

**HUMBOLDT TRANSIT AUTHORITY
FINANCIAL STATEMENTS**

AND

**SUPPLEMENTARY
INFORMATION**

For the Year Ended June 30, 2013

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HUMBOLDT TRANSIT AUTHORITY
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June 30, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Humboldt Transit Authority

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We have audited the accompanying financial statements of the Humboldt Transit Authority as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Humboldt Transit Authority as of June 30, 2013 and 2012, and the results of its operations, cash flows and the changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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Humboldt Transit Authority has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole.

Our audit was also made for the purpose of determining compliance with the Transportation Development Act Section 99260, the California Administrative Code and the rules and regulations of the Humboldt County Association of Governments. In our audit, we performed, to the extent applicable, the tasks contained in Section 6667 of the California Administrative Code.

As part of the audit, we performed testing of the following program:

Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA).

In November 2006, California voters passed a bond measure enacting the Highway Safety, Air Quality and Port Security Bond of 2006. Of the \$19.925 billion of State general obligation bonds authorized, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation, or replacement.

During the fiscal year ended June 30, 2010, the Authority applied for and received \$1,422,520 from the State's PTMISEA account for 1) rolling stock procurement, 2) bus shelter improvement and 3) a GPS tracking system. An additional \$170,887 for the GPS tracking system was received during the year ended June 30, 2011 and \$554,010 for the year ending June 30, 2012. As of June 30, 2013, PTMISEA unexpended funds total \$121,227.

PTMISEA funds received (2010-2013)	\$2,147,417
Interest earned (2010-2013)	<u>34,819</u>
Subtotal	2,182,236
Expenditures (2010-2013):	
Bus Shelter improvements	(548,465)
Bus Procurement	(1,000,995)
GPS System	(403,201)
Remitted to City of Eureka	(22,880)
Passenger Count System	<u>(85,468)</u>
Subtotal	(2,061,009)
Unexpended PTMISEA funds at June 30, 2013	<u>\$ 121,227</u>

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In our opinion, except as discussed in Note 2, the funds described above were expended in conformance with the applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of the Humboldt County Association of Governments.

ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

Fortuna, California
January 6, 2014

HUMBOLDT TRANSIT AUTHORITY
Statements of Net Position
June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
<u>Cash and Cash Equivalents</u>		
On Hand and in Deposit Accounts	\$ 3,234,619	\$ 3,339,250
Restricted Cash	121,205	224,601
<u>Total Cash and Cash Equivalents</u>	<u>3,355,824</u>	<u>3,563,851</u>
Accounts Receivable	89,214	72,288
Grants Receivable	247,873	632,196
Payroll Tax Refunds Receivable	-	12,528
Employee Advances	1,359	3,928
Materials and Supplies Inventory (at cost)	184,892	180,658
Prepaid Expenses	123,020	9,230
<u>Total Current Assets</u>	<u>4,002,182</u>	<u>4,474,679</u>
Property, Plant and Equipment, Net	8,302,100	7,329,550
Capital Parts	20,568	-
Work in Progress - ADA	10,903	-
<u>TOTAL ASSETS</u>	<u>\$ 12,335,753</u>	<u>\$ 11,804,229</u>
<u>LIABILITIES AND NET POSITION</u>		
<u>Current Liabilities</u>		
Trade Payables	\$ 234,876	\$ 260,134
Insurance Payable	112,238	-
Deferred Income	716,422	635,894
DAR Liability	164,402	133,632
Deferred Income- Prop 1B PTMISEA	119,933	371,570
Accrued Payroll Liabilities	140,756	154,180
<u>Total Current Liabilities</u>	<u>1,488,627</u>	<u>1,555,410</u>
<u>Long-term Liabilities</u>		
Net OPEB Obligation	1,439,430	1,136,317
<u>Total Long-term Liabilities</u>	<u>1,439,430</u>	<u>1,136,317</u>
<u>Total Liabilities</u>	<u>2,928,057</u>	<u>2,691,727</u>
<u>Net Position</u>		
Invested In Capital Assets, Net of Related Debt	8,302,100	7,329,550
<u>Restricted Net Position</u>		
Insurance Deductible Reserve	100,000	100,000
Equipment Acquisition	1,041,553	1,324,805
Retiree's Health Insurance	15,000	15,000
<u>Total Restricted Net Position</u>	<u>1,156,553</u>	<u>1,439,805</u>
<u>Unrestricted Net Position</u>	<u>(50,957)</u>	<u>343,147</u>
Total Net Position	<u>9,407,696</u>	<u>9,112,502</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 12,335,753</u>	<u>\$ 11,804,229</u>

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The accompanying notes are an integral part of these financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2013
With Comparative Amounts for the Year Ended June 30, 2012

	<u>Budget</u>	<u>2013 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2012 Actual</u>
<u>OPERATING REVENUES</u>				
Fares	\$ 1,176,858	\$ 1,013,162	(163,696)	\$ 1,179,731
Contract Transportation	968,820	1,174,912	206,092	891,374
Insurance Reimbursement	31,000	29,850	(1,150)	36,983
Other Revenue	193,029	-	(193,029)	-
Advertising	14,400	14,300	(100)	15,600
Total Operating Revenues	2,384,107	2,232,224	(151,883)	2,123,688
<u>OPERATING EXPENSES</u>				
Labor and Benefits	2,741,362	3,311,507	(570,145)	3,136,749
Professional Services	215,286	46,008	169,278	47,133
Purchased Transportation	-	154,656	(154,656)	167,699
Repairs, Supplies, & Maintenance	1,540,526	1,266,119	274,407	1,199,793
Casualty and Liability Insurance	141,660	177,667	(36,007)	165,094
Utilities	49,650	58,643	(8,993)	49,012
Leases and Rentals	20,000	660	19,340	29,750
Miscellaneous	6,326	46,485	(40,159)	21,493
Advertising	11,828	16,233	(4,405)	6,529
Travel and Transportation	15,074	7,642	7,432	17,084
Depreciation	-	911,686	(911,686)	875,062
Total Operating Expenses	4,741,712	5,997,306	(1,255,594)	5,715,398
<u>OPERATING INCOME (LOSS)</u>	(2,357,605)	(3,765,082)	(1,407,477)	(3,591,710)
<u>NONOPERATING REVENUES</u>				
Operating Grants				
TDA Assessments	1,950,080	1,949,587	(493)	1,731,602
Federal - FTA	218,000	328,634	110,634	478,634
State Operating - STAF	359,860	87,334	(272,526)	62,141
Interest Income	20,000	20,487	487	28,756
Gain (Loss) on Disposal of Capital Assets	-	(29,325)	(29,325)	(297,326)
Miscellaneous	1,000	178,318	177,318	229,796
Total Nonoperating Revenues	2,548,940	2,535,035	(13,905)	2,233,603
<u>CHANGE IN NET POSITION BEFORE CAPITAL GRANTS</u>	191,335	(1,230,047)	(1,421,382)	(1,358,107)
<u>CAPITAL GRANTS</u>				
Capital Grants:				
Federal - ARRA	-	-	-	-
State - Prop 1B PTMISEA	-	238,148	-	270,074
State - STAF	-	128,860	-	357,300
State - STIP	-	804,000	-	-
County	-	341,001	-	-
Total Capital Grants	-	1,512,009	-	627,374
<u>CHANGE IN NET POSITION</u>	191,335	281,962	(1,421,382)	(730,733)
<u>NET POSITION, BEGINNING OF YEAR</u>		\$ 9,112,502		\$ 9,837,821
<u>PRIOR PERIOD ADJUSTMENT</u>		13,232		5,414
<u>NET POSITION, END OF YEAR</u>		\$ 9,407,696		\$ 9,112,502

The accompanying notes are an integral part of these financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statements of Cash Flows
For the Year Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received from Customers	\$ 1,612,844	\$ 1,663,750
Cash Paid for Goods and Services	(1,814,340)	(1,277,530)
Cash Paid for Employees	<u>(3,021,818)</u>	<u>(2,837,036)</u>
Net Cash (Used) by Operating Activities	(3,223,314)	(2,450,816)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>		
Operating Grant Revenue	2,318,679	1,912,910
Contract Transportation	1,174,912	891,374
Miscellaneous Revenue	<u>178,318</u>	<u>229,796</u>
Net Cash Provided by Non-capital Financing Activities	3,671,909	3,034,080
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Capital Grant Revenue	1,198,645	219,878
Acquisition of Property, Plant, and Equipment	(1,875,754)	(539,173)
Principal Payments on Lease-Purchase Agreement	<u>-</u>	<u>-</u>
Net Cash (Used) by Capital and Related Financing Activities	(677,109)	(319,295)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on Investments	<u>20,487</u>	<u>28,756</u>
Net Cash Provided By Investing Activities	<u>20,487</u>	<u>28,756</u>
<u>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENT</u>	(208,027)	292,725
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>3,563,851</u>	<u>3,271,126</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 3,355,824</u>	<u>\$ 3,563,851</u>

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The accompanying notes are an integral part of these financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statements of Cash Flows
For the Year Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	(3,765,082)	(3,591,710)
Prior Year Adjustment	13,232	5,414
Accumulated Depreciation adjustment	(37,807)	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	911,686	875,062
Loss (Gain) on Sale of Capital Assets	29,325	297,326
Nonoperating Revenue (Included in Operating Income Total)	(1,174,912)	(891,374)
Changes in Assets and Liabilities		
(Increase) Decrease in Assets		
Receivables	713,409	(68,217)
Capital parts inventory	(20,568)	-
Work in Progress	(10,903)	-
Materials and Supplies Inventory	(4,234)	4,616
Prepaid Expenses	(113,790)	(2,419)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	117,750	126,534
Deferred Income	(171,109)	494,239
Net OPEB Obligation	303,113	366,314
Accrued Payroll Liabilities	(13,424)	(66,601)
Net Cash (Used) By Operating Activities	<u>(3,223,314)</u>	<u>(2,450,816)</u>

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The accompanying notes are an integral part of these financial statements.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Humboldt Transit Authority (HTA) is a public agency created on January 28, 1975 by a joint exercise of powers agreement between Humboldt County and the cities of Arcata, Eureka and Fortuna, later amended to include Rio Dell and Trinidad. The local transportation revenues are claimed by the parties to the agreement and, when approved by the Humboldt County Association of Governments, are paid out of the County of Humboldt's Local Transportation Trust Fund to the parties. The City of Eureka contracts with HTA to administer and operate the Eureka Transit System and administer the Eureka Dial-a-Ride paratransit service. HTA also contracts with Humboldt County to provide service from Arcata to Willow Creek, and to the Southern Humboldt area. The City of Arcata contracts with HTA to administer its Dial-a-Ride paratransit service.

The parties to the agreement provided Local Transportation Funds to the Authority in the following ratio during the year ended June 30, 2013:

	<u>RTS</u>	<u>DAR/Lift Arcata McKinleyville</u>	<u>Willow Creek</u>	<u>So. Hum. Intercity</u>	<u>So. Hum. Local</u>
Arcata	14.4%	40%			
Eureka	22.6%				
Fortuna	9.9%				
Rio Dell	2.8%				
Trinidad	0.3%				
Humboldt Co.	<u>50.0%</u>	<u>60%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>100.0%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

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The following is a schedule of Joint Powers Authority members' assessments:

	<u>RTS</u>	<u>DAR/Lift Arcata McKinleyville</u>	<u>Willow Creek</u>	<u>So. Hum. Intercity</u>	<u>So. Hum. Local</u>
Arcata	\$ 170,416	\$ 49,953			
Eureka	268,509				
Fortuna	117,925				
Rio Dell	33,252				
Trinidad	3,681				
Humboldt Co.	<u>593,784</u>	<u>74,917</u>	<u>\$197,651</u>	<u>\$306,341</u>	<u>\$133,659</u>
	<u>\$1,187,567</u>	<u>\$ 124,870</u>	<u>\$197,651</u>	<u>\$306,341</u>	<u>\$133,659</u>

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting

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The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governmental entities are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The Authority has elected to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds.

The Authority uses the accrual method of accounting. Under this method of accounting, revenues are recognized when they are earned and measurable and expenses are recognized when the related liabilities are incurred.

In June 1999, the Government Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statements include the following:

1. Financial statements prepared using full accrual accounting for all the Authority's activities;
2. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Authority had elected to implement the general provisions of the Statement during the fiscal year ended June 30, 2005.

1. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector, namely the accrual method of accounting. Under this method, revenues are recognized when earned and measurable and expenses are recognized when the related liabilities are incurred.

The following is a description of the proprietary funds of the Authority.

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or c) established fees and charges based on a pricing policy designed to recover similar costs.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (continued)

The District provides the following services which are accounted for in separate funds:

Transportation Services for:

RTS
AMRTS Maintenance
Willow Creek
Eureka Transit
Eureka DAR
Arcata DAR
Corridor DAR
Southern Humboldt – Intercity (began January 2010)
Southern Humboldt – Local (began January 2010)

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C. Description of Services

The Authority began operations of the Redwood Transit System in August of 1976. As of June 30, 2013 the Authority operated seven runs, which cover the corridor between the cities of Trinidad to the North and Scotia to the South. Fares range from \$2.50 for senior citizens and the handicapped to \$2.75 for a basic fare.

HTA administers, through contracts with local cab companies, a Dial-A-Ride service for senior citizens, mobility impaired persons and those not able to utilize the regular transit system in Arcata, McKinleyville and Eureka.

HTA, through a contract with the City of Eureka operates the Eureka Transit System and, beginning September 1, 1997, began administering the Eureka Dial-a-Ride paratransit service.

In December 2001, HTA contracted with the AMRT&S (Arcata) system to provide bus maintenance, fueling and parking at the HTA facility.

HTA contracted with the County of Humboldt to provide bus service from Arcata to Willow Creek beginning July 2001. HTA also contracted the County of Humboldt to provide bus service in the Southern Humboldt area beginning January 2010.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Property, Plant, and Equipment

The following is a summary of property, plant, and equipment, at cost, less accumulated depreciation:

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	2013	2012
Buses	\$ 6,736,488	\$ 5,311,261
Other Transportation Equipment	1,665,198	1,481,826
Office Equipment	141,132	121,905
Other Equipment	1,561,176	1,561,176
Real Property - Land	2,164,831	2,164,831
Buildings & Improvements	2,807,222	2,748,316
Subtotal	\$ 15,076,047	\$ 13,389,315
Less Accumulated Depreciation	(6,773,947)	(6,059,765)
 Total Property, Plant & Equipment	 \$ 8,302,100	 \$ 7,329,550
 Property, Plant & Equipment, Beginning	 \$ 13,389,315	 \$ 14,752,841
Capital Acquisitions	1,875,754	539,172
Sales/Dispositions	(189,022)	(1,902,698)
Property, Plant, & Equipment, Ending	\$ 15,076,047	\$ 13,389,315

Depreciation is calculated using the straight-line method with useful lives as follows:

Buses	3 - 10 years
Other transportation equipment	3 - 15 years
Office equipment	3 - 15 years
Other equipment	3 - 15 years
Buildings	30 years

E. Compensated Absences

HTA has accrued a liability for vacation pay earned as of June 30, 2013 and 2012, in the amount of \$100,339 and \$85,107, respectively.

No liability is recorded for accumulated sick pay, which at June 30, 2013 and 2012, was \$90,912 and \$110,771, respectively.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Employee Retirement Plan

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Plan Description

HTA contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. HTA selects optional benefits provisions from the benefit menu by contract with CalPERS and adopts those benefits through resolutions of its Board of Directors. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary, which HTA pays on their behalf. HTA is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate if established and may be amended by CalPERS. The Plan's share of the Pool's unfunded liability (Market Value) as of June 30, 2012 totals \$1,416,757.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. The result will be a shift of new members away from existing pools. The impact of most of the PEPRA changes will affect the contribution rates set for the 2015-2016 fiscal year. The act requires new employees pay at least 50% of the total annual normal cost.

The required employer contribution rates for fiscal year 2011-2012 was 11.38%, and for the year 2012-2013 was 11.80%. The projected rate for the years ending June 30, 2014 and 2015 is 11.882% and 12.751%, respectively.

Annual Pension Cost

For fiscal year 2011-2012, HTA's annual pension cost of \$164,292 for CalPERS was equal to HTA's actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.30% to 14.20%. Both (a) and (b) included an inflation component of 2.75% and an annual payroll growth of 3.00%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15-year period (smoothed market value).

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Employee Retirement Plan (Continued)

Beginning June 30, 2013 CalPERS has adopted a new actuarial methodology that will set the 2015-2016 rates. CalPERS will use an amortization and smoothing policy that will pay for all gains and losses over a fixed 30 year period with the increases or decreases in the rate spread directly over a 5-year period.

Three-Year Trend Information for CalPERS

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<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	126,554	100%	-0-
6/30/12	164,292	100%	-0-
6/30/13	187,388	100%	-0-

G. Commitments

HTA is under contract with City Ambulance, Inc. for Dial-A-Ride and Dial a Lift service in the McKinleyville area. Payments to City Ambulance, Inc. under the contract for the 2011/12 fiscal year are \$11,667 per month.

The Authority has contracted with the City of Eureka through June 30, 2013 to administer and manage the City's Eureka Transit System. The latest contract renewal stipulates that any carryover from the ETS operation at the end of each year will be rolled over to assist with operating expenses for the following year. Any carryover at the end of the contract term will be returned to the City of Eureka once that amount has been confirmed by the annual performance audit.

H. Allocations

During the year, the following Transportation Development Act (TDA), Article 4 funds were allocated to HTA:

	<u>Operating Funds</u>	<u>Capital Funds</u>
Redwood Transit System	\$ 1,187,567	-
Arcata Dial-A-Ride	124,862	-
Willow Creek	197,157	-
Southern Humboldt - Intercity	306,341	-
Southern Humboldt - Local	133,659	-
Total TDA Funds	\$ 1,949,586	\$ -

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Restricted Net Assets

Amounts restricted by the Board of Directors for the purposes of future bus acquisition, retiree health insurance, and insurance deductible reserve are presented on the balance sheet as restricted net assets totaling \$1,156,553 for the fiscal year ended June 30, 2013.

Restricted net assets indicate the portions net assets not appropriable for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

Murray Method funds have been deferred for bus acquisitions in December 2014. At June 30, 2013 funds available total \$258,999.

J. Cash and Cash Equivalents

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All highly liquid investments with a maturity date of three months or less when purchased are considered to be "cash equivalents."

At June 30, 2013, the Authority's cash balances included the following:

Petty cash	\$ 161
Cash on deposit with County Treasury	3,132,579
Bank of America	<u>223,084</u>
	<u>\$ 3,355,824</u>

Cash on deposit with the County Treasury is part of an investment pool, all of which is invested in securities allowable under the California Government Code. All cash invested by the County in demand deposit accounts is collateralized to 110% with approved U.S. Government securities such as Treasury Bills and other U.S. Governmental agency issues.

Cash on deposit with Bank of America is insured by the FDIC up to \$250,000.

K. Grant Accounting

Grants, entitlements or shared revenues are recorded as non operating revenues when they are earned and are measurable.

L. Policy for Defining Operating and Nonoperating Revenues

Operating revenues consist of passenger fees for services and operating expenses consist of expenses related to providing such services. Non-operating revenues consist of other revenues and expenses such as interest, grants, and government support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Policy for Applying Restricted/Unrestricted Resources

When an expense is incurred for which both restricted and unrestricted net assets are available, unrestricted resources are applied first.

N. Use of Estimates

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

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O. Accounts Receivable

The direct write-off method is used for recording bad debts relating to accounts receivable. Management believes the use of this method, which is not in accordance with generally accepted accounting principles, does not result in amounts that would be materially different if the allowance method was used.

P. Contingent Liabilities

The Authority participates in federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs have not been completed and the results analyzed by the grantor agencies. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

Q. Other Post-Employment Benefits

Plan Description

In addition to the pension benefits described in F. above, HTA provides post-retirement health care benefits, in accordance with State statutes, to all retired employees with at least 5 years of service. For represented employees hired after December 19, 2012 at least 15 years of service are required. The Authority's contribution percent ranges for eligible employees depend on factors such as date of hire and years of service and range from 50% to 100%. Dependent coverage is also provided, ranging from 50% to 95%.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Other Post-Employment Benefits (Continued)

Funding Policy

HTA's current policy is to contribute an amount sufficient to pay the current year's premiums. For the fiscal year ended June 30, 2013, the Authority contributed \$98,815, which covered current premiums, but did not include any additional prefunding of benefits. Currently, 15 retirees are receiving benefits.

Annual OPEB and Net OPEB Obligation

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The Authority's annual other postemployment (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the Authority's OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation.

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
Annual required contribution	\$ 404,075	\$ 453,552	\$ 453,552
Contributions made	(98,815)	(89,383)	(86,051)
Increase in net OPEB obligations	305,260	364,169	367,501
Net OPEB obligation, beginning of fiscal year	1,134,172	770,003	402,502
Net OPEB obligation, end of fiscal year	\$ 1,439,432	\$ 1,134,172	\$ 770,003
 Percentage of Annual OPEB Cost Contribution	 24%	 20%	 19%

Funded Status and Funding Progress

As of March 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$4,848,403, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,848,403. The covered payroll (annual payroll of active employees covered by the plan) was \$1,801,038, \$1,314,143, and \$1,501,234, for the years ended June 30, 2013, 2012 and 2011, respectively. The ratio of the UAAL to the covered payroll was 37%, 31% and 27% for the years ended June 30, 2013, 2012 and 2011, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Other Post-Employment Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan 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.

In the March 1, 2013 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 5% investment rate of return, a projected salary increase assumption rate of 3%, an annual healthcare cost trend rate of 4% and inflation rate of 3%. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a level percentage of payroll over 30 years.

NOTE 2. CONFORMITY WITH TDA REGULATIONS

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Excess Operating Funds Received:

The following systems did not meet the compliance requirements of Section 6634 of the California Administrative Code dealing with TDA fund eligibility. Fund eligibility is determined by subtracting actual fare revenues, depreciation, and any federal operating funds received from operating expenses. This amount represents the maximum allowable TDA funding for operating expenses for the fiscal year ended June 30, 2013.

	SoHum Inter City	SoHum Local	Willow Creek
Operating Costs	\$ 461,913	\$ 213,261	\$ 350,843
Less Depreciation	-	(48,593)	(90,439)
Less Fare Revenues	(64,254)	(12,857)	(50,428)
Less Federal operating Funds	-	-	(68,705)
Eligible Amount	397659	151811	141271
TDA Funds Received	306341	133659	197158
Excess TDA Funds Received	\$ -	\$ -	\$ (55,887)

NOTE 3. FARE BOX RECOVERY RATIOS

Under Sections 6633.2 and 6633.5 of the Transportation Development Act regulations, the fixed route and demand response services must maintain specific fare box recovery ratios. Below is a calculation of the fare box recovery for Redwood Transit Service, Arcata Dial-a-Ride and Willow Creek service:

a) Section 6633.2 General Public Use

	<u>Redwood Transit</u>
Fare Revenue	\$ 1,072,527
RTS Operating Costs	\$ 3,633,651
Depreciation	<u>(772,652)</u>
Adjusted Operating Costs	\$ 2,860,999
Fare Box Recovery Ratio	<u>37.49%</u>
Required Fare Box Recovery Ratio	26.40%

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	<u>Willow Creek</u>
Fare Revenue	\$ 57,519
RTS Operating Costs	\$ 350,843
Depreciation	<u>(90,439)</u>
Adjusted Operating Costs	\$ 260,404
Fare Box Recovery Ratio	<u>22.09%</u>
Required Fare Box Recovery Ratio	10.00%

	<u>SoHum InterCity</u>
Fare Revenue	\$ 64,254
RTS Operating Costs	\$ 461,913
Depreciation	<u>-</u>
Adjusted Operating Costs	\$ 461,913
Fare Box Recovery Ratio	<u>13.91%</u>
Required Fare Box Recovery Ratio	10.00%

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 3. FARE BOX RECOVERY RATIOS (CONTINUED)

	<u>SoHum Local</u>
Fare Revenue	\$ 12,857
RTS Operating Costs	\$ 213,261
Depreciation	<u>(48,593)</u>
Adjusted Operating Costs	\$ 164,668
Fare Box Recovery Ratio	<u>7.81%</u>
Required Fare Box Recovery Ratio	10.00%

	<u>Arcata DAR</u>
Fare Revenue	\$ 23,530
RTS Operating Costs	\$ 148,654
Depreciation	<u>-</u>
Adjusted Operating Costs	\$ 148,654
Fare Box Recovery Ratio	<u>15.83%</u>
Required Fare Box Recovery Ratio	10.00%

	<u>Corridor DAR</u>
Fare Revenue	\$ 5,451
RTS Operating Costs	\$ 26,579
Depreciation	<u>-</u>
Adjusted Operating Costs	\$ 26,579
Fare Box Recovery Ratio	<u>20.51%</u>
Required Fare Box Recovery Ratio	10.00%

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HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

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NOTE 4. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority insures against such losses with an insurance policy issued through the California Transit Insurance Pool (CalTip), a joint powers insurance authority. The coverage includes general, automobile, and public officials' errors & omissions liability, as well as vehicle physical damage insurance to a total of \$40 million, with a deductible of \$50,000 per occurrence which HTA has restricted in fund equity as insurance deductible reserves for the equivalent of two claims. HTA is not currently involved in litigation matters.

NOTE 5. CAPITAL GRANTS - PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT

In November 2006, California voters passed a bond measure enacting the Highway Safety, Air Quality and Port Security Bond of 2006. Of the \$19.925 billion of State general obligation bonds authorized, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, capital projects, rapid transit improvements or rolling stock procurement, rehabilitation, & replacement.

During the fiscal year ended June 30, 2010, the Authority applied for and received \$1,422,520 from the State's PTMISEA account for 1) rolling stock procurement, 2) bus shelter improvement and 3) a GPS tracking system. An additional \$170,887 for the GPS tracking system was received during the year ended June 30, 2011 and \$270,074 in the year ending June 30, 2012. As of June 30, 2013, PTMISEA funds received and expended were verified in the course of our audit as follows:

Unexpended PTMISEA funds at June 30, 2012	\$ 371,570
PTMISEA funds received 2012-2013	-
Interest earned through June 30, 2013	1,283
Less Bank fees	(16)
Subtotal	<u>\$ 372,837</u>
Expenditures	
Bus Purchase	(166,142)
Passenger Counter	(85,468)
Subtotal	<u>(251,610)</u>
Unexpended PTMISEA funds at June 30, 2013	<u><u>\$ 121,227</u></u>

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2013

EXHIBIT D

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated all known events that have occurred after June 30, 2013, and through January 6, 2014, the date when this financial statement was available to be issued, for inclusion in the financial statements and footnotes.

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SUPPLEMENTARY INFORMATION

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HUMBOLDT TRANSIT AUTHORITY
 Combining Schedule of Net Position
 June 30, 2013

ASSETS

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	ADAR	CORRIDOR DAR	SOHUM-INTERCITY	SOHUM-LOCAL	TOTAL
Current Assets									
Cash and Cash Equivalents									
On Hand and in Deposit Accounts	\$ 2,554,578	\$ 6,702	\$ 361,080	\$ (186,270)	\$ 52,760	\$ (13,740)	\$ 345,912	\$ 115,597	\$ 3,234,619
Restricted Cash	121,205	-	-	-	-	-	-	-	121,205
Total Cash and Cash Equivalents	2,675,783	6,702	361,080	(186,270)	52,760	(13,740)	345,912	115,597	3,355,824
Accounts Receivable	6,044	6,557	-	58,939	-	14,943	2,130	601	89,214
Grant Receivables	242,888	4,985	-	-	-	-	-	-	247,873
Employee Advances	1,359	-	-	-	-	-	-	-	1,359
Materials and Supplies Inventory (at cost)	184,892	-	-	-	-	-	-	-	184,892
Prepaid Expenses	123,020	-	-	-	-	-	-	-	123,020
Total Current Assets	3,233,986	18,244	361,080	(127,331)	52,760	1,203	348,042	114,198	4,002,182
Capital Paris	20,568	-	-	-	-	-	-	-	20,568
Work in Progress	10,903	-	-	-	-	-	-	-	10,903
Property, Plant and Equipment, Net	7,948,255	293	296,396	16,370	-	-	-	40,786	8,302,100
TOTAL ASSETS	\$ 11,213,712	\$ 18,537	\$ 657,476	\$ (110,961)	\$ 52,760	\$ 1,203	\$ 348,042	\$ 154,984	\$ 12,335,753

LIABILITIES AND NET POSITION

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	ADAR	CORRIDOR DAR	SOHUM-INTERCITY	SOHUM-LOCAL	TOTAL
Current Liabilities									
Trade Payable	\$ 111,644	\$ 19,041	\$ 132	\$ 71,928	\$ 14,157	\$ 10,787	\$ 4,014	\$ 3,173	\$ 234,876
Insurance Payable	112,238	-	-	-	-	-	-	-	112,238
DAR Liability	164,923	-	-	-	(521)	-	-	-	164,402
Deferred Income	610,330	-	-	-	-	-	22,902	-	633,232
Deferred Income- Prop 1B PTMISEA	-	-	119,933	-	-	-	-	-	119,933
Deferred Fare Revenue	83,190	-	-	-	-	-	-	-	83,190
Accrued Payroll Liabilities	140,756	-	-	-	-	-	-	-	140,756
Total Current Liabilities	1,223,081	19,041	120,065	71,928	13,636	10,787	26,916	3,173	1,488,627
Long-Term Liabilities									
Net OPEB Obligation	822,634	-	127,390	198,066	-	-	223,126	66,214	1,439,430
Total Long-Term Liabilities	822,634	-	127,390	198,066	-	-	223,126	66,214	1,439,430
TOTAL LIABILITIES	2,045,715	19,041	247,455	269,994	13,636	10,787	252,042	69,387	2,928,057
Invested in Capital Assets, Net of Related Debt	7,948,255	293	296,396	16,370	-	-	-	40,786	8,302,100
Restricted Net Position	100,000	-	-	-	-	-	-	-	100,000
Insurance Deductible Reserve	973,269	-	2,673	-	-	-	-	-	1,041,553
Equipment Acquisition	15,000	-	-	-	-	-	-	-	15,000
Retiree's Health Insurance	1,088,269	-	2,673	-	-	-	-	-	1,156,553
Total Restricted Net Position	131,473	(797)	110,952	(397,325)	39,124	(9,584)	96,000	(20,800)	(50,957)
Unrestricted Net Position	9,167,597	(504)	410,021	(380,955)	39,124	(9,584)	96,000	85,597	9,407,696
TOTAL LIABILITIES AND NET POSITION	\$ 11,213,712	\$ 18,537	\$ 657,476	\$ (110,961)	\$ 52,760	\$ 1,203	\$ 348,042	\$ 154,984	\$ 12,335,753

RUMBOLDT TRANSIT AUTHORITY
 Combining Schedule of Revenues, Expenses, and Changes in Net Position
 For the Year Ended June 30, 2013

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	ADAR	CORRIDOR DAR	SOHUM- INTERCITY	SOHUM- LOCAL	TOTAL
OPERATING REVENUES									
Fares	\$ 862,093	-	\$ 50,428	-	\$ 23,530	-	\$ 64,254	\$ 12,857	\$ 1,013,162
Contract Transportation	210,000	90,000	7,092	851,820	-	16,000	-	-	1,174,912
Warranty/Insurance Reimbursement	-	-	-	29,850	-	-	-	-	29,850
Advertising	14,300	-	-	-	-	-	-	-	14,300
Total Operating Revenues	<u>1,086,393</u>	<u>90,000</u>	<u>57,520</u>	<u>881,670</u>	<u>23,530</u>	<u>16,000</u>	<u>64,254</u>	<u>12,857</u>	<u>2,232,224</u>
OPERATING EXPENSES									
Labor and Benefits	1,939,312	54,649	152,900	742,877	11,245	5,468	285,434	99,522	3,311,507
Professional Services	45,788	-	-	-	220	-	-	-	46,008
Purchased Transportation	-	-	-	-	140,000	14,656	-	-	154,656
Repairs, Supplies, & Maintenance	643,747	117,900	92,098	208,771	311	185	149,342	57,765	1,266,119
Casualty and Liability Insurance	90,669	-	12,866	38,083	-	-	25,261	10,838	177,667
Utilities	56,866	184	168	837	-	-	452	116	58,643
Leases and Rentals	378	-	32	112	-	-	103	35	660
Miscellaneous	39,950	1,231	1,042	3,661	-	-	455	146	46,485
Advertising	5,722	9	138	495	-	-	101	25	6,490
Travel and Transportation	13,895	557	1,160	787	-	-	765	221	17,385
Depreciation	772,652	-	90,439	-	-	-	-	-	911,684
Total Operating Expenses	<u>3,628,979</u>	<u>174,530</u>	<u>350,843</u>	<u>995,593</u>	<u>151,876</u>	<u>20,309</u>	<u>461,913</u>	<u>213,261</u>	<u>5,997,304</u>
OPERATING INCOME (LOSS)	<u>(2,542,586)</u>	<u>(84,530)</u>	<u>(283,323)</u>	<u>(113,923)</u>	<u>(128,346)</u>	<u>(4,309)</u>	<u>(397,659)</u>	<u>(200,404)</u>	<u>(3,765,080)</u>
NONOPERATING REVENUES									
Operating Grants									
TDA Assessments	1,187,567	-	197,158	-	120,700	4,162	306,341	133,659	1,949,587
Excess TDA Assessments Repaid	-	-	-	-	-	-	-	-	-
Federal - FTA	259,929	-	68,705	-	-	-	-	-	328,634
State Operating - STAF	11,374	-	1,610	4,663	-	18,805	2,575	30,756	69,783
Operating Grants to Others	-	-	-	-	-	-	-	-	-
Interest Income	20,487	-	-	-	-	-	-	-	20,487
Loss on Disposal of Capital Assets	(28,225)	-	-	-	-	-	-	-	(28,225)
Miscellaneous	94,624	82,725	-	707	262	-	-	-	178,318
Capital Expense Reimbursement	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	<u>1,544,656</u>	<u>82,725</u>	<u>267,473</u>	<u>5,370</u>	<u>120,962</u>	<u>22,967</u>	<u>308,916</u>	<u>164,415</u>	<u>2,317,484</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	<u>(997,930)</u>	<u>(1,805)</u>	<u>(25,850)</u>	<u>(108,553)</u>	<u>(7,384)</u>	<u>18,658</u>	<u>(88,743)</u>	<u>(35,989)</u>	<u>(1,247,596)</u>
CAPITAL GRANTS									
Capital Grants:									
Federal - FTA	-	-	-	-	-	-	-	-	-
State - Prop 13 PTMISEA	54,018	-	175,136	-	-	-	13,492	8,994	251,640
State - STAF	128,860	-	-	-	-	-	-	-	128,860
State - STIP	804,000	-	-	-	-	-	-	-	804,000
State - Cal EMA	-	-	-	-	-	-	-	601	4,059
County	341,001	-	-	-	-	-	-	-	341,001
Capital Grants to Others	-	-	-	-	-	-	-	-	-
Total Capital Grants	<u>1,327,879</u>	<u>-</u>	<u>175,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,980</u>	<u>9,595</u>	<u>1,529,560</u>
CHANGE IN NET POSITION	<u>\$ 329,949</u>	<u>\$ (1,805)</u>	<u>\$ 149,286</u>	<u>\$ (108,553)</u>	<u>\$ (7,384)</u>	<u>\$ 18,658</u>	<u>\$ (71,793)</u>	<u>\$ (24,394)</u>	<u>\$ 281,964</u>
NET POSITION, BEGINNING OF YEAR	\$ 8,813,490	\$ 1,302	\$ 260,735	\$ (272,402)	\$ 31,979	\$ (2,385)	\$ 167,793	\$ 111,990	\$ 9,112,502
TRANSFER	11,328	-	-	-	9,857	(21,185)	-	-	13,232
PRIOR PERIOD ADJUSTMENT	13,232	-	-	-	-	-	-	-	-
NET POSITION, END OF YEAR	<u>\$ 9,167,999</u>	<u>\$ (503)</u>	<u>\$ 410,021</u>	<u>\$ (380,955)</u>	<u>\$ 34,452</u>	<u>\$ (4,912)</u>	<u>\$ 96,000</u>	<u>\$ 85,596</u>	<u>\$ 9,407,698</u>

HUMBOLDT TRANSIT AUTHORITY
Combining Schedule of Net Position
June 30, 2012

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ASSETS

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	QUAIL	ADAR	CORRIDOR DAR	SOHUM- INTERCITY	SOHUM- LOCAL	TOTAL
Current Assets										
Cash and Cash Equivalents										
On Hand and in Deposit Accounts	\$ 2,783,297	\$ (8,424)	\$ 272,186	\$ 28,042	\$ -	\$ 49,400	\$ 4,736	\$ 39,084	\$ 113,868	\$ 3,282,189
Restricted Cash	281,662									281,662
Total Cash and Cash Equivalents	3,064,959	(8,424)	272,186	28,042	-	49,400	4,736	39,084	113,868	3,563,851
Accounts Receivable	49,130	21,599	120	5,524	-	(4,167)	-	82	-	72,288
Grant Receivables	198,260	-	283,936	-	-	-	-	150,000	-	632,196
Payroll Tax refunds	12,528	-	-	-	-	-	-	-	-	12,528
Employee Advances	3,928	-	-	-	-	-	-	-	-	3,928
Materials and Supplies Inventory (at cost)	163,106	-	203	17,021	-	328	-	-	-	180,658
Prepaid Expenses	8,695	112	86	158	-	-	-	134	45	9,230
Total Current Assets	3,500,606	13,287	556,531	50,745	-	45,561	4,736	189,300	113,913	4,474,679
Propertv. Plant and Equipment, Net	7,168,957	293	54,551	16,370	-	-	-	-	89,379	7,329,550
TOTAL ASSETS	\$ 10,669,563	\$ 13,580	\$ 611,082	\$ 67,115	\$ -	\$ 45,561	\$ 4,736	\$ 189,300	\$ 203,292	\$ 11,804,229

LIABILITIES AND NET POSITION

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	QUAIL	ADAR	CORRIDOR DAR	SOHUM- INTERCITY	SOHUM- LOCAL	TOTAL
Current Liabilities										
Trade Payable	\$ 78,081	\$ 10,741	\$ 448	\$ 55,351	\$ -	\$ 11,667	\$ 7,121	\$ 7,842	\$ 88,883	\$ 260,134
DAR Liability	131,717	-	-	-	-	1,915	-	-	-	133,632
Deferred Income	582,454	-	16,185	-	-	-	-	-	-	598,639
Deferred Income- Prop IB PTM/ISEA	87,634	-	283,936	-	-	-	-	-	-	371,570
Deferred Fare Revenue	37,255	-	-	-	-	-	-	-	-	37,255
Accrued Payroll Liabilities	108,564	1,537	4,423	23,572	-	-	-	13,665	2,419	154,180
Total Current Liabilities	1,025,705	12,278	304,992	78,923	-	13,582	7,121	21,507	91,302	1,555,410
Long-Term Liabilities										
Net OPEB Obligation	830,368	-	45,355	260,594	-	-	-	-	-	1,136,317
Total Long-Term Liabilities	830,368	-	45,355	260,594	-	-	-	-	-	1,136,317
Total Liabilities	1,856,073	12,278	350,347	339,517	-	13,582	7,121	21,507	91,302	2,691,727
Invested in Capital Assets, Net of Related Debt	7,168,957	293	54,551	16,370	-	-	-	-	89,379	7,329,550
Restricted Net Position										
Insurance Deductible Reserve	100,000	-	-	-	-	-	-	-	-	100,000
Equipment Acquisition	1,110,193	-	150,721	-	-	-	-	-	63,891	1,324,805
Retiree's Health Insurance	15,000	-	-	-	-	-	-	-	-	15,000
Total Restricted Net Position	1,225,193	-	150,721	-	-	-	-	-	63,891	1,439,805
Unrestricted Net Position										
Retiree's Health Insurance	419,340	1,009	55,463	(288,772)	-	31,979	(2,385)	167,793	(41,280)	343,147
Total Net Position	8,813,490	1,302	260,735	(272,402)	-	31,979	(2,385)	167,793	111,990	9,112,502
TOTAL LIABILITIES AND NET POSITION	\$ 10,669,563	\$ 13,580	\$ 611,082	\$ 67,115	\$ -	\$ 45,561	\$ 4,736	\$ 189,300	\$ 203,292	\$ 11,804,229

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HUMBOLDT TRANSIT AUTHORITY
 Combining Schedule of Revenues, Expenses, and Changes in Net Position
 For the Year Ended June 30, 2012

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	QUAIL	ADAR	CORRIDOR DAR	SOHUM- INTERCITY	SOHUM- LOCAL	TOTAL
OPERATING REVENUES										
Fares	\$ 1,029,213	\$ 95	\$ 41,991	\$ -	\$ -	\$ 24,074	\$ 8,382	\$ 63,667	\$ 12,369	\$ 1,179,731
Contract Transportation	27,000	90,000	-	774,374	-	-	-	-	-	891,374
Warranty/Insurance Reimbursement -	-	-	-	36,983	-	-	-	-	-	36,983
Advertising	15,600	-	-	-	-	-	-	-	-	15,600
Total Operating Revenues	1,071,813	90,095	41,991	811,357	-	24,074	8,382	63,667	12,369	2,123,688
OPERATING EXPENSES										
Labor and Benefits	1,913,403	53,947	145,130	709,122	-	5,934	695	212,581	95,917	3,136,749
Professional Services	28,466	335	1,132	14,330	-	1,041	41	1,328	460	47,133
Purchased Transportation	-	-	-	-	-	140,000	27,699	-	-	167,699
Repairs, Supplies, & Maintenance	660,462	109,066	53,008	213,155	-	171	-	126,965	36,966	1,199,793
Casualty and Liability Insurance	90,329	1,257	6,139	49,764	-	-	-	11,891	5,694	165,094
Utilities	28,895	2,663	3,523	6,655	-	19	-	5,225	2,032	49,012
Leases and Rentals	4,462	6,094	3,002	9,568	-	-	-	3,507	3,177	29,750
Interest Expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous	12,516	823	1,581	3,257	-	50	-	2,425	841	21,495
Advertising	4,470	15	-	28	-	-	-	22	1,994	6,529
Travel and Transportation	13,883	10	650	1,176	-	16	-	1,049	300	17,084
Depreciation	849,161	-	17,267	-	-	-	-	-	8,634	875,062
Total Operating Expenses	3,606,047	174,150	231,472	1,007,055	-	147,231	28,435	364,993	156,015	5,715,598
OPERATING INCOME (LOSS)	(2,534,234)	(84,055)	(189,541)	(195,698)	-	(123,157)	(20,053)	(101,326)	(143,646)	(3,591,710)
NONOPERATING REVENUES										
Operating Grants	1,079,606	-	160,722	-	-	91,274	-	294,287	105,713	1,731,602
TDA Assessments	-	-	-	-	-	-	-	-	-	-
Excess TDA Assessments Repaid	-	-	-	-	-	-	-	-	-	-
Federal - FTA	259,929	-	68,705	-	-	-	-	150,000	-	478,634
Federal - ARRA	-	-	-	-	-	-	-	-	-	-
State Operating - STAF	-	-	-	-	-	30,000	32,141	-	-	62,141
Operating Grants to Others	-	-	-	-	-	-	-	-	-	-
Interest Income	28,756	-	-	-	-	-	-	-	-	28,756
Loss on Disposal of Capital Assets	(297,326)	-	-	-	-	-	-	-	-	(297,326)
Miscellaneous	122,269	85,357	-	22,170	-	-	-	-	-	229,796
Capital Expense Reimbursement	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	1,193,234	85,357	229,427	22,170	-	121,274	32,141	444,287	105,713	2,233,603
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(1,341,000)	1,302	39,886	(173,528)	-	(1,883)	12,088	142,961	(37,933)	(1,358,107)
CAPITAL GRANTS										
Capital Grants:										
Federal - FTA	-	-	-	-	-	-	-	-	-	-
Federal - ARRA	-	-	-	-	-	-	-	-	-	-
State - Prop 1B PTMISEA	270,074	-	-	-	-	-	-	-	-	270,074
State - STAF	357,300	-	-	-	-	-	-	-	-	357,300
Capital Grants to Others	-	-	-	-	-	-	-	-	-	-
Total Capital Grants	627,374	-	-	-	-	-	-	-	-	627,374
CHANGE IN NET POSITION	\$ (713,626)	\$ 1,302	\$ 39,886	\$ (173,528)	\$ -	\$ (1,883)	\$ 12,088	\$ 142,961	\$ (37,933)	\$ (730,733)
NET POSITION, BEGINNING OF YEAR	\$ 9,527,116	\$ (5,414)	\$ 220,849	\$ (98,874)	\$ (19,517)	\$ 33,862	\$ (14,473)	\$ 24,832	\$ 169,440	\$ 9,837,821
TRANSFER										
	-	-	-	-	19,517	-	-	-	(19,517)	-
PRIOR PERIOD ADJUSTMENT										
	5,414	-	-	-	-	-	-	-	-	5,414
NET POSITION, END OF YEAR	\$ 8,813,490	\$ 1,302	\$ 260,735	\$ (278,402)	\$ -	\$ 31,979	\$ (2,385)	\$ 167,793	\$ 111,990	\$ 9,112,502