiscal year 2014 are 27% lower than at the end of fiscal year 2005. The decrease is due mainly to repayment of State Infrastructure Bank loans taken in fiscal years 2004 and 2006, and a 2007 a bus lease agreement. Net Position increased every year, except for fiscal year 2012; at $178.3 million as of this fiscal year end it is 98% greater than fiscal year 2005.

CENTRAL FLORIDA REGIONAL TRANSPORATION AUTHORITY d/b/a
LYNX
Total Debt
Last Ten Years
(Unaudited)

Year	Total Debt	SIB Loans	Capital Leases	Annual Debt Service Payments	Pledged Revenues	Debt Service Coverage	Median Income	Debt per Median Income
2005	$15,656,517	$15,558,991	$97,526	-	$26,818,013	-	$44,984	$348.05
2006	$21,722,909	$21,677,898	$45,011	$1,021,093	$32,413,802	31.74	$47,445	$457.85
2007	$25,331,967	$17,698,991	$7,632,976	$3,978,907	$22,551,897	5.67	$51,437	$492.49
2008	$22,662,882	$15,996,355	$6,666,527	$1,850,585	$33,529,785	18.12	$52,430	$432.25
2009	$18,576,071	$12,914,638	$5,661,433	$3,321,419	$24,881,390	7.49	$53,583	$346.68
2010	$14,446,041	$9,829,891	$4,616,150	$3,321,420	$17,211,000	5.18	$52,104	$277.25
2011	$12,430,432	$8,901,362	$3,529,070	$1,046,219	$20,649,873	19.74	$52,693	$235.90
2012	$10,563,319	$8,164,797	$2,398,522	$829,492	$23,411,900	28.22	$51,923	$203.44
2013	$8,636,268	$7,413,500	$1,222,768	$958,423	$27,936,006	29.15	$47,822	$180.59
2014	$2,392,156	$2,392,156	-	$5,127,064	$33,892,077	6.61	$48,478	$49.35





Source: Financial Statements, NTD Report, and Orlando Economic Development Commission.

Note: Total debt consists of State Infrastructure Bank loans and capital lease obligations but annual debt service payments consist only of payments on State Infrastructure Bank loans. Available pledged revenues are for capital expenditures and debt service payments.

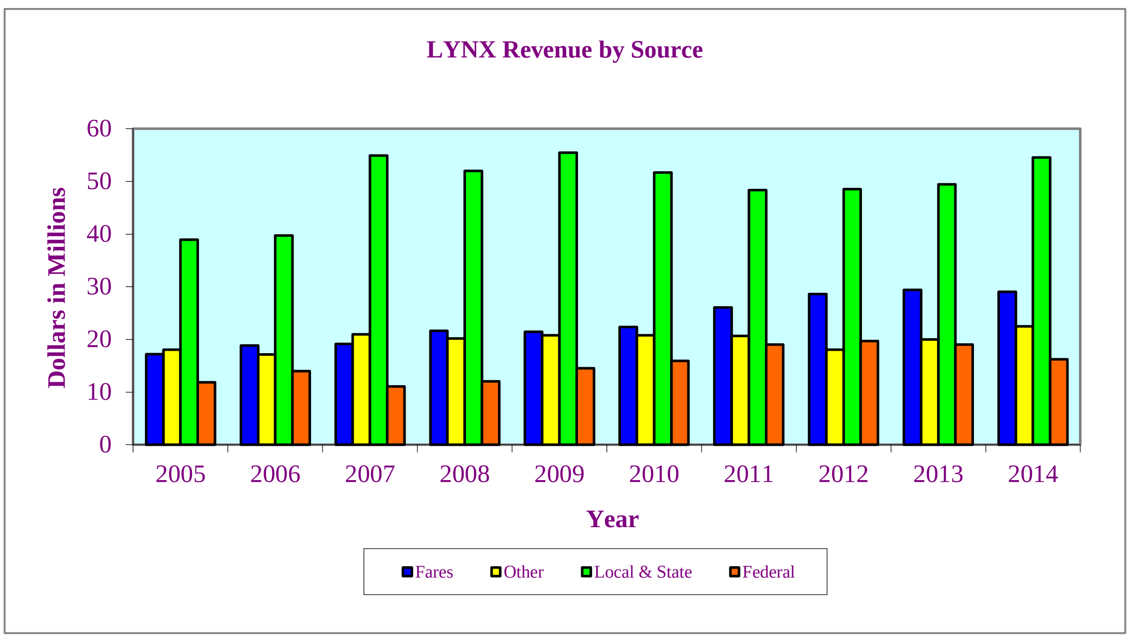
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Revenue by Source
Last Ten Years

Dollars in Millions

(Unaudited)

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
Fiscal Year	**Fares**	**Other**	**Total**	**Local & State**	**Federal**	**Total**	**Total Revenue**
2005	$17.184	$18.032	$35.216	$38.921	$11.887	$50.808	$86.024
2006	$18.869	$17.134	$36.003	$39.757	$14.006	$53.763	$89.766
2007	$19.127	$21.003	$40.130	$54.914	$11.103	$66.017	$106.147
2008	$21.661	$20.179	$41.840	$51.997	$12.077	$64.074	$105.914
2009	$21.454	$20.790	$42.244	$55.466	$14.509	$69.975	$112.219
2010	$22.363	$20.800	$43.163	$51.684	$15.917	$67.601	$110.764
2011	$26.098	$20.661	$46.759	$48.370	$19.031	$67.401	$114.160
2012	$28.620	$18.047	$46.667	$48.521	$19.678	$68.199	$114.866
2013	$29.394	$19.985	$49.379	$49.433	$19.060	$68.493	$117.872
2014	$29.081	$22.475	$51.556	$54.558	$16.257	$70.815	$122.371



The table and graph show the primary sources of revenues, the amount received from each source over the last ten years and, consequently, the Authority's relative dependency on each of the revenue sources. Local and state governments have consistently been the biggest providers of operating funds. Passenger fare revenue decreased slightly in 2014, down 1% compared to 2013. The increase of other revenues and local & state revenues offset the decrease in federal assistance from 2013. Total revenue was higher primarily due to the increase in local and state revenue. In 2014 federal revenue decreased, amounting to 13% of LYNX's total revenue, as compared to 16% of total revenue in 2013.

Source: Financial statements and schedules included in the Comprehensive Annual Financial Reports

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Revenues by Source

Last Ten Years

(Unaudited)

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
FISCAL YEAR	FARES	OTHER	TOTAL	LOCAL & STATE	FEDERAL	TOTAL	TOTAL REVENUE
INDUSTRY							
2005	32.4%	7.2%	39.6%	53.1%	7.3%	60.4%	100.0%
2006	33.2%	7.0%	40.2%	52.1%	7.7%	59.8%	100.0%
2007	31.4%	6.5%	37.9%	54.6%	7.5%	62.1%	100.0%
2008	31.3%	6.4%	37.7%	55.3%	7.0%	62.3%	100.0%
2009	31.5%	5.8%	37.4%	54.4%	8.2%	62.6%	100.0%
2010	32.1%	5.4%	37.5%	53.1%	9.4%	62.5%	100.0%
2011	32.8%	4.9%	37.7%	52.5%	9.8%	62.3%	100.0%
2012	32.5%	4.6%	37.1%	54.0%	8.9%	62.9%	100.0%
2013	*	*	0.0%	*	*	0.0%	0.0%
2014	*	*	0.0%	*	*	0.0%	0.0%
LYNX							
2005	20.0%	21.0%	41.0%	45.2%	13.8%	59.0%	100.0%
2006	21.0%	19.1%	40.1%	47.8%	12.1%	59.9%	100.0%
2007	18.0%	19.8%	37.8%	51.7%	10.5%	62.2%	100.0%
2008	20.4%	19.1%	39.5%	49.1%	11.4%	60.5%	100.0%
2009	19.1%	18.5%	37.6%	49.5%	12.9%	62.4%	100.0%
2010	20.2%	18.8%	39.0%	46.6%	14.4%	61.0%	100.0%
2011	22.9%	18.1%	41.0%	42.4%	16.6%	59.0%	100.0%
2012	24.9%	15.7%	40.6%	42.3%	17.1%	59.4%	100.0%
2013	24.9%	17.0%	41.9%	41.9%	16.2%	58.1%	100.0%
2014	23.8%	18.4%	42.2%	44.6%	13.2%	57.8%	100.0%

Source: Financial Statements

APTA 2014 Transportation Fact Book - Appendix A Page 325

* Not available

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a
LYNX
Fare Structure
Year Ended September 30, 2014
(Unaudited)

Cash Fare/Single Ride	$	2.00
Transfer		Free
Elderly and Disabled/Single Ride	$	1.00
Youth	$	1.00
Daily Pass	$	4.50
Elderly and Disabled Daily Pass	$	2.25
Youth Daily Pass	$	2.25
Express 208 Daily Pass	$	6.50
Express 208 (Students, Elderly and Disabled)	$	3.25
Children (6 years and under with an adult)		Free
TICKETS		
Express Single Ride	$	3.50
Lake County Link 204 Daily	$	7.00
Lake County Link 204 Daily (Students, Elderly and Disabled)	$	3.50
Express Seniors/Students	$	1.75
Polk County Link 416 & 427 Single Ride	$	1.50
Polk County Link 416 & 427 Students	$	1.25
Polk County Link 416 & 427 Seniors / Disabled	$	0.80
Votran	$	3.50
Votran Discount (Students, Elderly and Disabled)	$	1.75
Votran 10-Ticket Booklet	$	31.50
Votran 10-Ticket Booklet Discount (Students, Elderly and Disabled)	$	15.75
Votran Monthly Pass	$	80.00
Votran Monthly Pass Discount (Students, Elderly and Disabled)	$	40.00
PASSES		
7 Day Pass	$	16.00
Discounted 7 Day Pass (Students, Elderly and Disabled)	$	8.00
Express 7 Day Pass	$	23.00
Express Discounted 7 Day Pass (Students, Elderly and Disabled)	$	11.50
Youth Pass 7 Day	$	8.00
30 Day	$	50.00
AdvantAge Pass 30 Day (Elderly and Disabled)	$	25.00
Youth Pass 30 Day	$	25.00
Express 30 Day	$	70.00
Express AdvantAge Pass 30 Day (Elderly and Disabled)	$	35.00
Express Youth Pass 30 Day	$	35.00
Lake County 204 30 Day Pass	$	140.00
Lake County 204 30 Day Pass (Students, Elderly and Disabled)	$	70.00

SOURCE: LYNX Fare Structure Policy

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Fare Trends
Last Ten Years

(Unaudited)

CASH FARES					PASSES			
Fiscal Year	Single Fare	Discount Single	1 Day Fare	Discount 1 Day	7 Day Pass	Discount 7 Day	30 Day Pass	Discount 30 Day
2005	$1.50	$0.75	$3.50	$1.75	$12.00	$6.00	$38.00	$18.00
2006	$1.50	$0.75	$3.50	$1.75	$12.00	$6.00	$38.00	$18.00
2007	$1.50	$0.75	$3.50	$1.75	$12.00	$6.00	$38.00	$18.00
2008	$1.75	$0.85	$4.00	$2.00	$14.00	$7.00	$44.00	$22.00
2009	$2.00	$1.00	$4.50	$2.25	$16.00	$8.00	$50.00	$25.00
2010	$2.00	$1.00	$4.50	$2.25	$16.00	$8.00	$50.00	$25.00
2011	$2.00	$1.00	$4.50	$2.25	$16.00	$8.00	$50.00	$25.00
2012	$2.00	$1.00	$4.50	$2.25	$16.00	$8.00	$50.00	$25.00
2013	$2.00	$1.00	$4.50	$2.25	$16.00	$8.00	$50.00	$25.00
2014	$2.00	$1.00	$4.50	$2.25	$16.00	$8.00	$50.00	$25.00

Discounted Fares Include:
- Students
- Elderly and Handicapped
- Does Not Include Xpress Link 200 & 208
- Does Not Include Lake County 204
- Does Not Include Polk County 416 & 427

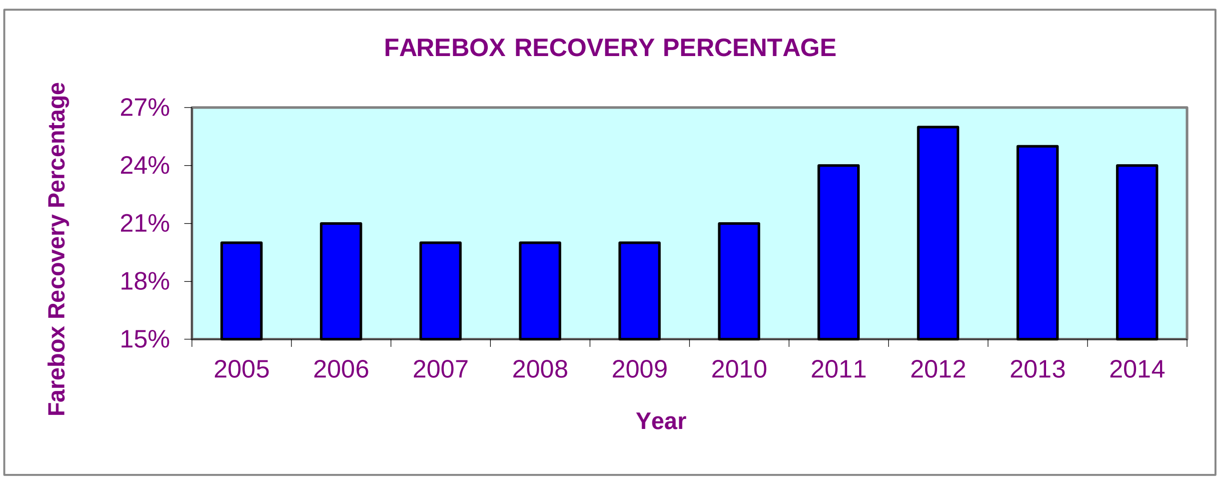
Discounted Passes Include:
- Youth
- Advantage
- IQ

The table and graph show the amount of each standard fixed-route fare type by year. In keeping with the Authority's commitment to keep fares as low as fiscally feasible and to make relatively small rate increases periodically, no fare rate increases were made in 2014. In 2014 customer fares were approximately 56.4% of operating revenues and 24.1% of total revenues. The last increase was implemented in January 2009.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Farebox Recovery Percentage
Last Ten Years
(Unaudited)

Fiscal Year	Percentage
2005	20%
2006	21%
2007	20%
2008	20%
2009	20%
2010	21%
2011	24%
2012	26%
2013	25%
2014	24%



Farebox Recovery Percentage is the percentage of the total operating cost that is funded by customer fares. It is calculated by dividing total customer fares by total operating cost before depreciation. Beginning with 2005, the recovery rate has remained fairly constant, varying by approximately 1% from year to year. The 2014 rate was 1% lower than 2013 and 4% above the 2005 level.

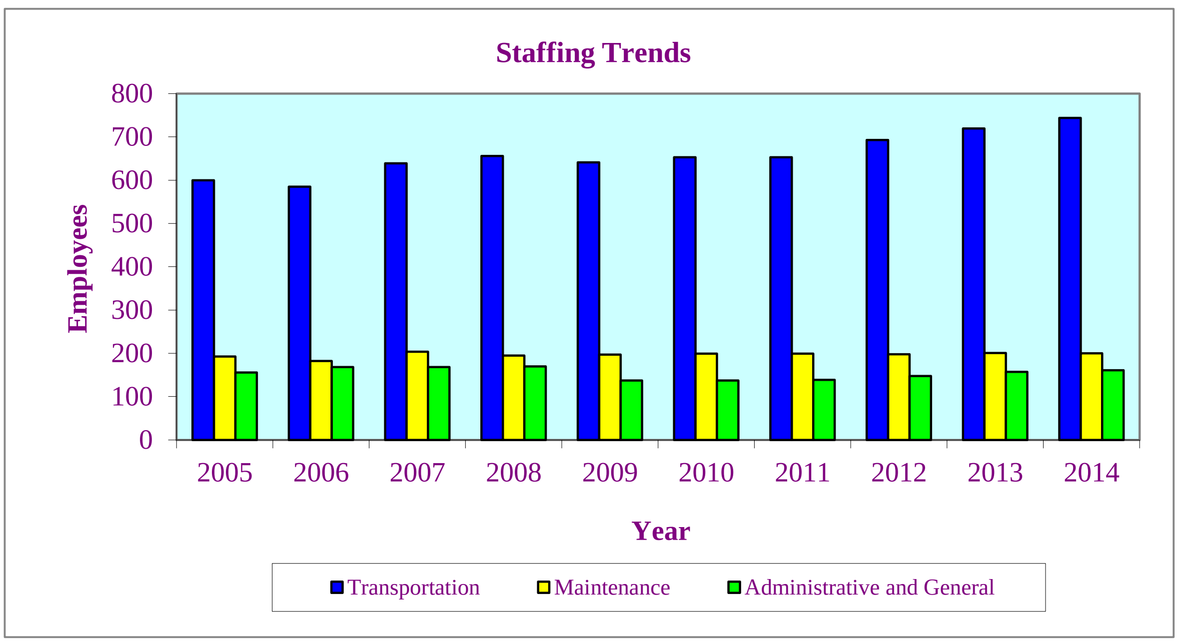
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Budgeted Staffing Trends

Last Ten Years

(Unaudited)

Year	Transportation	Maintenance	Administrative and General	Total
2005	600	193	156	949
2006	585	182	168	935
2007	639	204	168	1,011
2008	656	195	170	1,021
2009	641	197	137	975
2010	653	199	137	989
2011	653	199	139	991
2012	693	198	148	1,039
2013	719	201	157	1,077
2014	744	200	161	1,105



The greatest fluctuation during the 10-year period was in the Transportation area, with 2014 staffing approximately 3.47% above the previous peak level of the 10-year period shown above. Staffing level increased as a result of increase in service demand. Despite the Transportation staff increase, the organization-wide total from year to year varied less than 18.18%, with an overall increasing trend.

Source: Annual Budgets

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Top Ten Employers
Service Area Employers
Current Year and Nine Years Ago

(Unaudited)

	2014			2005		
Company	**Number of Full Time Employees**	**Rank**	**Percentage of Total Employment**	**Number of Full Time Employees**	**Rank**	**Percentage of Total Employment**
Walt Disney World Company	69,000	1	5.64%	53,800	1	6.04%
Orange County Public Schools	22,000	2	1.80%	22,361	2	2.51%
Florida Hospital	17,600	3	1.44%	19,270	3	2.16%
Universal Studios Florida	17,300	4	1.41%	12,500	6	1.40%
Orlando Regional Healthcare	14,310	5	1.17%	11,093	7	1.25%
University of Central Florida	11,078	6	0.91%	N/A	N/A	N/A
Seminole County Public Schools	7,758	7	0.63%	8,327	10	0.93%
Orange County Government	7,642	8	0.63%	9,826	8	1.10%
Darden Restaurants	7,600	9	0.62%	N/A	N/A	N/A
Sea World Parks and Entertainment	6,032	10	0.49%	N/A	N/A	N/A
Wal Mart	N/A	N/A	N/A	16,757	4	1.88%
Publix Supermarkets Inc.	N/A	N/A	N/A	15,606	5	1.75%
Winn Dixie Supermarkets, Inc	N/A	N/A	N/A	8,763	9	0.98%
Other Employers	1,042,714		85.26%	711,797		80.00%
Region Total	1,223,034		100.00%	890,100		100.00%

Notes:
N/A = Not Available
Sources:
Metro Orlando Economic Development Commission
Orange County Public Schools
Orlando Health
University of Central Florida Office of Institutional Research
Seminole County Public Schools
Orange County Government, Florida

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Employment Percentage by Industry
Service Region
Last Ten Years

(Unaudited)

Year	Manufacturing	Construction	Transportation	Finance	Government	Retail Trade	Service	Total
2005	4.3%	7.6%	4.3%	6.0%	10.8%	22.8%	44.2%	100.0%
2006	4.1%	8.0%	4.9%	6.2%	10.6%	20.3%	45.9%	100.0%
2007	4.0%	7.8%	4.9%	5.9%	11.0%	20.6%	45.8%	100.0%
2008	3.8%	6.6%	3.9%	6.2%	11.0%	15.3%	53.2%	100.0%
2009	3.9%	6.0%	3.1%	6.4%	11.7%	11.1%	57.8%	100.0%
2010	3.7%	4.8%	3.0%	6.0%	11.7%	11.4%	59.4%	100.0%
2011	3.6%	4.6%	3.1%	6.1%	11.5%	11.8%	59.3%	100.0%
2012	3.6%	4.2%	3.0%	6.2%	11.3%	12.3%	59.4%	100.0%
2013	3.5%	4.5%	2.9%	6.4%	11.0%	12.2%	59.5%	100.0%
2014	3.5%	5.1%	2.9%	6.2%	10.7%	12.7%	58.9%	100.0%

Source: Metro Orlando Economic Development Commission

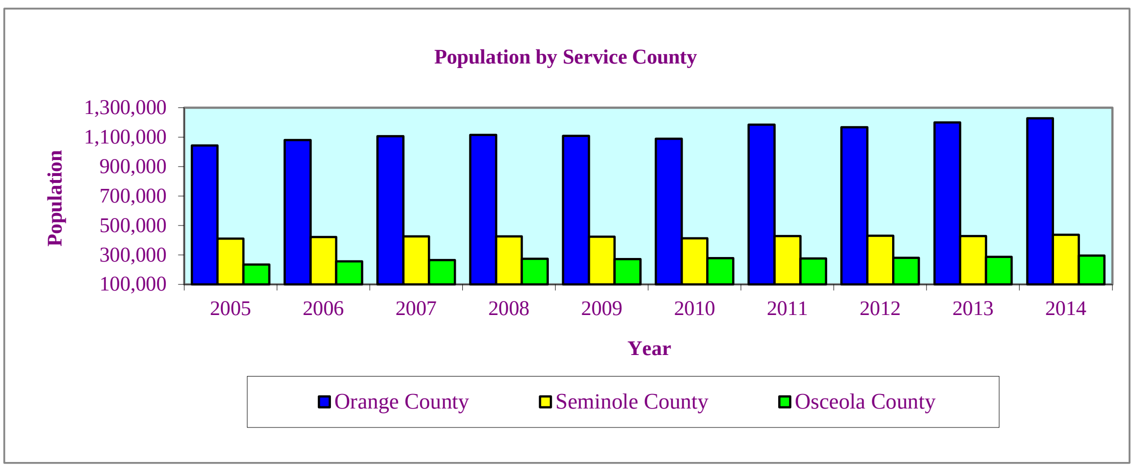
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Population by Service County

Last Ten Years

(Unaudited)

Year	Orange County	Seminole County	Osceola County	Region Total
2005	1,043,437	411,744	235,156	1,690,337
2006	1,079,524	420,667	255,903	1,756,094
2007	1,105,603	425,698	266,123	1,797,424
2008	1,114,979	426,413	273,709	1,815,101
2009	1,108,882	423,759	272,788	1,805,429
2010	1,087,971	412,660	278,153	1,778,784
2011	1,183,903	429,169	275,010	1,888,082
2012	1,166,730	430,738	281,294	1,878,762
2013	1,199,801	427,977	286,001	1,913,779
2014	1,227,995	437,086	295,553	1,960,634



The population of the tri-county area, as a whole, increased approximately 2.4% from 2013. There was an increase every year except for 2009, 2010 and 2012. The greatest percentage growth was in Osceola County, where the population grew approximately 3.34% compared to the previous year.

Source: Metro Orlando Economic Development Commission

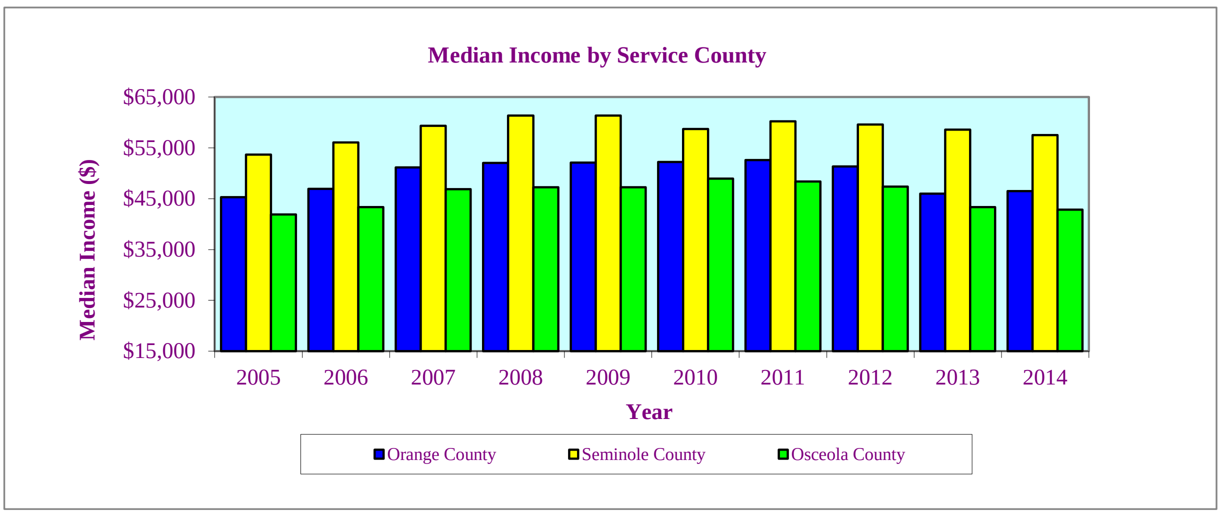
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Median Household Income by Service County

Last Ten Years

(Unaudited)

Year	Orange County	Seminole County	Osceola County
2005	$45,330	$53,675	$41,872
2006	$46,963	$56,072	$43,336
2007	$51,188	$59,354	$46,890
2008	$52,062	$61,378	$47,228
2009	$52,130	$61,374	$47,244
2010	$52,232	$58,703	$48,942
2011	$52,624	$60,210	$48,367
2012	$51,338	$59,609	$47,386
2013	$45,968	$58,573	$43,332
2014	$46,507	$57,538	$42,838



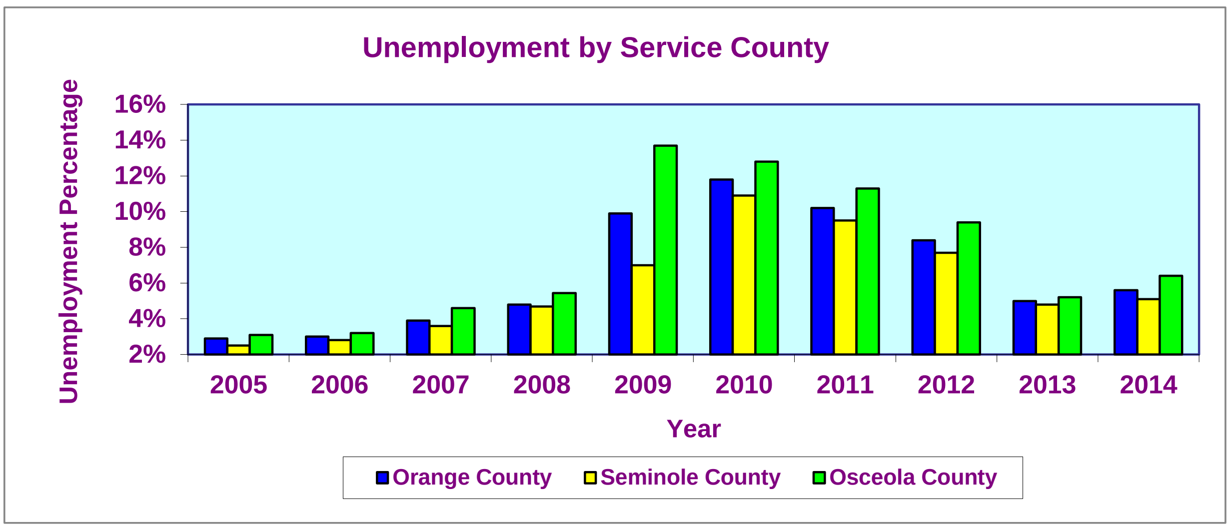
Median household income is useful in public transportation planning because it is one determinant of the need for, and probability of use, of public transportation. The lower the median income the greater, in most cases, will be the need for, and use of, public transportation. Overall the tri-county area median income increased from 2013.

Source: Metro Orlando Economic Development Commission

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Unemployment by Service County
Last Ten Years
(Unaudited)

Year	Orange County	Seminole County	Osceola County	Region Average
2005	2.9%	2.5%	3.1%	3.0%
2006	3.0%	2.8%	3.2%	3.1%
2007	3.9%	3.6%	4.6%	3.3%
2008	4.8%	4.7%	5.5%	5.0%
2009	9.9%	7.0%	13.7%	10.2%
2010	11.8%	10.9%	12.8%	11.8%
2011	10.2%	9.5%	11.3%	10.3%
2012	8.4%	7.7%	9.4%	8.4%
2013	5.0%	4.8%	5.2%	4.9%
2014	5.6%	5.1%	6.4%	5.7%



Employment and Unemployment trends are useful in the analysis of the economic vitality of a local economy. The availability of public transportation removes transportation barriers to employment, a factor which contributes to the continued need for public transportation. The yearly percentages by county are annual averages, non-seasonal based. The tri-county average for fiscal year 2014 was 5.7%, with Osceola at 6.4% having the highest unemployment. Each service county posted a increase in unemployment compared to 2013.

Source: Metro Orlando Economic Development Commission

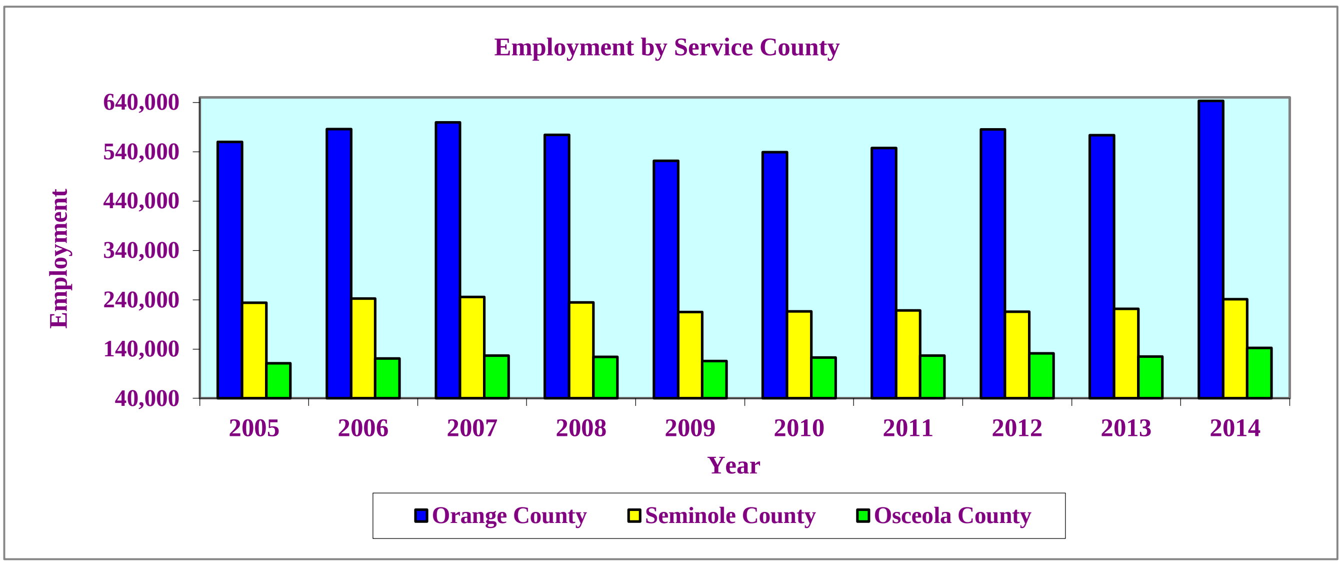
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Employment by Service County

Last Ten Years

(Unaudited)

Year	Orange County	Seminole County	Osceola County	Region Total
2005	559,852	233,747	110,867	904,466
2006	586,102	242,061	120,684	948,847
2007	599,487	245,764	126,783	972,034
2008	574,090	234,275	124,406	932,771
2009	521,623	215,016	115,643	852,282
2010	539,404	216,202	122,843	878,449
2011	547,816	218,049	126,431	892,296
2012	585,472	215,521	131,146	932,139
2013	573,570	221,385	124,539	919,494
2014	643,006	241,166	142,437	1,026,609



The tri-county area has experienced growth in employment every year except 2008, 2009 & 2013 due to the recession. 2014 was 11.6% above the depressed level of 2013 and 20.5% above the 2009 level. The largest percentage increase was Osceola County, where employment in 2014 was 14.4% above the 2013 level.

Source: Metro Orlando Economic Development Commission

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

General Statistical Trends

Last TenYears

(Unaudited)

FISCAL YEAR	RIDERSHIP	NUMBER OF PEAK VEHICLES	ACTUAL VEHICLE MILES	ACTUAL VEHICLE HOURS
2005	24,030,234	237	14,478,451	1,013,865
2006	24,570,957	240	14,726,834	1,033,796
2007	26,078,255	240	15,475,289	1,058,929
2008	26,427,067	238	16,739,475	1,162,852
2009	23,747,795	234	16,225,409	1,108,783
2010	24,780,704	223	16,570,711	1,111,073
2011	26,996,158	225	16,503,043	1,108,489
2012	28,184,740	225	17,258,824	1,125,323
2013	28,801,896	232	16,058,513	1,126,466
2014	28,868,418	248	16,040,104	1,132,713

SOURCES: NTD report (MotorBus)

Number of vehicles exclude vehicles not in service at the end of the fiscal year.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

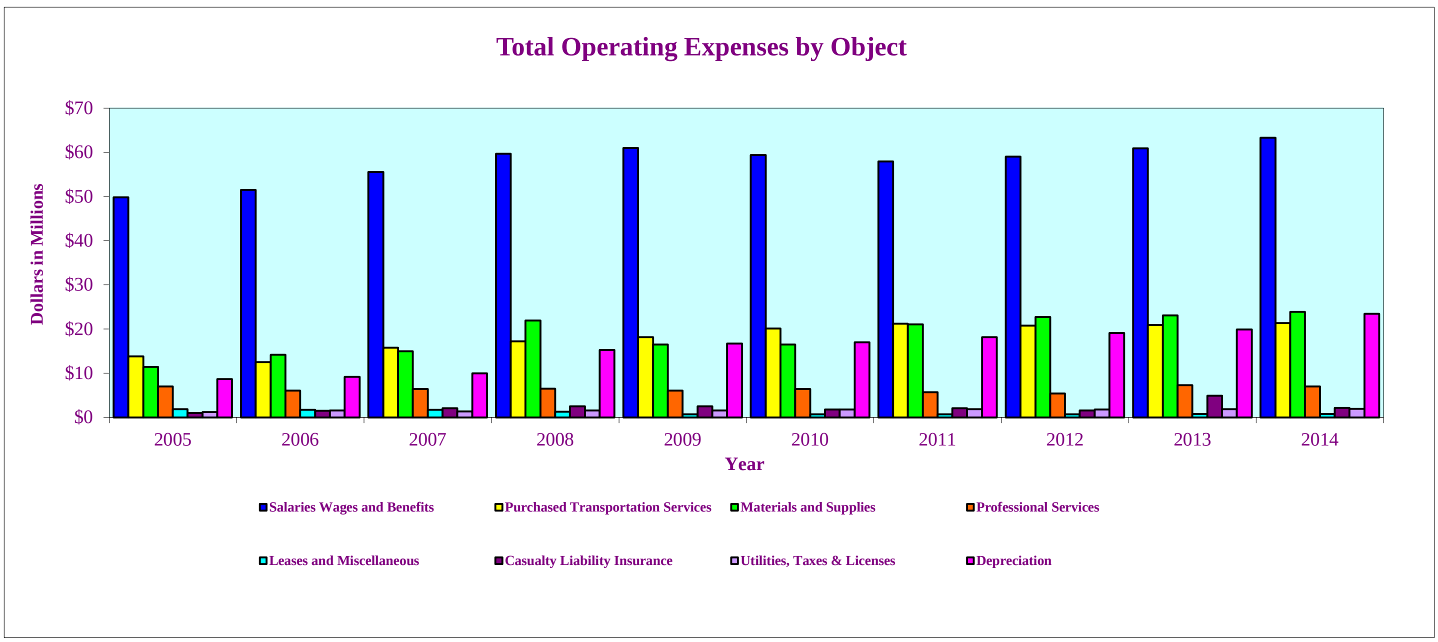
Operating Expenses by Object

Last Ten Years

Dollars in Millions

(Unaudited)

Fiscal Year	Salaries Wages and Benefits	Purchased Transportation Services	Materials and Supplies	Professional Services	Leases and Miscellaneous	Casualty Liability Insurance	Utilities, Taxes & Licenses	Depreciation	Total Operating Expenses
2005	$49.8	$13.8	$11.4	$7.0	$1.9	$1.0	$1.2	$8.7	$94.8
2006	$51.5	$12.5	$14.2	$6.1	$1.7	$1.5	$1.6	$9.2	$98.3
2007	$55.5	$15.8	$15.0	$6.4	$1.7	$2.1	$1.4	$10.0	$107.9
2008	$59.7	$17.2	$21.9	$6.5	$1.3	$2.5	$1.6	$15.3	$126.0
2009	$61.0	$18.2	$16.5	$6.1	$0.7	$2.5	$1.6	$16.7	$123.3
2010	$59.4	$20.1	$16.5	$6.4	$0.7	$1.8	$1.8	$17.0	$123.7
2011	$57.9	$21.2	$21.1	$5.7	$0.7	$2.1	$1.9	$18.2	$128.8
2012	$59.0	$20.8	$22.7	$5.4	$0.7	$1.6	$1.8	$19.1	$131.1
2013	$60.9	$20.9	$23.1	$7.3	$0.8	$4.9	$1.9	$19.9	$139.7
2014	$63.3	$21.4	$23.9	$7.0	$0.8	$2.2	$2.0	$23.5	$144.0



The table and graph show the annual amount for each of the 8 primary object classifications of operating expenses during the last ten years. Total operating expenses for fiscal year 2014 reflects a 51.89% increase from fiscal year 2005. At 43.95% of total operating expenses in fiscal year 2014, the Salaries, Wages and Benefits object is the largest object and has increased by 3.9% as compared to fiscal year 2013 due to increases in scheduled services to meet ridership demand combined with cost of living salary increases.

Source: Financial Statements

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

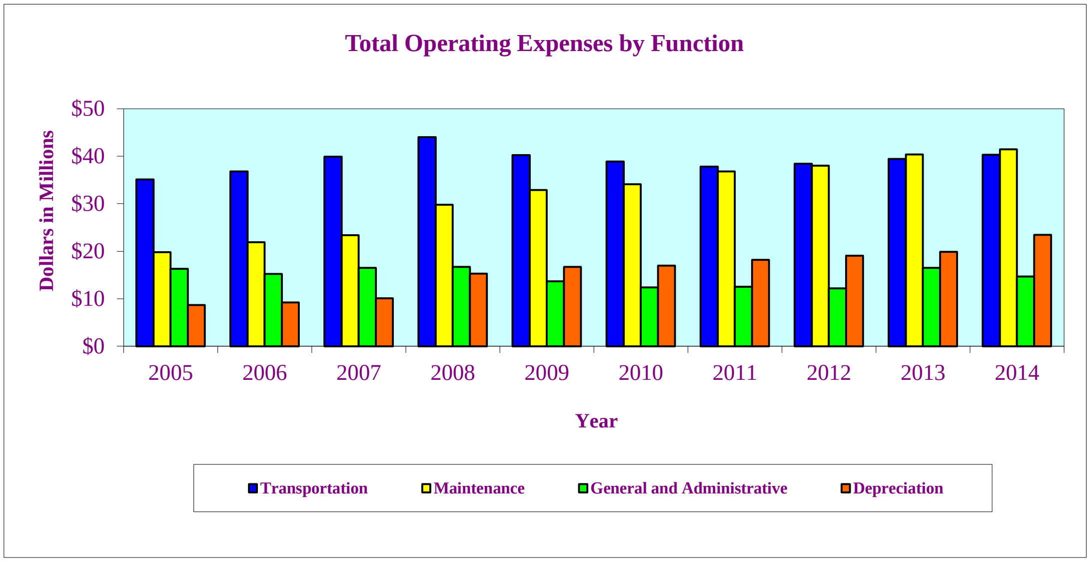
Operating Expenses by Function

Last Ten Years

Dollars in Millions

(Unaudited)

Fiscal Year	Transportation	Maintenance	Paratransit	General and Administrative	Depreciation	Total Operating Expenses
2005	$35.1	$19.8	$14.9	$16.3	$8.7	$94.8
2006	$36.8	$21.9	$15.2	$15.2	$9.2	$98.3
2007	$39.9	$23.4	$18.0	$16.5	$10.1	$107.9
2008	$44.0	$29.8	$20.2	$16.7	$15.3	$126.0
2009	$40.2	$32.9	$19.8	$13.7	$16.7	$123.3
2010	$38.9	$34.1	$21.3	$12.4	$17.0	$123.7
2011	$37.8	$36.8	$23.5	$12.5	$18.2	$128.8
2012	$38.4	$38.0	$23.4	$12.2	$19.1	$131.1
2013	$39.4	$40.4	$23.5	$16.5	$19.9	$139.7
2014	$40.3	$41.4	$24.1	$14.7	$23.5	$144.0



This table and graph show operating expenses by function for the last ten years. Total operating expenses for 2014 are 51.89% greater than 2005. Maintenance expenses in 2014 are 109% over the 2005 level; the greatest increase is due to increased demand for maintenance services resulting from an expanded revenue vehicles fleet and completion of office and maintenance facilities during the last 10-year period. Depreciation costs rose 170% over the same period due to acquisition of new vehicles and completion of new office and maintenance buildings in 2007 and 2008. Transportation expenses increased each year through 2008 due mainly to expanded service routes. Efficiencies resulting mainly from route elimination and rearrangement lead to a decrease in the transportation cost beginning 2009. General and Administrative costs have fluctuated during the period reaching a peak in 2008 and decreasing from 2009 through 2012 due to reduction in staffing level. The 2014 increase for General and Administrative costs is due largely to a decrease in casualty and liability expenses during the fiscal year.

Source: Financial Statements

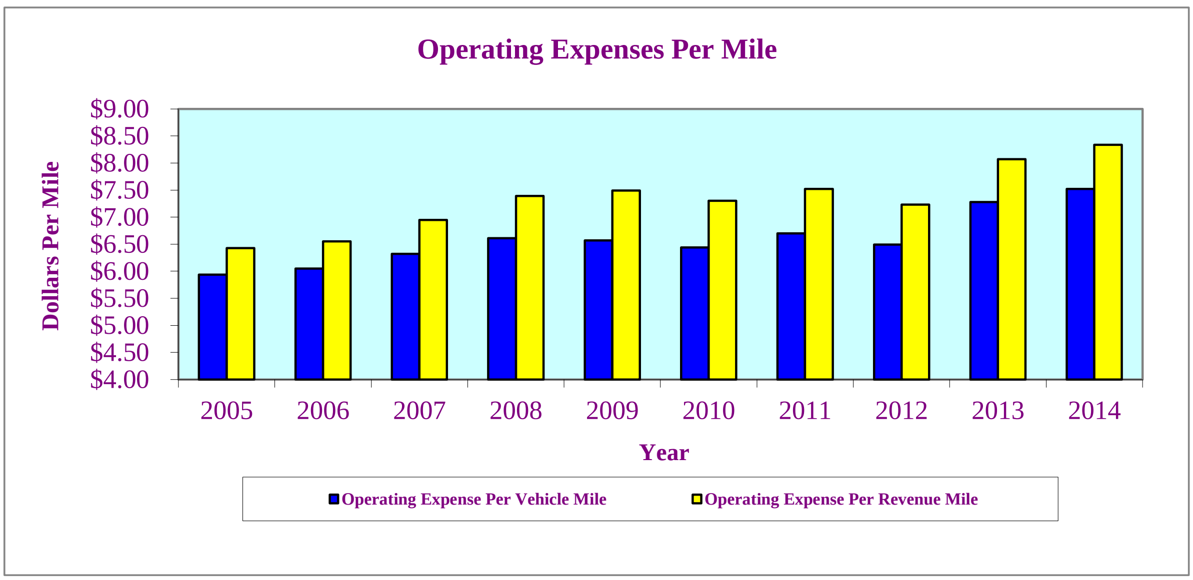
CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

Operating Expenses Per Mile

Last Ten Years

(Unaudited)

Fiscal Year	Vehicle Miles	Revenue Miles	Operating Expense Per Vehicle Mile	Operating Expense Per Revenue Mile
2005	14,488,566	13,398,280	$5.94	$6.43
2006	14,726,834	13,593,266	$6.05	$6.55
2007	15,475,289	14,072,186	$6.32	$6.95
2008	16,739,475	14,985,672	$6.61	$7.39
2009	16,215,911	14,230,128	$6.57	$7.49
2010	16,570,711	14,612,279	$6.44	$7.30
2011	16,503,043	14,714,555	$6.70	$7.52
2012	17,258,824	15,487,372	$6.49	$7.23
2013	16,058,513	14,468,719	$7.28	$8.07
2014	16,040,104	14,464,800	$7.52	$8.34



The table and graph show total miles and operating expenses per mile by year for the past ten years. These provide, directly and indirectly, some key operational indicators such as efficiency in use of operating assistance funding and the quality of the maintenance program. There was a steady increase in Revenue Miles and Vehicles Miles until 2009 when service was reduced due to budgetary constraints. The increase in Operating Expense Per Revenue Mile is reflective of increase in cost for material and services without a corresponding increase in miles and ridership. In 2014 the increase in Operating Expense Per Vehicle Mile and Revenue Mile is due to increases labor and maintenance and costs. The ratio of Revenue Miles versus Vehicle Miles represents the level of service miles delivered to patrons versus the total level of miles required to service all routes.

Source: Financial Statements
National Transit Database report

CENTRAL FLORIDA REGIONAL TRANSPORTATION d/b/a
LYNX
Risk Management
Insurance Policies - Fiscal Year 2014
(Unaudited)

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee
Zurich American Insurance Co.			$76,960,831	$10,000 per occurrence, except FLAT Named Windstorm	0%
	Property	$178,856			
	Named Windstorm	Included	$1,950,000	Per Occurrence	
	Flood	Included	$10,000,000	$100,000	
	Ordinance & Law	Included	Included		
	Debris Removal	Included	Included		
	Boiler & Machinery	Included	Included		
	Sub-total	**$178,856**			
PGIT (Preferred Governmental Insurance Trust)	**Crime**	$1,175			0%
	Forgery & Alteration	Included	$250,000	$1,000	
	TDD	Included	$250,000	$1,000	
	Employee Dishonesty	Included	$250,000	$1,000	
	Computer Fraud	Included	$250,000	$1,000	
	Sub-total	**$1,175**			
	General Liability				0%
	General Liability	$26,019	$1,000,000	$200,000	
	EBL	Included	$1,000,000	$200,000	
	Sub-total	**$26,019**			
	Public Officials/EPLI				0%
	Public Officials	$76,386	$2,000,000	$100,000	
	EPLI	Included	$2,000,000	$100,000	
	Sub-total	**$76,386**			
	Automobile				0%
	Auto Liability/UM/MedPay	Rejected	N/A	N/A	
	Auto Physical Damage	$109,451	Symbol 10	$1,000 / $10,000	
	Sub-total	**$109,451**			
	Total Premium This Page	**$391,887**			

CENTRAL FLORIDA REGIONAL TRANSPORTATION d/b/a
LYNX
Risk Management
Insurance Policies - Fiscal Year 2014
(Unaudited)

Insurance Company	Policy	Premium	Limits	Deductible/SIR	Commission/Fee
Lynx Self-Insured	**Workers Compensation**		Rejected	N/A	
PGIT (Preferred Governmental Insurance Trust)	**Automobile (Road Rangers)**				0%
	Auto Liability	$37,228	$300,000	$0	
	PIP	Included	Statutory	$0	
	UM/UIM	Included	$50,000		
	Auto Physical Damage	$10,608	Symbol 10		
	Sub-total	**$47,836**			
Travelers Indemnity Co. (through August 2014)	**Automobile**				0%
	Auto Liability	$66,179	$3,000,000	$200,000	
	UM/UIM	Rejected			
	Auto Physical Damage	Not Covered			
	Sub-total	**$66,179**			
U.S. Specialty	**Fiduciary**	**$5,171**	$2,000,000	$5,000	0%
Great American E&S Insurance	**Environmental**	**$26,532**	$1,000,000/$3,000,000	$25,000 / $50,000	0%
Arthur J. Gallagher	**Brokerage Fee**	**$50,000**			$50,000
	Total Premium This Page	**$195,718**			
Grand Total Premiums		**$584,524**			

This page intentionally left blank

LYNX®
CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY

Single Audit Section

This page intentionally left blank

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2014

FEDERAL GRANT OR/PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2013 Receivable	Receipts	Expenditures	September 30, 2014 Receivable
Department of Transportation Federal Highway Administration							
Highway Planning and Construction							
State Infrastructure Bank Loan passed through Florida Department of Transportation	20.205	AO170	7,140,000	-	(2,873,751)	2,873,751	-
Capital assistance	20.205	FL15-X005	2,071,000	8,281	(20,837)	39,542	26,986
			9,211,000	8,281	(2,894,588)	2,913,293	26,986
Department of Transportation Federal Transit Cluster							
Passed through the City of Orlando	20.500	FL03-0126	11,144,100	20,265	-	-	20,265
Capital assistance	20.500	FL03-0340	7,920,000	1,327,074	(4,665,520)	3,668,586	330,140
Capital assistance	20.500	FL04-0052	5,903,200	22,046	(11,360)	-	10,686
Capital assistance	20.500	FL04-0112	1,149,050	5,872	(7,052)	1,180	-
Capital assistance	20.500	FL04-0116	5,565,528	6,272	(6,272)	-	-
Capital assistance	20.500	FL04-0147	1,233,132	-	(533)	1,183	650
Capital assistance	20.500	FL04-0161	2,050,000	1,515,209	(1,571,197)	55,988	-
Capital assistance	20.500	FL04-0163	2,000,000	411,101	(534,754)	123,924	271
Capital assistance	20.500	FL04-0172	1,056,800	6,851	(57,387)	59,941	9,405
Capital assistance	20.500	FL04-0179	3,360,000	-	(2,018,541)	2,095,844	77,303
Capital assistance	20.500	FL05-0113	722,205	129,985	(206,873)	79,846	2,958
			42,104,015	3,444,675	(9,079,489)	6,086,492	451,678
Capital assistance	20.507	FL90-X688	22,317,593	139,912	(613,945)	519,572	45,539
Capital assistance	20.507	FL90-X726	22,243,009	315,117	(1,102,015)	937,471	150,573
Capital assistance	20.507	FL90-X757	1,274,422	2,927	(844,830)	880,825	38,922
Capital assistance	20.507	FL90-X773	20,549,869	702,460	(1,219,326)	636,511	119,645
Capital assistance	20.507	FL90-X789	20,903,149	12,251,297	(16,401,650)	4,173,952	23,599
Capital assistance	20.507	FL90-X826	23,509,503	2,334,169	(12,134,928)	12,032,375	2,231,616
Capital assistance	20.507	FL90-X858	11,496,748	-	-	1,949,739	1,949,739
Capital assistance	20.507	FL95-X026	6,013,990	1,727	(1,727)	-	-
Capital assistance	20.507	FL95-X054	6,025,050	15,075	(379,940)	378,798	13,933
Capital assistance	20.507	FL95-X060	8,767,706	385,586	(6,695,482)	6,396,308	86,412
Capital assistance	20.507	FL95-X068	6,297,975	343,470	(5,870,261)	5,569,085	42,294
Capital assistance	20.507	FL95-X071	7,685,383	-	(412,197)	417,441	5,244
Capital assistance	20.507	FL96-X003 ARRA	29,574,615	2,073,368	(2,583,630)	795,360	285,098
			186,659,012	18,565,108	(48,259,931)	34,687,437	4,992,614
Federal Transit - State of Good Repair Formula Grant							
Capital assistance	20.525	FL54-0002	426,112	-	(88,238)	102,008	13,770
			426,112	-	(88,238)	102,008	13,770
Total Federal Transit Cluster			229,189,139	22,009,783	(57,427,658)	40,875,937	5,458,062
Federal Transit: National Infrastructure Investments							
Capital assistance	20.933	FL79-0001	13,000,000	348,724	(1,239,758)	936,476	45,442
			13,000,000	348,724	(1,239,758)	936,476	45,442

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2014

FEDERAL GRANTOR/PROGRAM TITLE	Federal CFDA Number	Project Number	Program or Award Amount	September 30, 2013 Receivable	Receipts	Expenditures	September 30, 2014 Receivable
Federal Transit: Metropolitan Transportation Planning Passed through the Metroplan Orlando							
	20.505	FL80-X021	260,183	11,327	(11,327)	-	-
	20.505	FL80-X022	260,746	33,049	(33,049)	-	-
	20.505	FL80-X023	262,531		(136,641)	223,606	86,965
			783,460	44,376	(181,017)	223,606	86,965
Federal Transit: Formula Grants for Rural Areas Passed through Florida Department of Transportation							
Capital Assistance	20.509	AQU34	963,774	253,942	(556,984)	468,470	165,428
			963,774	253,942	(556,984)	468,470	165,428
Federal Transit: Public Transportation Research Planning assistance							
	20.514	FL26-7107	500,000	22,420	(22,420)	-	-
			500,000	22,420	(22,420)	-	-
Federal Transit: Job Access Reverse Commute							
	20.516	APF84	805,692	32,370	(33,573)	1,203	-
	20.516	AQN92	587,775	118,854	(246,473)	166,020	38,401
	20.516	AR064	1,421,955	13,024	(447,438)	536,976	102,562
	20.516	FL37-X062	1,440,377	80,827	(485,002)	404,175	-
	20.516	FL37-X076	1,412,661	3,516	(1,224,520)	1,229,252	8,248
			5,668,460	248,591	(2,437,006)	2,337,626	149,211
Federal Transit: Enhanced Mobility of Seniors and Individuals with Disabilities							
Capital assistance	20.513	FL16-0037	800,064	-	(115,236)	115,236	-
			800,064	-	(115,236)	115,236	-
Federal Transit: New Freedom Program							
	20.521	AQN91	859,729	16,412	(70,706)	73,013	18,719
	20.521	FL57-X034	866,759	27,834	(182,481)	169,288	14,641
	20.521	FL57-X042	868,092	75,260	(371,080)	347,530	51,710
			2,594,580	119,506	(624,267)	589,831	85,070
Total Transit Services Program Cluster			9,063,104	368,097	(3,176,509)	3,042,693	234,281
Federal Transit - Alternatives Analysis Planning Assistance							
	20.522	FL39-0011	800,000	6,913	(17,751)	10,838	-
	20.522	FL39-0013	1,200,000	190,783	(457,344)	408,349	141,788
			2,000,000	197,696	(475,095)	419,187	141,788
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 264,710,477	23,253,319	$ (65,974,029)	48,879,662	6,158,952
Total Receivable				$ 23,253,319			$ 6,158,952
NONOPERATING REVENUE PORTION						16,257,851	
SIB LOAN						2,873,751	
CONTRIBUTED CAPITAL						$ 29,748,060	

See Notes to Schedules of Expenditures of Federal Awards and Local and State Financial Assistance

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF LOCAL FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2014

GRANT NUMBER/ SOURCE	Program or Award Amount	September 30, 2013 Unearned (Receivable)	Transfers/ Receipts	Expenditures	September 30, 2014 Unearned (Receivable)
LOCAL MATCHING GRANTS:					
N/A, APF84	$ 873,576	$ -	$ 1,204	$ 1,204	$ -
N/A, AQN91	537,729	-	73,013	73,013	-
N/A, AQN92	587,775	-	166,020	166,020	-
N/A, AQU34	495,304	-	468,470	468,470	-
N/A, AQV49	9,843,318	-	9,843,318	9,843,318	-
N/A, AR064	1,421,955	-	536,976	536,976	-
N/A, AR205	3,728,927	-	310,612	310,612	-
N/A, ARC29	178,000	-	124,220	124,220	-
N/A, ARG21	3,728,407	-	103,567	103,567	-
N/A, FL-37-X062	1,440,377	-	397,922	397,922	-
N/A, FL-37-X076	1,412,661	-	1,222,728	1,222,728	-
N/A, FL-39-0011	800,000	-	2,709	2,709	-
N/A, FL-39-0013	1,200,000	-	102,087	102,087	-
N/A, FL-57-X034	866,759	-	149,750	149,750	-
N/A, FL-57-X042	868,092	-	339,727	339,727	-
N/A, FL-90-X757	1,274,422	-	865,923	865,923	-
N/A, FL-90-X789	20,903,149	-	741,000	741,000	-
N/A, FL90-X826	23,509,503	-	143,087	143,087	-
Orange County (LYNX Operating Center)	-	984 *	-	984	-
Orange County (Bus Lease)	-	90,292 *	-	90,292	-
Private Partners (Shelters and Vans)	-	111,244	-	-	111,244
City of Orlando (LYNX-Orlando Trail)	1,541,415	307,952	-	296	307,656
City of Orlando (LYMMO East-West)	9,920,000	1,126,746	-	917,146	209,600
City of Orlando (LYMMO Parramore)	16,250,000	554,000	-	-	554,000
City of Orlando (Mills District Shelters)	70,000	70,000	-	22,245	47,755
City of Orlando (Parramore Environmental)	662,581	-	-	47,582	(47,582)
City of Orlando (LYMMO CEI)	896,000	-	122,956	122,956	-
Orange County (Pine Hills Super Stop)	1,250,000	-	250,000	-	250,000
Orange County Capital	1,677,044	-	1,677,044	1,677,044	-
Osceola County Capital	211,165	-	211,165	211,165	-
Seminole County Capital	225,537	-	225,537	225,537	-
Other Local Capital	-	86,115	-	-	86,115
Total matching grants	$ 106,373,696	$ 2,347,333	$ 18,079,035	18,907,580	$ 1,518,788
Customer fares and operating assistance				15,597,626	
Contributed capital portion				$ 3,309,954	
LOCAL GRANTS AND CONTRACT SERVICES:					
Operating assistance:					
Orange County		$ -	$ 35,768,389	$ 35,768,389	$ -
City of Orlando		-	3,755,199	3,755,199	-
Seminole County		-	1,792,817	1,792,817	-
Osceola County		-	1,573,290	1,573,290	-
Total nonoperating revenue portion		$ -	$ 42,889,695	$ 42,889,695	$ -
Contract services:					
Seminole County		$ -	$ 3,824,399	$ 3,824,399	$ -
Osceola County		-	3,635,077	3,635,077	-
City of Orlando (LYMMO)		(143,407)	1,532,382	1,701,509	(312,534)
City of Altamonte Springs		-	120,900	120,900	-
City of St. Cloud		-	161,999	161,999	-
City of Sanford		-	396,668	396,668	-
Walt Disney World		-	460,200	259,253	200,947
University of Central Florida		(44,490)	143,126	124,988	(26,352)
Shingle Creek		(8,457)	100,143	100,121	(8,435)
Polk County		(25,824)	811,925	872,848	(86,747)
Votran		(18,287)	114,282	95,995	-
State Farm		253,499	-	338,000	(84,501)
Lake County		(43,390)	180,545	137,155	-
Total local contract services		(30,356)	11,481,646	11,768,912	(317,622)
Other Contractual Services					
Local - Shuttles		-	90,637	90,637	-
State - Transportation Disadvantage		(933,420)	3,728,927	3,727,610	(932,103)
State - Medicaid		(926,607)	5,533,683	4,739,409	(132,333)
Other Contractual Services		-	11,324	11,324	-
Total other contract services		(1,860,027)	9,364,571	8,568,980	(1,064,436)
Total contract services		$ (1,890,383)	$ 20,846,217	$ 20,337,892	$ (1,382,058)

***These amounts are not receivables or deferrals, but are included as restricted net position, as they relate to receipts that are restricted for matching.**
See notes to Schedules of Expenditures of Federal Awards and Local and State Financial Assistance.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2014

STATE GRANTOR PROGRAM TITLE, CONTRACT NO., WPI NO., JOB NO.	CSFA Number	Program or Award Amount	September 30, 2013 Receivable	Receipts/ Adjustments	Expenditures	September 30, 2014 Receivable
Florida Department of Transportation						
N/A, FL16-0037	N/A	$ 100,008	$ -	$ (14,404)	$ 14,404	$ -
		100,008	-	(14,404)	14,404	-
N/A, AQV49	55.010	19,192,988	4,674,835	(9,596,494)	9,843,318	4,921,659
		19,192,988	4,674,835	(9,596,494)	9,843,318	4,921,659
N/A, ARC29	55.012	178,000	-	(78,468)	124,220	45,752
N/A, ARD60	55.012	1,265,430	-	-	465,625	465,625
		1,443,430	-	(78,468)	589,845	511,377
N/A AOE57	55.026	6,077,000	955,729	(3,437,000)	2,481,271	-
		6,077,000	955,729	(3,437,000)	2,481,271	-
Total Florida Department of Transportation		26,813,426	5,630,564	(13,126,366)	12,928,838	5,433,036
Florida Transportation Disadvantaged Commission						
N/A, AR205	55.001	3,728,927	933,420	(3,728,928)	2,795,508	-
N/A, AR809	55.001	32,729	-	(32,729)	32,729	-
N/A, ARG21	55.001	3,728,407	-	-	932,103	932,103
		7,490,063	933,420	(3,761,657)	3,760,340	932,103
TOTAL STATE FINANCIAL ASSISTANCE		$ 34,303,489	$ 6,563,984	$ (16,888,023)	$ 16,689,178	$ 6,365,139
Other State Contracts						
N/A, BDV03	N/A	1,238,500	308,250	(1,337,585)	1,238,500	209,165
		1,238,500	308,250	(1,337,585)	1,238,500	209,165
TOTAL STATE FINANCIAL ASSISTANCE AND OTHER STATE CONTRACTS			$ 6,872,234	$ (18,225,608)	17,927,678	$ 6,574,304
CONTRACT SERVICES PORTION					3,727,611	
NONOPERATING REVENUE PORTION					11,669,237	
CONTRIBUTED CAPITAL PORTION					$ 2,530,830	

See notes to Schedules of Expenditures of Federal Awards and Local and State Financial Assistance.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND LOCAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2014

1. The Schedules of Expenditures of Federal Awards and Local and State Financial Assistance are prepared on the accrual basis of accounting.

2. All grants subject to the Florida Single Audit Act are included in the Schedule of State Financial Assistance.

3. The Authority utilized state toll revenue credits received from the Florida Department of Transportation under the following awards to satisfy federal and state matching requirements:

Grant	Award Amount	Toll Revenue Credits Applied during Fiscal 2014
FL-04-0112	$ 1,149,050	$ 296
FL-04-0161	2,050,000	13,997
FL-04-0172	1,056,800	14,985
FL-04-0179	3,360,000	523,961
FL-05-0113	722,205	19,961
FL-15-X005	2,071,000	9,885
FL-54-0002	426,112	25,502
FL-90-X688	22,317,593	88,577
FL-90-X726	22,243,009	234,367
FL-90-X773	20,549,869	159,128
FL-90-X789	20,903,149	579,785
FL-90-X826	23,509,503	2,972,322
FL-90-X858	11,496,748	487,435
FL-95-X054	6,025,050	94,700
FL-95-X060	8,767,706	1,599,077
FL-95-X068	6,297,975	1,392,271
FL-95-X071	7,685,383	104,360
Total	**$ 160,631,152**	**$ 8,320,609**

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor 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
Central Florida Regional Transportation Authority:

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 statements of net position of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of September 30, 2014, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 18, 2015.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 audits, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Orlando, Florida
March 18, 2015

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Program and State Financial Assistance Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Central Florida Regional Transportation Authority d/b/a LYNX's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement,* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the Authority's major federal programs and state financial assistance projects for the year ended September 30, 2014. The Authority's major federal programs and state financial assistance projects 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 each of its major federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs and state financial assistance projects 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Unmodified Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state financial assistance project 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 state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project 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 or state financial assistance project 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 or state financial assistance project 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 18, 2015

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Part I - Summary of Auditor's Results

Financial Statement Section

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

Federal Awards and State Projects Section

Internal control over major programs:				
Material weakness(es) identified?		yes	x	no
Significant deficiency(ies) identified?		yes	x	none reported
Type of auditor's report on compliance for major federal programs and state projects:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 for federal awards?		yes	x	no
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects?		yes	x	no

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Part I - Summary of Auditor's Results (continued)

Federal Awards and State Projects Section (continued)

Identification of major federal programs and state projects:

Federal Programs:

Name of Program or Cluster	CFDA Number
U.S. Department of Transportation:	
Federal Transit Cluster	20.500/20.507/20.525

State Projects:

Name of Project	CSFA Number
State of Florida Department of Transportation:	
Public Transit Block Grant	55.010

Dollar threshold used to determine Type A programs:

Federal	$ 1,466,390
State	$ 500,675

Auditee qualified as low-risk auditee for federal purposes? x yes ____ no

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.*

There were no findings required to be reported in accordance with *Government Auditing Standards.*

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings required to be reported by Section 510(a) of OMB Circular A-133.

Part IV - State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*.

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY d/b/a LYNX
SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Prior Year Audit Finding:

Federal Transit Cluster - CFDA #20.500/20.507

Fiscal year 2013 audit finding was addressed during fiscal year 2014 as follows:

Statement of Condition 2013-001: During our procedures related to the National Transit Database report, we found that LYNX' internal controls over Motor Bus Directly Operated (MBDO) sampling requirements for passenger miles traveled were insufficient, resulting in noncompliance with requirements.

Current Status:

For FY 2014, the goal of 100 manual samples using ride checkers on the MBDO/RBDO system was achieved.

The task was achieved by:

1. Service Planning staff generated a weekly list of randomly selected blocks for APC-equipped bus assignments to insure all routes were sampled during the year.
2. Service Planning staff generated a ride check calendar to insure sufficient on-board ride checks were conducted. LYNX staff identified on the calendar were adequately trained and approved to perform on-board ride checks.
3. Throughout the year, Service Planning generated APC reports for each ride check trip and compared the output to the manual ride check for that trip to insure data completeness and notified Maintenance if there were any data issues.
4. The Service Planner responsible for managing the ride check program made regular reports to the Service Planning Manager on the number of checks performed, number of checks remaining, and any data issues noted during the sampling process.

Current Year Audit Findings:

There were no audit findings in the current year that required corrective action.

Cherry Bekaert LLP
CPAs & Advisors

Independent Auditor's Management Letter

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on the Financial Statements

We have audited the financial statements of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") as of and for the year ended September 30, 2014, and have issued our report thereon dated March 18, 2015.

Auditor's Responsibility

We conducted our audit 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance Projects; and Report of Independent Accountant on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 18, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, the results of our tests did not indicate the Authority met any of the specified conditions of a financial emergency contained in Section 218.503(1), Florida Statutes. However, our audit does not provide a legal determination on the Authority's compliance with this requirement.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Authority for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. Our comparison of these two reports resulted in no material differences.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Reference to this matter is provided in Appendix A for the Authority. We did not audit the Authority's response to the recommendation, which is also provided in Appendix A and, accordingly, we express no opinion on it.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 18, 2015

CURRENT YEAR FINDING AND RECOMMENDATION

Information provided for Self-Insurance Program Actuary

Statement of Condition 2014-01: During our review of the information provided for the fiscal 2014 actuarial report for the Authority's self-insured plan for claims related to its general liability and worker compensation coverage, we noted instances where information relating to outstanding claims in litigation had not been communicated or had been incorrectly communicated to the actuary.

Criteria: All claims information should be maintained to allow for comprehensive tracking and accurate and timely reporting.

Cause: Claims information was not sufficiently organized to ensure comprehensive reporting.

Recommendation: We recommend that the Authority strengthen internal controls for the accumulation and review of claims information to ensure that it is complete, timely and accurate.

Management's Response:

Management concurs with the issues identified in the Management Letter Comments and agrees with the recommendation.

In late FY2014, the Authority's executive team became aware of concerns with certain claims-related information. This led to an immediate internal investigation into the systems and functionalities of the Risk Management Department.

As a direct result of that investigation, the Authority implemented staffing changes. Additionally, Management has made the strong recommendation to its governing board that all claims be administered externally by a qualified third-party administrator.

Management remains committed to identifying and prioritizing both immediate and long-range solutions that will strengthen internal controls for the accumulation of claims information to ensure that it is complete, timely and accurate.

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Board of Directors
Central Florida Regional Transportation Authority:

Report on Compliance

We have examined the Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2014. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

Opinion

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Cherry Bekaert LLP

Orlando, Florida
March 18, 2015