
PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

Bureau of Public Transportation

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Financial Reporting Manual

For

Intercity Bus Operators



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Introduction

Operators of intercity bus service within the Commonwealth of Pennsylvania (Commonwealth or State) that receive grant funding from Pennsylvania’s Department of Transportation (PennDOT) are required to complete and electronically file annual reports to apply for and report the management and use of these grants. This reporting manual was prepared to assist organizations that provide this service in the completion of these reports. Throughout this manual, a copy of each report is presented along with a brief description of the report’s purpose and descriptions for every line item where data is to be entered.

The reports in this manual are organized into two major categories. The first category of reports addresses financial data including operating expenses, revenues, and subsidies that are received from federal, state, and local governments. For those operators that might receive capital grant funding in a fiscal year, there is a second category containing schedules that provide more detailed data associated with the receipt and use of capital subsidies granted from all government entities.

On many occasions, text repeatedly appears throughout this manual to alert operators that many figures contained on the enclosed reports and schedules must be reconciled to and agree with figures contained in the operators’ Schedule A7 – Consolidated Financial Statement – All Routes.

Only the operator’s routes that are funded by government subsidies are included in the reporting structure described in this manual. With that said, the operator’s audit represents the financial results of the transportation provider’s entire operations and not just those routes that are subsidized. Rather than requiring the transportation provider to have a separate audit performed only for the subsidized routes, Agreed Upon Procedures have been developed for these grantees’ accounting firms to follow in the course of the audit of the grantee’s overall operations. These Agreed Upon Procedures, which are included in PennDOT’s *Pennsylvania Public Transportation Audit Requirements for Fixed Route, Shared Ride and Intercity Bus Transportation Providers* will allow for the inclusion of a schedule/financial statement (Schedule A7 – Consolidated Financial Statement – All Routes) that enables the accounting firm to attest to the accuracy of the figures that the operator is reporting in the legacy budget submission. Auditors will be required to apply the Agreed Upon Procedures in the course of the transportation provider’s audit as described in the aforementioned publication.

How to Use This Manual

This manual was developed to address the financial reporting requirements of operators providing intercity bus service within the Commonwealth. Although operators are strongly encouraged to read this manual in its entirety, it was structured to serve as a “how to” reference guide to provide a way to find a particular topic of interest in the table of contents and easily navigate to that specific topic in order to quickly obtain the guidance necessary to properly complete a particular report. With the use of hyperlinks throughout the manual, reports can be easily located with additional hyperlinks providing the ability to “drill down” to various levels of detailed information for each report and the individual line item classifications contained within each one.

In addition, information alerts appear throughout this manual in order to draw attention to matters of significant importance. These matters frequently involve specific instructions regarding the

accounting treatment of certain items particularly as they relate to reporting classifications in the operator's year-end audit report as well as ensuring consistency with PennDOT reporting. Other matters also include specific instructions on policy related issues related to PennDOT grant management reporting. These information alerts are indicated with the appearance of a  symbol.

Operating Reports

Several points are worth noting regarding the reports that cover operating expenses, revenues and subsidies. Operators must understand that the purpose of these reports is to present financial data that ensures compliance with both grant management guidelines pursuant to executed grant agreements between the operator and PennDOT and with state legislation.



Operators and their accounting firms are required to include all operating expense reports, revenue reports, subsidy reports, budget summary report, and supporting schedules that are shown in this manual as supplemental schedules to the year-end audit report.

Operating Expenses

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Allocating Costs

Operators must report operating expenses they incur in order to provide service. Operators must fully report direct and indirect expenses for transit operations. To fully report operating expenses, operators should:

- Determine which expenses are direct costs and can be easily traced to a particular mode and type of service.
- Determine which expenses are indirect expenses (shared costs).
- Allocate indirect expenses to each mode and type of service.

There are many ways agencies may allocate costs. Common allocation variables include, but are not limited to:

- Revenue hours and miles
- Driver hours
- Vehicles operated in annual maximum service (VOMS)
- Number of employees
- Direct expenses (as a factor used for the allocation of indirect costs)¹
- Ridership

While these options for allocating costs are common in the transit industry, in some cases, other methods may be more appropriate.

Operators must take special care to ensure that they allocate indirect expenses to both purchased transportation and directly-operated services. Operators with purchased transportation services incur administrative costs even if the contractor owns the maintenance and storage facilities. Such administrative costs may include:

- Salaries and fringe benefits of employees who oversee a purchased transportation contract
- Building expenses such as:
 - Custodial services
 - Electric bills
 - Phone bills
 - Fire insurance
 - Office supplies

All intercity bus operators are required to complete a separate expense report for each route provided to reflect the operating costs that are incurred for each route. Reports to collect operating expenses for each route that is operated include:

¹ In this case, the direct costs for each type of service would be used to calculate the percentage of the grantee's total direct costs. The percentage of the grantee's total direct costs for each type of service would then be applied to the grantee's total indirect costs to determine the indirect cost allocation for each type of service.

- [Intercity Bus Expenses](#)

Expense Functions

Expenses for intercity bus service are to be entered by function. Functions are activities that are performed by bus operators.

Functions for PennDOT's reporting purposes are detailed below:

Vehicle Operations

Vehicle operations are all activities associated with dispatching and running vehicles in revenue service to carry passengers, including administrative and clerical support. There are six detailed functions in the basic vehicle operation function:

- Transportation administration and support - including the supervision of garages/operating centers to make sure operators are available, inspecting and instructing operators, run selection and supervision, and reporting accidents and appearing as a witness
- Revenue vehicle movement control including the dispatching and return of operators and revenue vehicles to garages/operating centers, and monitoring and supervising revenue vehicle operations
- Scheduling of transportation operations including data collection, creating schedules and run cutting
- Revenue vehicle operation including the movement of revenue vehicles along routes to carry passengers, the movement of vehicles to and from garages/operating centers to routes (deadheading), laying over at the ends of routes, and movement of operators to and from relief points. This is the largest expense category in the vehicle operations function since it includes all the labor, fringes and fuel to operate the revenue vehicles.
- Ticketing and fare collection including the production, distribution and collection of fare instruments (passes, tickets, tokens), and providing security for collecting and counting the fares.
- System security including the patrol of revenue vehicles and passenger stations during revenue operations, and the patrol and control of access to yards, buildings and grounds.



Vehicle operators generally are the largest employee group resulting in vehicle operation expenses typically seen as the largest expense function arising from the labor and fringe benefit expenses for these employees.

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Maintenance

The Maintenance function includes costs associated with both vehicle and non-vehicle maintenance.

Maintenance includes all activities associated with ensuring revenue vehicles and service vehicles are operable, cleaned, fueled, inspected and repaired. There are five detailed sub-activities within the basic vehicle maintenance activity:

- Maintenance administration – vehicles includes preparing maintenance records, analyzing data for vehicle performance and training vehicle maintenance personnel

- Servicing revenue and service vehicles includes fueling, interior cleaning and exterior washing of revenue vehicles
- Inspection and maintenance of revenue and service vehicles includes performing scheduled preventive maintenance, performing minor repairs, going to location of vehicle breakdowns to either repair or tow revenue vehicles, rebuilding and overhauling repairable components, performing major repairs on revenue vehicles (e.g. body work, re-upholstering, unit rebuilds and replacing major repairable units of revenue vehicles (e.g. engines, transmissions and air conditioners)
- Accident repairs of revenue vehicles includes repairing damage as a result of collisions, floods and accidental fires
- Vandalism repairs of revenue vehicles include repairing damage as a result of willful or malicious destruction or defacement of revenue vehicles

Maintenance also includes all activities associated with ensuring buildings, grounds and equipment (garages, passenger stations and shelters, administration buildings); fare collection equipment; and communications systems, track, structures, tunnels and power systems are operable. These are summarized in four categories below:

- Maintenance administration - non-vehicles includes preparing maintenance records and training facility maintenance personnel
- Inspecting, cleaning, repairing and replacing components for the maintenance of:
 - Vehicle movement control systems including radios, roadway phones and monitor units
 - Fare collection and counting equipment including fare boxes, vaults and money counters, changers and sorters
 - Roadway
 - Structures
 - Passenger stations including shelters and custodial services
 - Operating station buildings, grounds and equipment including mechanics, electricians, carpenters, plumbers, janitors, groundskeepers and custodial services. Operating stations are the buildings where vehicles are stored and dispatched for revenue service.
 - Garage and shop buildings, grounds and equipment including mechanics, electricians, carpenters, plumbers, janitors, groundskeepers and custodial services. Garages and shop buildings are where repairs and maintenance are performed. Often operating stations and garages are the same facilities.
 - Communication systems including office telephones, fax machines and public address systems, but not including vehicle movement control systems
 - General administration buildings, grounds and equipment including mechanics, electricians, carpenters, plumbers, janitors, groundskeepers and custodial services
- Vandalism repairs of buildings, grounds and equipment includes repairing damage as a result of willful or malicious destruction or defacement of buildings, grounds and equipment



Maintenance employees typically are the second largest group of employees. Therefore, maintenance expenses are the second largest expense function.

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General Administration

General administration includes all activities associated with supporting the provision of transit service. Operators, to the extent they cannot directly charge these costs to a specific route, should report these expenses using an acceptable cost allocation method because these activities represent “shared costs” that benefit all of the operator’s routes. These are summarized in five categories below:

- Finance and procurement
 - Finance and accounting including maintaining accounting records; payroll processing; paying vendors; accounting for receivables, assets and investments; investing available cash; obtaining funds through debt, equity, subsidy and other financing transactions; budgeting; performing internal audits; and, preparing and submitting financial reports
 - Purchasing including preparing specification and procuring materials and supplies from vendors, receiving at and issuing and distributing supplies from storage facilities, and maintaining inventory records
 - Real estate management including negotiating purchases and sales of transit real estate, negotiating property leases and managing contracts.
- Marketing and customer service
 - Customer services including telephone information on routes and services, handling customer complaints and providing information
 - Promotion including media relations, and developing and distributing promotional materials to encourage transit use
 - Market research including conducting consumer behavior research and transit service demand surveys to help define new routes and revisions to existing services.
- Accidents
 - Injuries and damages including insuring the operator against liability losses, receiving and processing damage claims, investigating accidents, making settlements and defending public liability cases
 - Safety for providing a system safety plan for employees and the public in order to prevent accidents and including compiling safety statistics.
- Planning and service development
 - Preliminary transportation service development that includes the research of transportation technology and service areas to determine appropriate technology, route configurations, and service level requirements. This covers the expenses associated with performing these activities before a contractual commitment is made with a third party. If these costs are incurred *after* a commitment is made, these costs are not considered operating costs and are often included as part of the capital cost of the project.

- Planning including long range and regional transit needs assessments.
- General activities
 - Personnel administration including employee recruitment, administering pre-employment medical exams, conducting orientation programs, administering fringe benefits, performing employee evaluations, conducting grievance procedures, negotiating labor agreements, providing management and supervisory training, and maintaining employee records
 - General legal services for general legal service activities not related to public liability claims for injuries and damages
 - General insurance for preparing, submitting and pursuing insurance claims not related to public liability including fires, weather related damage such as floods, and accidents not related to public liability
 - Data processing including data entry and verification; operating computers, scanners and other equipment for maintaining data bases and conducting analyses; testing, software development and other programming activities; and, maintaining data processing equipment
 - General engineering including researching available technology for performing transit activities, and preparing specifications for constructing or purchasing capital assets.²
 - Office management and services for managing general office activities including receptionists, telephone operators, mail rooms, libraries and distribution of office supplies
 - General management for establishing policies for the development and operation of the operator and services, and providing top level management to implement these policies
 - General function is used when expenses not related to or easily associated with the other functions under the general administration function. [\[Back to expense report\]](#)

² All engineering associated with maintenance of vehicles, buildings, structures, communication systems, equipment, etc. is included in the maintenance function.

**FY XXXX-XX CPT LEGACY BUDGET
INTERCITY BUS EXPENSES**

	<u>A</u> <u>Vehicle</u> <u>Operation</u>	<u>B</u> <u>Maintenance</u>	<u>C</u> <u>General</u> <u>Admin</u>	<u>D</u> Totals
Operating Expenses				
1 Operators' Salaries & Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A1:C1)</i>
2 Other Salaries & Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A2:C2)</i>
3 Fringe Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A3:C3)</i>
4 Services	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A4:C4)</i>
5 Fuel & Lubricants	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A5:C5)</i>
6 Tires & Tubes	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A6:C6)</i>
7 Other Materials & Supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A7:C7)</i>
8 Utilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A8:C8)</i>
9 Casualty & Liability Costs	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A9:C9)</i>
10 Taxes	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A10:C10)</i>
11 Purchased Transportation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A11:C11)</i>
12 Miscellaneous Expenses	<input type="text"/>	<input type="text"/>	<input type="text"/>	<i>SUM(A12:C12)</i>
13 Total System Expenses	<i>SUM(A1:A12)</i>	<i>SUM(B1:B12)</i>	<i>SUM(C1:C12)</i>	<i>SUM(D1:D12)</i>
Applied Reconciling Items				
14 Interest Expenses				<input type="text"/>
15 Leases & Rentals				<input type="text"/>
16 Depreciation (privately funded assets only)				<input type="text"/>
17 Amortization of Intangibles				<input type="text"/>
18 Purchase Lease Agreement				<input type="text"/>
19 Related Parties Lease Agreement				<input type="text"/>
Other Reconciling Items				
20 Identify <input type="text"/>				<input type="text"/>
21 Total Applied Reconciling Items				<i>SUM(D14:D20)</i>
22 Total Operating Expenses				<i>SUM(D13+D21)</i>
Non-Applied Reconciling Items				
23 Depreciation (publicly funded assets only)				<input type="text"/>
24 Other Post Employment Benefits (OPEB)				<input type="text"/>
Other Reconciling Items				
25 Identify <input type="text"/>				<input type="text"/>
26 Total Non-Applied Reconciling Items				<i>SUM(D23:D25)</i>
27 Total Operating Expenses per Audit				<i>SUM(D22+D26)</i>

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Intercity Bus Expense Report - Expenses by Function

As described earlier, expenses for intercity bus service are entered by function on their separate respective reports.

- Column A - [Vehicle Operations](#)
- Column B - [Maintenance](#)
- Column C - [General Administration](#)
- Column D - Totals - This column contains auto-calculated fields and cannot be edited. Expenses are summed and displayed for each expense class for vehicle operations, maintenance, and general administration functions.

Expense Classifications

Each expense classification is explained below to assist operators in determining which expenses are entered for each classification. In addition, further explanation, where necessary, is provided to assist operators in determining how to segregate expenses by function.

Operators' Salaries & Wages

Operators' salaries and wages are the labor expenses for an operator's employees that usually are the persons driving revenue vehicles. However, there are two other types of employees that are included as operators:

- Attendants aboard vehicles to assist riders in boarding and alighting, securing wheelchairs, etc., typically the elderly and individuals with disabilities

Operators do not include the following two categories:

- Employees aboard vehicles for other purposes than described above such as transit security personnel, employees conducting surveys and employees monitoring service performance
- Employees permanently removed from performing as operators but who remain classified as operators for payroll. These employees do not work as operators but perform other functions

Wages paid for vehicle operators should be reported under the appropriate function, as follows:

- *Vehicle Operations* - report wages for performing vehicle operations under the vehicle operations function. Include training time, accident reporting time, standby time and revenue vehicle movement control.
- *Maintenance* - report wages for performing inspection and maintenance and servicing revenue vehicles under the maintenance function. Do not include operators' wages under the maintenance function. Ordinarily, there are no operators' wages for performing maintenance.
- *General Administration* - report wages for performing customer service or marketing duties under the general administration function.



The vast majority of operators' wages and salaries typically are reported in the vehicle operations function.

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Other Salaries and Wages

Other salaries and wages are the labor expenses for an operator's employees who are not revenue vehicle operators or crew. Other salaries and wages should be reported by function using the following rules:

- *Vehicle Operations* - report the wages paid for vehicle operations for employees such as dispatchers, schedulers, ticketing and fare collection, security, revenue vehicle movement control, traffic managers, terminal managers, as well as superintendents and their clerical support
- *Maintenance* - report wages for performing inspection, servicing and maintenance work on operator vehicles or components of those vehicles under the maintenance function. Supervisory, clerical and cleaning personnel should be included. In addition, costs for performing maintenance of structures, passenger stations, fare collection and counting equipment, vehicle movement control systems, buildings, grounds and equipment and associated professional and clerical support should be included.
- *General Administration* - report wages for performing marketing, customer information, accounting, data processing, legal, safety, planning and other administrative functions under the general administration function.



Although the majority of vehicle operations labor expenses typically are for operators, labor expenses typically also are reported for vehicle operations under other salaries and wages. [\[Back to expense report\]](#)

Fringe Benefits

Fringe benefits are expenses for employment benefits or services that an employee receives in addition to his/her basic wages. These payments are the operator's costs over and above labor costs, but still arising from the employment relationship. Typical benefits include contributions to or providing:

- Retirement plans
- Pension plans
- Medical plans
- Dental plans
- Life insurance and short-term disability plans
- Unemployment insurance
- Workers' compensation insurance
- Employer payroll taxes
- Sick leave
- Holiday leave
- Vacation (and other paid leave such as bereavement leave, jury duty)
- Uniform and work clothing allowances typically for drivers, security personnel
- Tool allowances for mechanics.



Some accounting systems do not track fringe benefit costs by function. In this situation, fringe benefit expenses must be allocated by function. One common approach is to allocate fringe benefit costs in proportion to the sum of salaries and wages listed for labor by function.

Report the fringe benefits expenses (i.e., vacation, sick, holiday, personal insurance plans, retirement plans, etc.) attributable to vehicle operations, maintenance, and general administration functions.

- Vehicle Operations: Enter benefits expenses attributable to vehicle operations based on the salaries and wages (operators and others) reported by function.
- Maintenance: Enter benefits expenses attributable to maintenance based on the salaries and wages (operators and others) reported by function.
- General Administration: Enter benefits expenses attributable to general administration based on the salaries and wages (operators and others) reported by function.

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Services

Services include management services, professional services, and temporary labor services of personnel who are not employees of the operator, the governmental body, or the multifunctional organization.

Services are expenses for the labor and other work provided by outside organizations for fees and related expenses.

Report the services expenses for the vehicle operations, maintenance and general administration functions.

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Fuel and Lubricants

Fuel and lubricants are the costs of items such as gasoline, diesel fuel, propane, lubricating oil, transmission fluid and grease for use in vehicles. The operator should report expenses for fuel and lubricants for revenue vehicles under the vehicle operations function and service vehicles under the maintenance function.



Data fields are not provided under the General Administration function for Fuel and Lubricants. In addition, operators should report the taxes paid on fuel and lubricants, if applicable, as Taxes as described later in this manual. Operators should not report these taxes as part of Fuel and Lubricants.

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Tires and Tubes

Tires and tubes are the lease payments for tires and tubes rented on a time period or mileage basis or the cost of tires and tubes for replacement of tires and tubes on vehicles.

Operators should report expenses for tires and tubes for:

- Revenue vehicles under the vehicle operations function
- Service vehicles under the maintenance function



Data fields are not provided under the general administration function for tires and tubes. [\[Back to expense report\]](#)

Other Materials and Supplies

Other materials and supplies are the costs of materials and supplies not previously identified. These materials and supplies may be issued from inventory or purchased for immediate consumption.



In many cases, other materials and supplies expenses reported under maintenance are the largest category of materials and supplies expenses. These expenses represent the parts used to repair revenue and service vehicles.

Report the other materials and supplies expenses for the vehicle operations, maintenance, and general administration functions. [\[Back to expense report\]](#)

Utilities

Utilities costs cover payments made to utility companies for the purchase of energy or services. Utilities include electric power, water and sewer, natural gas and other fuels for heating, telephone and garbage collection.

Operators should report expenses for utilities for:

- Expenses associated with utilities under the maintenance function.
- All other utilities under general administration.

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Casualty and Liability Costs

Casualty and liability costs are expenses related to losses incurred by the operator including the costs of loss protection. These expenses include compensation of others for their losses due to acts for which the operator is liable, the costs of protecting the operator from losses through conventional insurance and other risk financing programs (e.g., self insurance, pools) and operator losses due to the liable actions of others that are covered by other corporate insurance.

Casualty and liability costs include:

- Physical damage insurance premiums
- Recovery of physical damage losses for public liability and property damage insurance premiums
- Insured and uninsured public liability and property damage settlement pay outs and recoveries, and
- Other corporate insurance premiums (e.g., fidelity bonds, business records insurance)

Operators cover casualty and liability costs using different risk financing techniques. For these techniques, operators should report:

- The amount of the physical damage insurance as casualty and liability costs under the maintenance function if the operator carries physical damage insurance on its vehicles and equipment

- The amount of the physical damage insurance as casualty and liability costs under the maintenance function if the operator carries physical damage insurance on its buildings, grounds and equipment
- Casualty and liability costs under the general administration function if the operator is self insured for repairs to damaged vehicles
- Other insurance premiums usually carried, such as fire insurance, under the general administration function



Data fields are not provided under the vehicle operations function for casualty and liability costs.

Operators should classify related expenses in the appropriate expense line item:

- The costs of repairing damaged property as labor, fringe benefits, and material and supplies expenses
- The costs of writing off property damaged beyond repair as depreciation expense
- The costs of operator employees engaged in insuring and processing claims for and against the operator as labor and fringe benefits expense



Proceeds received as the result of insurance refunds (i.e. insurance safety pool) should be accounted for and reported as a credit, or reduction, to Casualty and Liability Costs.

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Taxes

Taxes are the charges and assessments levied against the operator by Federal, State and local governments.

Operators should report expenses for:

- Income taxes
- Property taxes
- Fuel and lubricant taxes
- Electric propulsion power taxes
- Vehicle licensing and registration fees

Operators should not report:

- Sales and excise taxes on materials and services purchased other than fuel and lubricants. Operators should report these as part of the base price of the material in Materials and Supplies or service in Services.
- Rebates and reimbursements of taxes as a credit against an operating expense. Operators should report rebates and reimbursements paid as revenue on the appropriate revenue form that is discussed later.

Report the Federal, State and local taxes (including Federal and State income tax, property tax, vehicle licensing and registration fees, fuel, lubricant and electric power taxes) for taxes for vehicle operations, maintenance, and general administration functions.

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Purchased Transportation Service

Purchased transportation (PT) services are expenses incurred and billed by PT providers (sellers) in the operation of the contracted transit services identified. The PT services expense classification is not included in the expenses associated with directly operated services.

The PT service expense is for the buyer of PT service and covers the payments or accruals made to the PT provider. This expense object class does not include:

- Expenses incurred by the operator in support of the PT services - for example, salaries and wages of operator personnel administering or working in some capacity in support of the agreement, fuel and tires if provided to the seller, vehicle maintenance, marketing, advertising, legal services, and ticket sales. These are called other costs incurred by the buyer and are reported in the appropriate expense categories.
- Depreciation and lease costs for vehicles and facilities. These costs should be reported as reconciling items (to be addressed later). In some instances, PT providers provide the revenue vehicles as part of their contract and/or the purchased transportation provider operates the service from its own maintenance facility. In these cases, if the PT provider charges total costs - either in absolute dollars and unit charges (e.g., per mile or per trip), the operator must separate operating costs from any lease and depreciation costs.

As a general rule, operators should report all PT service, regardless of the number of vehicles operated in maximum service (VOMS) by the PT seller. However, operators buying/selling PT service from/to another operator may determine locally which operator will report the service, provided only one operator reports the service. If the operator seller reports the service, the operator buyer of the service will report PT expenses.

In rare instances, a seller may be a private or non-profit entity filing a separate report. The seller has a purchased transportation agreement with a buyer who is an operator and the buyer operator completes the report.

Report total contract costs to sellers. These costs may include payments, accruals, and retainage of fares. [\[Back to expense report\]](#)

Miscellaneous Expenses

Miscellaneous expenses are expenses that cannot be classified in the other expenses that have been discussed.

Miscellaneous expenses include:

- Dues and subscriptions
- Travel and meeting expenses
- Bridge, tunnel and highway tolls
- Entertainment expenses
- Charitable donations
- Fines and penalties
- Bad debt expense
- Advertising and promotion expenses

- Incidental transit services.

Report the costs of incidental transit services under vehicle operations.

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Total System Expenses

- Column A - Vehicle Operations: This is an auto-calculated field and cannot be edited. This field displays the total expenses for each type of service for the vehicle operations function equal to the sum of the expenses reported for each object class for the vehicle operations function.
- Column B - Maintenance: This is an auto-calculated field and cannot be edited. This field displays the total expenses for each type of service for the maintenance function equal to the sum of the expenses reported for each object class for the maintenance function.
- Column C - General Administration: This is an auto-calculated field and cannot be edited. This field displays the total expenses for each type of service for the general administration function equal to the sum of the expenses reported for each object class for the general administration function.
- Column D - Totals: This is an auto-calculated field and cannot be edited. This field displays the total expenses for each type of service for all functions equal to the sum of the expenses reported for each expense for the vehicle operations, maintenance, and general administration functions.

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Reconciling Items

Reconciling items fall into two categories - applied and non-applied reconciling items. Since auditors will be applying Agreed Upon Procedures for the subsidized routes in the course of the operator's audit, there is no need for a reconciliation to be performed to the audit. Therefore, non-applied reconciling items do not pertain to intercity bus operators.

Applied Reconciling Items

These items are those where an operator has incurred expenses and their payment involves a transfer of money between the operator and another party such as a contractor or another government agency. Examples of expenses that usually are classified as funds applied include interest expenses, leases and rentals. They are defined as applied reconciling items since these expense payments can be "applied" to state and local subsidies where these funds can be used to fund the expense payments.

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Reconciling items do not need to be entered by function and are only entered at the Totals (Column D) level for each reconciling item.

There are seven major expense classifications including a residual classification to capture reconciling items. One category, amortization of intangibles is a special form of depreciation:

- Interest Expense
- Leases and Rentals
- Depreciation
- Amortization of Intangibles

- Purchase Lease Agreement
- Related Parties Lease Agreement
- Other Reconciling Items

Interest Expense

Interest expense is the charge incurred for borrowed money by an operator and includes both long and short-term debt obligations. Operators should not report interest charges pertaining to construction debt that is capitalized as an interest expense.



Interest expense is to be entered as a gross value and is not to be combined with interest/investment income and entered as a net number to arrive at a net interest expense amount. [\[Back to expense report\]](#)

Leases and Rentals

Leasing often covers two types of costs:

- Capital equipment lease costs
- Operating and maintenance costs



Operators are to include all leases and rental costs regardless whether state operating or capital grant funds were used to pay for these costs pursuant to grant regulations.

When reporting leases, the operator must separate costs associated with operating or maintaining the equipment from costs associated with leasing capital equipment. The operator should report the operating and maintenance costs in the appropriate expenses and functions by the type of service form. The operator should report the lease cost for the capital equipment in the appropriate expense under reconciling items.

Leases are payments for the use of capital assets not owned by the operator. Leases and rentals are true leases and cover the total cost of the capital asset plus interest. At the end of the lease, the capital asset is still owned by the lessor (entity providing the capital asset) rather than the operator.

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Depreciation (privately funded assets only)

Depreciation reflects the loss in service value of the operator capital assets. As capital assets, depreciated items have a high initial cost and a useful life of more than one year. To reflect the consumption or use of the asset over its service life, a portion of the asset's cost is expensed each year. Operators may use different methods to arrive at the yearly depreciation expense. Depreciation is usually reported in the funds non-applied reconciling items classification (discussed below).



An operator may be depreciating assets that were originally acquired with private funds prior to the time it began receiving Federal, State and local capital grant funds to acquire its assets as a public transit provider. In this case, the depreciation expense associated with these privately funded assets is to be entered as an applied reconciling item. The remainder of an operator's depreciation expense associated with assets funded by federal, state, and local capital grant funds are not to be included.

[\[Back to expense report\]](#)

Amortization of Intangibles

Amortization is a special form of depreciation that applies to intangible assets such as franchises, patents, and goodwill. Typically, operators receive intangible assets when they acquire other operators. Since these acquisitions have become less and less frequent, very few operators report amortization expenses.

[\[Back to expense report\]](#)

Purchase Agreement

Purchase lease agreements are financing transactions, agreements, contracts, or structures that enable an operator to acquire (own) the capital asset at the end of the lease, sometimes with an additional payment due. The property covered by such leases may or may not have been recorded as owned assets, either during or after the period of the lease, in the operator's internal accounting records. If purchase leases have not been capitalized in the operator's internal accounting records, this category includes the lease payments for the purchase lease agreement. If the lease has been capitalized in the internal accounting records of the operator, the operator should report it as it has been accounted for internally.

[\[Back to expense report\]](#)

Related Parties Lease Agreement

Related parties leases where the terms and amount of payments by the operator are substantially less than in a true lease because the operator is related to the lessor. For example, an operator may lease surplus equipment from another operator or local government.

[\[Back to expense report\]](#)

Other Reconciling Items

Other reconciling items are any other costs that cannot be captured in expense classifications, such as funds to another operator through a cooperative agreement. Additional examples of other reconciling items would include items that appear on the operator's audited financial statement in order to comply with reporting pursuant to generally accepted accounting principles (GAAP) but are considered as applied expense for PennDOT reporting. These items would appear as other reconciling items.

Operators must provide a description for costs reported in other reconciling items. These items should be described as other reconciling items in the "Identify" field.

[\[Back to expense report\]](#)

Total Applied Reconciling Items

The total applied reconciling items field is an auto-calculated field which cannot be edited and is the sum of all applied reconciling items in Column D. In addition to the definitions of applied items that have been previously mentioned, applied items should be viewed as expense items that PennDOT allows the use, or application of, PennDOT operating grant funds towards permitted expenses that are not otherwise listed in the other expense classifications and included in Total System Expenses.

[\[Back to expense report\]](#)

Total Operating Expenses

Total operating expenses is an auto-calculated field which cannot be edited and is the sum of Total System Expenses and Total Applied Reconciling Items in Column D. This represents the total of all operating expenses that are eligible for an operator to apply, or use, PennDOT operating grant funds towards.

[\[Back to expense report\]](#)

Non-Applied Reconciling Items

These items are not applicable since Agreed Upon Procedures are applied in the course of the operator's audit.

[\[Back to expense report\]](#)

Depreciation (publicly funded assets only)

Not applicable.

[\[Back to expense report\]](#)

Other Post Employment Benefits (OPEB)

Not applicable.

[\[Back to expense report\]](#)

Other Reconciling Items

Not applicable.

[\[Back to expense report\]](#)

Total Non-Applied Reconciling Items

Not applicable.

[\[Back to expense report\]](#)

Total Operating Expenses per Audit

Not applicable.

[\[Back to expense report\]](#)

Revenue

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All intercity bus operators are required to complete a separate revenue report for each route operated to reflect the revenue for each route. By definition, revenue to be entered in these reports includes operating revenue that is internally generated by the operator (i.e. passenger fares, non-transportation revenue such as advertising income, interest/investment income, etc.). Operating revenue does not include operating subsidies received from federal, state and local governments and private contributions from the bus operator and are not to be included as part of the entries in these reports. These sources are non-operating revenue subsidies where the funds received are used to fund operating expenses for intercity bus service and are reported in subsidy reports that are discussed in the next section.

Reports to reflect revenue for each route that is operated include:

- Intercity Bus Service

Intercity Bus Revenue

This report reflects all revenue related to intercity bus service which will primarily consist of passenger fare revenue.

[\[Back to revenue report\]](#)

FY XXXX-XX LEGACY BUDGET
INTERCITY BUS REVENUE

A	
Intercity Bus	
Transportation Revenues	
1 Passenger fares	<input style="width: 100px; height: 20px;" type="text"/>
Other Revenue	
2 Interest/Investment Income	<input style="width: 100px; height: 20px;" type="text"/>
3 Identify <input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>
4 Total Revenue	=SUM(A1:A3)
Non Applied Reconciling Items	
5 Identify <input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>
6 Identify <input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 80px; height: 20px;" type="text"/>
7 Total Non-Applied Reconciling Items	=SUM(A5:A6)
8 Total Revenue per Audit	=SUM(A4:A7)

[\[Back to Revenue\]](#)

Intercity Bus Revenue Classifications

Passenger Fares

Column A – Passenger fares - Operators are required to enter in this field the amount of the fare that is received in cash/tokens/tickets directly from passengers. [\[Back to revenue report\]](#)

Other

Operators are required to use the fields provided to identify other sources of revenue and their respective amounts.

Columns A contain data fields provides the flexibility of entering revenue from these sources. [\[Back to revenue report\]](#)

Interest/Investment Income

Column A - Operators are required to enter the amount of interest/investment income in the appropriate fields. [\[Back to revenue report\]](#)

Total Revenue

[\[Back to revenue report\]](#)

Columns A - Represents the total amount of applied revenue for intercity bus services. It is an auto-calculated field, which cannot be edited. [\[Back to revenue report\]](#)

Non-Applied Reconciling Items

These items are not applicable since Agreed Upon Procedures are applied in the course of the operator's audit. [\[Back to revenue report\]](#)

Total Non-Applied Reconciling Items

Not applicable.

[\[Back to revenue report\]](#)

Total Revenue per Audit

Not applicable

[\[Back to revenue report\]](#)

Subsidy

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Similar to operating expenses and revenue, a form has been developed for operators to enter the amount of funding that it uses to fund operating deficits. This form contains fields to enter subsidies received from federal, state and local governments as well as non-governmental local contributors. In addition to the operating subsidies that are reported from all government sources, operators are required to report the amount of capital subsidies used for operating purposes in the appropriate fields pursuant to government regulations.

A form is provided to report the subsidies used for operating purposes for:

- [Intercity Bus Service](#)

Intercity Bus Subsidies

The report for intercity bus subsidies is to reflect the amounts *used* from all government subsidies (federal, state, and local) to fund intercity bus operating deficits. Operators are required to enter the amounts of capital (if applicable) and/or operating subsidies by government source that were used to fund such operating expenses for the year being reported. [\[Back to subsidy report\]](#)

**FY XXXX-XX LEGACY BUDGET
CATEGORY: INTERCITY BUS SUBSIDIES**

		A
		Intercity Bus
1	Federal Operating Grant	<input type="text"/>
2	Federal Capital Grant to Fund Preventive Maintenance Costs	<input type="text"/>
3	Federal Capital Grant to Fund Capital Costs of Contracting	<input type="text"/>
4	Federal Capital Grant to Fund Associated Capital Maintenance Costs	<input type="text"/>
	Other Federal Grants for Operating Costs	
5	Identify <input type="text"/>	<input type="text"/>
6	Subtotal Federal Subsidy	=SUM(A1:A5)
7	Act 44 Section 1516 Operating Grant Amount Charged –State Share (Current Year)	<input type="text"/>
	Special Operating Grants – State Share	
8	Identify <input type="text"/>	<input type="text"/>
9	Subtotal State Subsidy	=SUM(A7:A8)
10	Act 44 Section 1516 Operating Grant Amount Charged – Local Share – (Current Year)	<input type="text"/>
	Special Operating Grants – Local Share	
11	Identify <input type="text"/>	<input type="text"/>
12	Subtotal Local Subsidy	=SUM(A10:A11)
13	Grand Total Subsidy	=SUM(A6+A9+A12)
 Non-Applied Reconciling Items		
14	Identify Federal <input type="text"/>	<input type="text"/>
15	Identify State <input type="text"/>	<input type="text"/>
16	Identify Local <input type="text"/>	<input type="text"/>
17	Total Non-Applied Reconciling Items	=SUM(A14:A16)
18	Grand Total Subsidy per Audit	=SUM(A13+A17)

[\[Back to Subsidy\]](#)

Intercity Bus Subsidies Classifications

Operators are to use this form to enter the amount of subsidies used to fund the operating deficits that are incurred to provide intercity bus service.

Federal Operating Grant

Column A - Federal Operating Grant - Operators are required to enter the amount of federal operating assistance that is **used**, not received, towards operating expenses incurred when providing intercity bus service. [\[Back to subsidy report\]](#)

Federal Capital Grant to Fund Preventive Maintenance Costs

Column A - Federal Capital Grant - Preventive Maintenance - Operators are required to enter the amount of federal capital grants that was **used** towards eligible preventive maintenance costs that were accounted for as operating expenses when providing intercity bus service. [\[Back to subsidy report\]](#)

Federal Capital Grant to Fund Capital Costs of Contracting

Column A - Federal Capital Grant - Capital Costs of Contracting - Operators are required to enter the amount of federal capital grants that was **used** towards capital costs of contracting that were accounted for as operating expenses when providing intercity bus service. [\[Back to subsidy report\]](#)

Federal Capital Grant to Fund Associated Capital Maintenance Costs

Column A - Federal Capital Grant - Associated Capital Maintenance - Operators are required to enter the amount of federal capital grants that was **used** towards eligible associated capital maintenance costs that were accounted for as operating expenses when providing intercity bus service. [\[Back to subsidy report\]](#)

Other Federal Grants for Operating Costs

Column A - Federal Grants Other - Operators are required to identify and enter the amount of any other federal capital grants that was **used** towards eligible operating expenses when providing intercity bus service. [\[Back to subsidy report\]](#)

Subtotal Federal Subsidy

Column A - Subtotal - This field represents the sum of all federal operating and capital grants that was used towards eligible operating costs for intercity bus service. It is an auto-calculated field and cannot be edited. [\[Back to subsidy report\]](#)

Act 44 Section 1516 Operating Grant Amount Charged – State Share (Current Year)

Column A - Act 44 Section 1516 – State Share (Current Year) - Operators are required to enter the amount of State Act 44 Section 1516 funds **used** from the operator's grant that was received for the same year being reported to fund operating expenses for intercity bus service for that year. [\[Back to subsidy report\]](#)

Special Operating Grants - State Share

Column A – Special Operating Grants - State Share - Operators are required to identify and enter the amount of any other State special operating grants that were used towards eligible operating expenses when providing intercity bus service. [\[Back to subsidy report\]](#)

Subtotal State Subsidy

Column A - Subtotal - This field represents the sum of all State operating grants that are used towards eligible operating costs for intercity bus service. It is an auto-calculated field and cannot be edited. [\[Back to subsidy report\]](#)

Act 44 Section 1516 Operating Grant Amount Charged – Local Share (Current Year)

Column A - Act 44 Section 1516 – Local Share (Current Year) - Operators are required to enter the amount of local match Act 44 Section 1516 funds that ***used*** from funds received from local contributors for the same year being reported to fund intercity bus operating expenses for that year.

[\[Back to subsidy report\]](#)

Special Operating Grants - Local Share

Column A - Special Operating Grants - Local Share - Operators are required to identify and enter the amount of any other special local match operating funding to State special operating grants that were used towards eligible operating expenses when providing intercity bus service.

[\[Back to subsidy report\]](#)

Subtotal Local Subsidy

Column A - Subtotal - This field represents the sum of all local match operating funding that is used towards eligible operating costs for intercity bus service. It is an auto-calculated field and cannot be edited.

[\[Back to subsidy report\]](#)

Grand Total Subsidy

Column A - Grand Total - Urban - This field represents the sum of operating funding from all sources that is used towards eligible operating costs for intercity bus service. It is an auto-calculated field and cannot be edited.

[\[Back to subsidy report\]](#)

Non-Applied Reconciling Items

These items are not applicable since Agreed Upon Procedures are applied in the course of the operator’s audit.

[\[Back to subsidy report\]](#)

Total Non-Applied Reconciling Items

Not applicable.

[\[Back to subsidy report\]](#)

Grand Total Subsidy per Audit

Not applicable.

[\[Back to subsidy report\]](#)

Budget Summary

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Every field in the budget summary report is an auto-calculated field and none of them can be edited. The amounts for the fields in this report are fed from totals that appear in auto-calculated fields from the expense, revenue and subsidy reports that have been described thus far throughout this reporting manual. It is this report that is to be used to ensure that all revenue, expenses, operating deficit subsidies, and operating result agree with the operator's year-end results as reflected on the Schedule A7 – Consolidated Financial Statement – All Routes.

**FY XXXX-XX COA LEGACY BUDGET
CATEGORY: BUDGET SUMMARY**

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	
	Route 1	Route 2	Route 3	Route 4	Route 5	Route 6	Total	
1	Total Operating Expenses	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	=SUM(A1:F1)
2	Total Revenue	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	=SUM(A2:F2)
3	Operating Balance	=SUM(A2-A1)	=SUM(B2-B1)	=SUM(C2-C1)	=SUM(D2-D1)	=SUM(E2-E1)	=SUM(F2-F1)	=SUM(G2-G1)
4	Total Federal Subsidy	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	=SUM(A4:F4)
5	Total State Subsidy	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	=SUM(A5:F5)
6	Total Local Subsidy	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	<i>BRANCH</i>	=SUM(A6:F6)
7	Grand Total Subsidy	=SUM(A4:A6)	=SUM(B4:B6)	=SUM(C4:C6)	=SUM(D4:D6)	=SUM(E4:E6)	=SUM(F4:F6)	=SUM(G4:G6)
8	Applied Operating Result**	=SUM(A3+A7)	=SUM(B3+B7)	=SUM(C3+C7)	=SUM(D3+D7)	=SUM(E3+E7)	=SUM(F3+F7)	=SUM(G3+G7)
	Non-Applied Reconciling Items							
6	Total Non-Applied Reconciling Expense Items	Not Applicable						
7	Total Non-Applied Reconciling Revenue Items	Not Applicable						
8	Total Non-Applied Reconciling Subsidy Items	Not Applicable						
9	Operating Result per Audit	Not Applicable						

Total Operating Expenses

Columns A through F - Total Operating Expenses - The amounts for the fields in each of these columns are fed from the total operating expenses line from each of the respective route's expenses reports.

Column G – Total Operating Expenses – The amount for this field is the sum of the operating expenses for each of the routes reported in Columns A through F. [\[Back to summary report\]](#)

Total Revenue

Columns A through F - Total Revenue-- The amounts for the fields in each of these columns are fed from the total revenue line from each of the respective route's revenue reports.

Column G – Total Revenue – The amount for this field is the sum of the revenue for each of the routes reported in Columns A through F. [\[Back to summary report\]](#)

Operating Balance

Columns A through F - Operating Balance - The amounts calculated for the fields in each of these columns are the operating deficits for each route resulting from revenue not covering operating expenses for intercity bus service.

Column G - Operating Balance - The amount calculated for this field is the combined operating deficit for each of the routes reported in columns A through F. [\[Back to summary report\]](#)

Total Federal Subsidy

Columns A through F - Total Federal Subsidy - The amounts for the fields in each of these columns are fed from the subtotal federal subsidy line from each of the respective route's subsidies reports.

Column G – Total Federal Subsidy – The amount for this field is the sum of the federal subsidies for each of the routes reported in Columns A through F. [\[Back to summary report\]](#)

Total State Subsidy

Columns A through F- Total State Subsidy- The amounts for the fields in each of these columns are fed from the subtotal state subsidy line from each of the respective route's subsidies reports.

Column G – Total State Subsidy – The amount for this field is the sum of the state subsidies for each of the routes reported in Columns A through F. [\[Back to summary report\]](#)

Total Local Subsidy

Columns A through F- Total Local Subsidy- The amounts for the fields in each of these columns are fed from the subtotal local subsidy line from each of the respective route's subsidies reports.

Column G – Total Local Subsidy – The amount for this field is the sum of the local subsidies for each of the routes reported in Columns A through F. [\[Back to summary report\]](#)

Grand Total Subsidy

Column A through F - Grand Total Subsidy - The amounts calculated for the field in each of these columns are the sums of federal, state and local subsidies used to offset the operating deficit for each respective route.

Column G – Grand Total Subsidy - The amount calculated for this field is the combined total of subsidies for each of the routes reported in columns A through F. [\[Back to summary report\]](#)

Applied Operating Result

Columns A through F- Applied Operating Result - The amounts calculated for the fields in each of these columns are the applied operating results for each of the respective intercity bus routes after accounting for all government operating subsidies used for operating purposes.

Column G – Applied Operating Result -The amount calculated for this field is the combined applied operating result for each of the routes reported in columns A through F.

There are several points that operators and their accounting firms must be aware of when reviewing and finalizing this report prior to submission to PennDOT.



Although operators are expected to show a balanced applied operating result for all routes combined, they are permitted to report a surplus for the total applied operating result. If, after the use of all available subsidies, a deficit is reported for the operator's total applied operating result, the operator must provide an explanation in the text box on this report explaining how cash flow needs were addressed, the cause(s) of the deficit, whether the deficit will be recurring and what actions the operator is taking, or has taken, to eliminate the deficit being reported and/or to prevent future deficits.

[\[Back to summary report\]](#)

Non-Applied Reconciling Items

[\[Back to summary report\]](#)

Total Non-Applied Reconciling Expense Items

Columns A through G - Total Non-Applied Reconciling Expense Items – Not applicable

[\[Back to summary report\]](#)

Total Non-Applied Reconciling Revenue Items

Columns A through G - Total Non-Applied Reconciling Expense Items – Not applicable

[\[Back to summary report\]](#)

Total Non-Applied Reconciling Subsidy Items

Columns A through G - Total Non-Applied Reconciling Expense Items – Not applicable

[\[Back to summary report\]](#)

Operating Result Per Audit

Columns A through G - Total Non-Applied Reconciling Expense Items – Not applicable

[\[Back to summary report\]](#)

Schedules

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There are four supporting schedules that accompany the forms in this manual that are described below:

- [Schedule A5 - Intercity Bus Expense Allocation Worksheet](#)
- [Schedule A6 - Intercity Bus Operating Assistance](#)
- [Schedule A7 - Route Financial Statement](#)
- [Schedule A7 - Consolidated Financial Statement – All Routes](#)

[Schedule A5 - Intercity Bus Expense Allocation Worksheet](#)

Operators that provide service in addition to that which is subsidized by PennDOT are required to complete this schedule. The purpose of this schedule is for providers to disclose cost information pertaining to its service and how costs are charged and/or allocated to the service.

It is important for operators to capture and record as many of the costs of any service as *direct* costs in order to provide the most accurate measure of what it actually costs to provide the service. Operators are required to make every attempt to capture as many costs as possible on a direct charge basis in order to be able to accurately report the true cost of service. For example, operators should establish their accounting systems to be able to capture and record operators' salaries and wages, which represent the vast majority of the cost of service, for each type of service on a direct charge basis. Similarly, any other costs that can be directly charged should be done in order to minimize any remaining costs that would be considered shared costs that support the multiple routes.

SCHEDULE A5 - INTERCITY BUS EXPENSE ALLOCATION WORKSHEET

Please respond to the following questions:

Do you use the same administrative staff/facilities and/or vehicles/drivers to:

YES NO

Provide transportation services other than PennDOT subsidized passenger transportation?

--	--

If you answered "yes" to the question above, you **must** complete the Intercity Bus Allocation Worksheet below.

INTERCITY BUS EXPENSE ALLOCATION WORKSHEET

		% Allocated to PennDOT Subsidized Route(s)	% Allocated to Non-PennDOT Subsidized Routes	Basis for Allocation *
1	Operators salaries and wages			
2	Other salaries and wages			
3	Fringe benefits			
4	Services			
5	Fuel and Lubricants			
6	Tires and tubes			
7	Other materials and supplies			
8	Utilities			
9	Casualty and liability costs			
10	Taxes			
11	Purchased Transportation			
12	Miscellaneous Expenses			

For each expense category listed above, operators are required to indicate the percentage of their entire organization's costs that are charged to PennDOT subsidized routes and the percentage of the costs that are charged to the remainder of the service. ***Both percentages must equal 100%.***

In addition, operators are required to indicate the basis that was used to allocate each cost to each expense category. Examples include, but are not limited to:

- direct charge
- driver hours
- vehicle hours
- vehicle miles
- passenger miles
- time study

Schedule A6 - Intercity Bus Operating Assistance

Operators are required to complete this schedule to report federal, state and local contribution funds that are on hand at the beginning of the fiscal year, grant and contribution funds received during the fiscal year, interest income earned on these funds, funds used for operating expenses and capital costs and balances on hand at the end of the fiscal year. In addition, state grant funding and local contribution as a percentage of the operator's operating deficit and a percentage of total funding is reported.

Schedule A6: Intercity Bus Subsidy Calculations and Carryover Balances

Color Code:

	Input cells
	Output for dotGrants
	Use in next year's A-6

Input:

Fiscal Year Ended: June 30,

1. [Operating Deficit](#)
2. [Federal 5311 Funds Granted](#)
3. [State Section 1516 Funds Granted](#)
4. [Prior Year 5311 Carryover Balance](#)
5. [Prior Year 1516 Carryover Balance](#)
6. [Interest Earned on 5311 Funds](#)
7. [Interest Earned on 1516 Funds](#)

Output:

Federal 5311 Funds

State Section 1516 Funds

Local Match

Maximum Deficit Eligible for 5311	\$	Maximum Deficit Eligible for 1516	\$	Required Local Match	\$
	-		-		-
Total Available 5311	\$	Total Available 1516	\$		
	-		-		
Applied Prior Year 5311	\$	Applied Prior Year 1516	\$		
	-		-		
Applied Current Year 5311	\$	Applied Current Year 1516	\$		
	-		-		
Total 5311 Applied to Deficit	\$	Total 1516 Applied to Deficit	\$		
	-		-		
Remaining 5311 Carryover Balance	\$	Remaining 1516 Carryover Balance	\$		
	-		-		

Fiscal Year Ended June 30,

Grantees are to enter the fiscal year for the period that is being reported.

[\[Back to schedule\]](#)

Operating Deficit - The amount entered in this field is the operating deficit for the year being reported and must agree with the operating deficit reported on the Budget Summary report in dotGrants for all routes combined.

[\[Back to schedule\]](#)

Federal 5311 Funds Granted - The amount entered in this field is the amount of federal 5311 funds that were granted for the fiscal year.

[\[Back to schedule\]](#)

State Section 1516 Funds Granted - The amount entered in this field is the amount of state section 1516 funds that were granted for the fiscal year.

[\[Back to schedule\]](#)

Prior Year 5311 Carryover Balance - The amount entered in this field is the amount of federal 5311 funds that were on hand at the beginning of the fiscal year.

Prior Year 1516 Carryover Balance - The amount entered in this field is the amount of state section 1516 funds that were on hand at the beginning of the fiscal year.

[\[Back to schedule\]](#)

Interest Earned on 5311 Funds - The amount entered in this field is the amount of interest earned on federal 5311 funds during the fiscal year being reported.

[\[Back to schedule\]](#)

Interest Earned on 1516 Funds - The amount entered in this field is the amount of interest earned on state section 1516 funds during the fiscal year being reported.

[\[Back to schedule\]](#)

Maximum Deficit Eligible for 5311 - The amount in this field is 50% of the operating deficit and represents the maximum amount that is eligible to be funded with federal 5311 grant funds. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)

Total Available 5311 - The amount in this field is the total amount of federal 5311 grant funds that were available during the fiscal year that could be applied to the maximum deficit eligible for these funds to be used. This amount takes into account any federal 5311 grant funds balance at the beginning of the fiscal year, interest earned during the fiscal year and federal 5311 grant funds received during the fiscal year. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)

Applied Prior Year 5311 - The amount in this field is the amount of federal 5311 grant funds that were on hand at the beginning of the fiscal year and were used to fund the operating deficit for the fiscal year being reported. These funds are automatically applied to the operating deficit before applying any federal 5311 grant funds that were received during the fiscal year being reported. This field is auto-calculated and cannot be edited.



Grantees are required to apply the entire federal 5311 carryover balance first to the operating deficit before any interest earnings or current fiscal year grant funds are applied.

[\[Back to schedule\]](#)

Applied Current Year 5311 - The amount in this field is the amount of federal 5311 grant funds received during the current year that were applied to the operating deficit. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)



Grantees should apply federal 5311 grant funds that were received during the current year to the operating deficit only after all carryover federal 5311 grant funds and interest earnings have been applied first. [\[Back to schedule\]](#)

Total 5311 Applied to Deficit - The amount in this field represents the total amount of federal 5311 grant funds that were applied to the operating deficit. This amount takes into account federal 5311 grant funds that were on hand at the end of the beginning of the fiscal year, interest earnings and the current year's federal 5311 grant. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)

Remaining 5311 Carryover Balance - The amount in this field represents the total amount of federal 5311 grant funds that were on hand at the end of the fiscal year being reported. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)

Maximum Deficit Eligible for 1516 - The amount in this field is 25% of the operating deficit and represents the maximum amount that is eligible to be funded with state section 1516 grant funds. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)

Total Available 1516 - The amount in this field is the total amount of state section 1516 grant funds that were available during the fiscal year that could be applied to the maximum deficit eligible for these funds to be used. This amount takes into account any state section 1516 grant funds balance at the beginning of the fiscal year, state section 1516 grant funds received during the fiscal year and interest earned during the fiscal year on state section 1516 grant funds. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)

Applied Prior Year 1516 - The amount in this field is the amount of state section 1516 grant funds that were on hand at the beginning of the fiscal year and were used to fund the operating deficit for the fiscal year being reported. These funds are automatically applied to the operating deficit before applying any state section 1516 grant funds that were received during the fiscal year being reported. This field is auto-calculated and cannot be edited.



Grantees are required to apply the entire state section 1516 carryover balance first to the operating deficit before any interest earnings or current year grant funds are applied. [\[Back to schedule\]](#)

[\[Back to schedule\]](#)

Applied Current Year 1516 - The amount in this field is the amount of state section 1516 grant funds received during the fiscal year being reported that were applied to the operating deficit. This field is auto-calculated and cannot be edited.

[\[Back to schedule\]](#)



Grantees should apply state section 1516 grant funds that were received during the current year to the operating deficit only after all carryover state section 1516 grant funds and interest earned during the current fiscal year have been applied first.

Total 1516 Applied to Deficit - The amount in this field represents the total amount of state section 1516 grant funds that were applied to the operating deficit. This amount takes into account state section 1516 grant funds that were on hand at the beginning of the fiscal year, interest earnings and the current year's state section 1516 grant. This field is auto-calculated and cannot be edited.

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Remaining 5311 Carryover Balance - The amount in this field represents the total amount of state section 1516 grant funds that were on hand at the end of the fiscal year being reported. This field is auto-calculated and cannot be edited. [\[Back to schedule\]](#)

Required Local Match - The amount in this field is 25% of the operating deficit and represents the required local match to fund a portion of the operating deficit. This field is auto-calculated and cannot be edited. [\[Back to schedule\]](#)

Schedule A7 – Route Financial Statement

Operators are required to complete a separate Schedule A7 for each of the subsidized routes that are provided.

Pennsylvania Department of Transportation		INTERCITY BUS PROGRAM ACT 44/SECTION 5311 Schedule A7 - Route Financial Statement					
Company Name:		Fiscal Year:					
Route Segment: (Please specify end points)		Project Number:					
PERIOD	ACTUAL Expense*	ACTUAL Total Revenue	Operating Deficit	SUBSIDY Federal Share	SUBSIDY State Share	SUBSIDY Local Share	Applied Operating Result
July							
August							
September							
1st Quarter							
October							
November							
December							
2nd Quarter							
January							
February							
March							
3rd Quarter							
April							
May							
June							
4th Quarter							
Total Fiscal Year must match legacy budget							
Legacy Budget Amount							
AMOUNT FROM SCHEDULE A-1							
Difference							
Prepared By:	Signature:	Date:					
Additional Comments:							

*Do not include depreciation on publicly funded assets.

Actual Expenses (excluding depreciation on publicly funded assets) Actual Total Revenue, Operating Deficit, Subsidy Federal Share, Subsidy State Share, Subsidy Local Share, and Applied Operating Result are to agree with the numbers reported for each of the individual routes reported on the Budget Summary report. The Budget Summary report amounts are reported in the field “Legacy Budget Amount”.

Schedule A7 – Consolidated Financial Statement – All Routes

This schedule represents the sum total of all subsidized routes provided by the operator. Operators are required to complete this schedule that serves as the consolidated financial statement for their accounting firms to review in the course of the annual audit.

Pennsylvania Department of Transportation		INTERCITY BUS PROGRAM ACT 44/SECTION 5311 Schedule A7 - Consolidated Financial Statement - All Routes					
Company Name:					Fiscal Year:		
					Project Number:		
PERIOD	ACTUAL Expense*	ACTUAL Total Revenue	Operating Deficit	SUBSIDY Federal Share	SUBSIDY State Share	SUBSIDY Local Share	Applied Operating Result
July							
August							
September							
1st Quarter							
October							
November							
December							
2nd Quarter							
January							
February							
March							
3rd Quarter							
April							
May							
June							
4th Quarter							
Total Fiscal Year <small>must match legacy budget</small>							
Legacy Budget Amount							
AMOUNT FROM SCHEDULE A-1							
Difference				0	0		
Prepared By:	Signature:		Date:				
Additional Comments:							

*Do not include depreciation on publicly funded assets.

Actual Expenses (excluding depreciation on publicly funded assets) Actual Total Revenue, Operating Deficit, Subsidy Federal Share, Subsidy State Share, Subsidy Local Share, and Applied Operating Result are to agree with the numbers reported for each of the individual routes reported on the Budget Summary report. The Budget Summary report amounts are reported in the field “Legacy Budget Amount”.



Operators should direct their accounting firms to the audit guidelines for intercity bus transportation providers that are discussed in the *Pennsylvania Public Transportation Audit Requirements for Fixed Route, Shared Ride and Intercity Bus Transportation Providers*.

Capital

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Intercity Bus operators are required to complete a report to provide capital grant expenditure data on publicly funded capital assets as more fully described below:

Report #1: Intercity Bus Capital Assets

Purpose of the Report: To identify publicly funded assets and their related depreciation values.

Who Submits the Report: Any agency that has received public funding for all or a portion of an asset(s) where the asset has not yet been fully depreciated.

Timing of Report Submission: By December 31st after the close of each fiscal year.

Report #1: Intercity Bus Capital Assets

	A	B	C	D	E	F	G
	<u>Asset Description</u>	<u>Grant Amount</u>	<u>Grant Date</u>	<u>Asset Cost</u>	<u>Purchase Date</u>	<u>Useful Life</u>	<u>Depreciation</u>
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21	<u>Total</u>						

[\[Back to report selection\]](#)

Report #1: Intercity Bus Capital Assets

Report Instructions and Definitions

Asset Description

Column A – Asset Description - Operators are required to enter a description of each publicly funded asset in the possession of the intercity bus company individually on Lines 1 through 20. If there are more than 20 publicly funded assets, duplicate pages are to be completed. [\[Back to report\]](#)

Grant Amount

Column B - Grant Amount- For each publicly funded asset identified in Column A, operators are required enter the dollar amount of the grant received that was used to purchase the asset. [\[Back to report\]](#)

Grant Date

Column C – Grant Date - For each publicly funded asset identified in Column A, operators are to enter the date the grant was received. [\[Back to report\]](#)

Asset Cost

Column D – Asset Cost - For each publicly funded asset identified in Column A, operators are to enter the cost to obtain such asset. [\[Back to report\]](#)

Purchase Date

Column E – Purchase - For each publicly funded asset identified in Column A, operators are to enter the date that such asset was purchased. [\[Back to report\]](#)

Useful Life

Column F – Useful Life - For each publicly funded asset identified in Column A, operators are to enter the useful life in years. [\[Back to report\]](#)

Depreciation

Column G – Depreciation - For each publicly funded asset identified in Column A, operators are to enter the amount of annual depreciation expenses. If the publicly funded asset is fully depreciated, operators are to enter \$0. [\[Back to report\]](#)

Total (Line 21)

The amounts in these cells are auto-calculated and cannot be edited. They are calculated by summing the values in Row 1 through Row 20.