

**HUMBOLDT TRANSIT AUTHORITY
FINANCIAL STATEMENTS**

AND

**SUPPLEMENTARY
INFORMATION**

For the Year Ended June 30, 2012

HUMBOLDT TRANSIT AUTHORITY
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June 30, 2012 and 2011

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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Humboldt Transit Authority

We have audited the accompanying financial statements of the Humboldt Transit Authority as of and for the years ended June 30, 2012 and 2011, 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.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2012 and 2011, 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.

Humboldt Transit Authority has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Humboldt Transit Authority taken as a whole. 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, 2012, PTMISEA funds received and expended were verified in the course of our audit as follows:

Year ended June 30, 2010

PTMISEA funds received 2009-2010	\$ 1,422,520
Interest earned through June 30, 2010	16,444
Subtotal	<u>1,438,964</u>
Expenditures:	
Engineering, Bus Shelter Improvements	<u>(45,178)</u>
Unexpended PTMISEA funds at June 30, 2010	<u>\$ 1,393,786</u>

Year ended June 30, 2011

Unexpended PTMISEA funds at June 30, 2010	\$ 1,393,786
PTMISEA funds received 2010-2011	170,887
Interest earned through June 30, 2011	14,822
Subtotal	<u>1,579,495</u>
Expenditures:	
Engineering and Construction, Bus Shelter Improvement Project	(487,372)
Bus Procurement	(834,853)
GPS System Design	(82,176)
Remitted to City of Eureka	(22,880)
Subtotal	<u>(1,427,281)</u>
Unexpended PTMISEA funds at June 30, 2011	<u>\$ 152,214</u>

Year ended June 30, 2012

Unexpended PTMISEA funds at June 30, 2011	\$ 152,214
PTMISEA funds received 2011-2012	554,010
Interest earned through June 30, 2012	2,286
Subtotal	<u>705,510</u>
Expenditures:	
GPS System Design	(321,025)
Bus Shelter Improvements	(15,915)
Subtotal	<u>(336,940)</u>
Unexpended PTMISEA funds at June 30, 2012	<u>\$ 371,570</u>

Board of Directors
Humboldt Transit Authority
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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

January 18, 2013
Fortuna, California

HUMBOLDT TRANSIT AUTHORITY
Statements of Net Assets
June 30, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current Assets</u>		
<u>Cash and Cash Equivalents</u>		
On Hand and in Deposit Accounts	\$ 3,339,250	\$ 3,118,912
Restricted Cash	224,601	152,214
<u>Total Cash and Cash Equivalents</u>	<u>3,563,851</u>	<u>3,271,126</u>
Accounts Receivable	72,288	45,170
Grants Receivable	632,196	117,113
Payroll Tax Refunds Receivable	12,528	-
Employee Advances	3,928	8,244
Materials and Supplies Inventory (at cost)	180,658	185,274
Prepaid Expenses	9,230	6,811
<u>Total Current Assets</u>	<u>4,474,679</u>	<u>3,633,738</u>
Property, Plant and Equipment, Net	<u>7,329,550</u>	<u>7,962,765</u>
<u>TOTAL ASSETS</u>	<u>\$ 11,804,229</u>	<u>\$ 11,596,503</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Trade Payables	\$ 260,134	\$ 159,774
Deferred Income	635,894	348,452
DAR Liability	133,632	107,458
Deferred Income- Prop 1B PTMISEA	371,570	152,214
Accrued Payroll Liabilities	154,180	220,781
<u>Total Current Liabilities</u>	<u>1,555,410</u>	<u>988,679</u>
<u>Long-term Liabilities</u>		
Net OPEB Obligation	<u>1,136,317</u>	<u>770,003</u>
<u>Total Long-term Liabilities</u>	<u>1,136,317</u>	<u>770,003</u>
<u>Total Liabilities</u>	<u>2,691,727</u>	<u>1,758,682</u>
<u>Net Assets</u>		
Invested In Capital Assets, Net of Related Debt	<u>7,329,550</u>	<u>7,962,765</u>
<u>Restricted Net Assets</u>		
Insurance Deductible Reserve	#REF!	#REF!
Equipment Acquisition	1,324,805	1,412,415
Retiree's Health Insurance	#REF!	#REF!
Earned Leave	-	#REF!
<u>Total Restricted Net Assets</u>	<u>#REF!</u>	<u>#REF!</u>
<u>Unrestricted Net Assets</u>	<u>343,147</u>	<u>328,496</u>
Total Net Assets	<u>#REF!</u>	<u>#REF!</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>#REF!</u>	<u>#REF!</u>

See accompanying notes to financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2012
With Comparative Amounts for the Year Ended June 30, 2011

	<u>Budget</u>	<u>2012 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2011 Actual</u>
<u>OPERATING REVENUES</u>				
Fares	\$ 1,043,040	\$ 1,179,731	136,691	\$ 1,062,750
Contract Transportation	887,894	891,374	3,480	887,894
Insurance Reimbursement - Eureka Transit System	37,800	36,983	(817)	3,342
Advertising	14,400	15,600	1,200	11,100
Total Operating Revenues	1,983,134	2,123,688	140,554	1,965,086
<u>OPERATING EXPENSES</u>				
Labor and Benefits	2,874,598	3,136,749	(262,151)	2,860,429
Professional Services	25,790	47,133	(21,343)	37,293
Purchased Transportation	99,622	167,699	(68,077)	116,427
Repairs, Supplies, & Maintenance	1,350,436	1,199,793	150,643	1,069,333
Casualty and Liability Insurance	177,750	165,094	12,656	70,377
Utilities	46,560	49,012	(2,452)	44,477
Leases and Rentals	30,756	29,750	1,006	29,670
Miscellaneous	38,996	21,493	17,503	20,384
Advertising	1,600	6,529	(4,929)	2,102
Travel and Transportation	9,100	17,084	(7,984)	4,053
Depreciation	-	875,062	(875,062)	740,414
Total Operating Expenses	4,655,208	5,715,398	(1,060,190)	4,994,959
OPERATING INCOME (LOSS)	(2,672,074)	(3,591,710)	(919,636)	(3,029,873)
<u>NONOPERATING REVENUES</u>				
Operating Grants				
TDA Assessments	1,716,392	1,731,602	15,210	1,520,693
Federal - FTA	528,705	478,634	(50,071)	460,435
State Operating - STAF	-	62,141	62,141	63,874
Interest Income	26,000	28,756	2,756	21,968
Gain (Loss) on Disposal of Capital Assets	-	(297,326)	(297,326)	(39,258)
Miscellaneous	250,522	229,796	(20,726)	179,666
Total Nonoperating Revenues	2,521,619	2,233,603	(288,016)	2,207,378
CHANGE IN NET ASSETS BEFORE CAPITAL GRANTS	(150,455)	(1,358,107)	(1,207,652)	(822,495)
<u>CAPITAL GRANTS</u>				
Capital Grants:				
Federal - ARRA	-	-	-	6,388
State - Prop 1B PTMISEA	-	270,074	270,074	1,427,281
State - STAF	-	357,300	357,300	198,843
Capital Grants to Others	-	-	-	(22,880)
Total Capital Grants	-	627,374	627,374	1,609,632
CHANGE IN NET ASSETS	(150,455)	(730,733)	(580,278)	787,137
NET ASSETS, BEGINNING OF YEAR		\$ 9,837,821		\$ 9,042,121
PRIOR PERIOD ADJUSTMENT		5,414		8,563
NET ASSETS, END OF YEAR		\$ 9,112,502		\$ 9,837,821

See accompanying notes to financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statements of Cash Flows
For the Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received from Customers	\$ 1,663,750	\$ 1,153,153
Cash Paid for Goods and Services	(1,277,530)	(1,407,076)
Cash Paid for Employees	<u>(2,837,036)</u>	<u>(2,479,707)</u>
Net Cash Provided (Used) by Operating Activities	(2,450,816)	(2,733,630)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>		
Operating Grant Revenue	1,912,910	2,005,744
Contract Transportation	891,374	887,894
Miscellaneous Revenue	<u>229,796</u>	<u>179,666</u>
Net Cash Provided by Non-capital Financing Activities	3,034,080	3,073,304
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Capital Grant Revenue	219,878	713,560
Acquisition of Property, Plant, and Equipment	(539,173)	(1,624,767)
Principal Payments on Lease-Purchase Agreement	<u>-</u>	<u>7,500</u>
Net Cash Provided by Capital and Related Financing Activities	(319,295)	(903,707)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on Investments	<u>28,756</u>	<u>21,968</u>
Net Cash Provided (Used) By Investing Activities	<u>28,756</u>	<u>21,968</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	292,725	(542,065)
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>3,271,126</u>	<u>3,813,191</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 3,563,851</u>	<u>\$ 3,271,126</u>

See accompanying notes to financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statements of Cash Flows
For the Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	(3,591,710)	(3,029,873)
Prior Year Adjustment	5,414	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	875,062	740,414
Loss (Gain) on Sale of Capital Assets	297,326	39,258
Nonoperating Revenue (Included in Operating Income Total)	(891,374)	(887,894)
Changes in Assets and Liabilities		
(Increase) Decrease in Assets		
Receivables	(68,217)	(22,171)
Materials and Supplies Inventory	4,616	(7,537)
Prepaid Expenses	(2,419)	1,198
Increase (Decrease) in Liabilities		-
Accounts Payable and Accrued Expenses	126,534	(45,879)
Deferred Income	494,239	98,132
Net OPEB Obligation	366,314	367,501
Accrued Payroll Liabilities	(66,601)	13,221
Net Cash Provided (Used) By Operating Activities	<u>(2,450,816)</u>	<u>(2,733,630)</u>

See accompanying notes to financial statements.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

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, 2012:

	<u>RTS</u>	<u>DAR/Lift Arcata McKinleyville</u>	<u>Willow Creek</u>	<u>So. Hum. Intercity</u>	<u>So. Hum. Local</u>
Arcata	13.1%	40%			
Eureka	25.6%				
Fortuna	8.1%				
Rio Dell	2.8%				
Trinidad	0.4%				
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>

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	\$ 141,428	\$ 42,593			
Eureka	276,379				
Fortuna	87,448				
Rio Dell	30,229				
Trinidad	4,319				
Humboldt Co.	<u>539,803</u>	<u>48,861</u>	<u>\$160,722</u>	<u>\$294,287</u>	<u>\$105,713</u>
	<u>\$1,079,606</u>	<u>\$ 91,454</u>	<u>\$160,722</u>	<u>\$274,347</u>	<u>\$125,653</u>

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting

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, 2012

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)

C. Description of Services

The Authority began operations of the Redwood Transit System in August of 1976. As of June 30, 2012 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. Effective January 1, 1981, Humboldt Transit Authority absorbed the Southern Humboldt Rural Transit System Service - "Quail." Quail provides elderly and handicapped transportation service in the corridor between Weott and Garberville, with service to the Fortuna/Eureka area. Quail was discontinued during the year ended June 30, 2010, as it was consistently unable to generate enough fare revenue to comply with the TDA required ratio of fare revenue to operating costs.

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, 2012

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:

	June 30	
	2012	2011
Buses	\$ 5,311,261	\$ 6,033,126
Other transportation equipment	1,481,826	1,440,576
Office equipment	121,905	477,231
Other equipment	1,561,176	1,667,144
Construction in Progress	- 0 -	82,176
Real Property - Land	2,164,831	1,933,087
- Buildings and Improvements	2,748,316	3,119,501
Subtotal	\$13,389,315	\$ 14,752,841
Less accumulated depreciation	(6,059,765)	(6,790,076)
Total property, plant and equipment	\$ 7,329,550	\$ 7,962,765
Property, Plant, and Equipment, Beginning	\$14,752,841	\$13,840,742
Capital Acquisitions	539,172	1,624,768
Sales/Dispositions	(1,902,698)	(712,669)
Property, Plant, and Equipment, Ending	\$13,389,315	\$14,752,841

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, 2012 and 2011, in the amount of \$85,107 and \$138,294, respectively.

No liability is recorded for accumulated sick pay, which at June 30, 2012 and 2011, was \$110,771 and \$105,517, respectively.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Employee Retirement Plan

Plan Description

HTA contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides 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 required contribution for fiscal year 2010-2011 was 10.325% and the required contribution for the year ending June 30, 2012 is 11.380%. The projected rate for the year ending June 30, 2013 is 11.80%.

Annual Pension Cost

For fiscal year 2010-11, HTA's annual pension cost of \$126,554 for CalPERS was equal to HTA's required and actual contributions. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.75% to 14.45%. Both (a) and (b) included an inflation component of 3.0% and an annual payroll growth of 3.25%. 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). HTA does not have an unfunded pension benefit obligation.

Three-Year Trend Information for CalPERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	114,448	100%	-0-
6/30/11	126,554	100%	-0-
6/30/12	144,696	100%	-0-

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2012 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.

HTA has contracted with an engineering firm in connection with a GPS system in the amount of \$402,095.

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	\$1,079,606	\$ -0-
Arcata Dial-A-Ride	91,274	-0-
Willow Creek	160,722	-0-
Southern Humboldt – Intercity	294,287	-0-
Southern Humboldt – Local	<u>105,713</u>	<u>-0-</u>
Total TDA Funds	<u>\$1,731,602</u>	<u>\$ -0-</u>

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 \$1,439,805 for the fiscal year ended June 30, 2012.

Restricted net assets indicate the portions net assets not appropriate 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 2012. At June 30, 2012 funds available total the following:

Deferred Income	\$400,000
Restricted net assets	<u>136,964</u>
Total available funds	\$536,964

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Cash and Cash Equivalents

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

At June 30, 2012, the Authority's cash balances included the following:

Petty cash	\$	300
Cash on deposit with County Treasury		3,453,701
Bank of America		<u>109,850</u>
		<u>\$ 3,563,851</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.

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.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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%.

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, 2012, the Authority contributed \$89,383, which covered current premiums, but did not include any additional prefunding of benefits. Currently, 13 retirees are receiving benefits.

Annual OPEB and Net OPEB Obligation

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.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Other Post-Employment Benefits (Continued)

Annual OPEB and Net OPEB Obligation (Continued)

	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
Annual required contribution	\$ 453,552	\$ 453,552	\$ 453,552
Contributions made	<u>(89,383)</u>	<u>(86,051)</u>	<u>(51,050)</u>
Increase in net OPEB obligation	364,169	367,501	402,502
Net OPEB obligation, beginning of fiscal year	<u>770,003</u>	<u>402,502</u>	<u>- 0 -</u>
Net OPEB obligation, end of fiscal year	<u>\$1,134,172</u>	<u>\$ 770,003</u>	<u>\$ 402,502</u>
Percentage of Annual OPEB Cost Contribution	20%	19%	11%

Funded Status and Funding Progress

As of February 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$4,762,716, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,762,716. The covered payroll (annual payroll of active employees covered by the plan) was \$1,501,234 and \$1,373,931, for the years ended June 30, 2011 and 2010, respectively. The ratio of the UAAL to the covered payroll was 37%, 32% and 29% for the years ended June 30, 2012, 2011 and 2010, 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.

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 February 1, 2010 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%, and an annual healthcare cost trend rate of 4%. 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.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 2. CONFORMITY WITH TDA REGULATIONS

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, 2012.

	<u>SoHum InterCity</u>	<u>SoHum Local</u>	<u>Willow Creek</u>
Operating costs	\$ 364,993	\$156,015	\$ 231,472
Less depreciation	0	(8,634)	(17,267)
Less fare revenues	(63,667)	(12,369)	(41,931)
Less federal operating funds	(150,000)	0	(68,705)
Eligible amount	151,326	135,012	103,569
TDA funds received	<u>294,287</u>	<u>105,713</u>	<u>160,722</u>
Excess TDA funds received	<u>\$ 142,961</u>	<u>\$ 0</u>	<u>\$ 57,153</u>

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 System</u>
Fare Revenue	\$ 1,029,212
RTS Operating Costs	\$ 3,606,047
Depreciation	(849,161)
Less Charter Costs	(220)
Adjusted Operating Costs	<u>\$ 2,756,666</u>
Fare Box Recovery Ratio	<u>37.34%</u>
Required fare Box Recovery Ratio	26.40%

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

NOTE 3. FARE BOX RECOVERY RATIOS (Continued)

	<u>Willow Creek</u>
Fare Revenue	\$ 41,931
Operating Costs	\$ 231,472
Depreciation	<u>(17,267)</u>
Adjusted Operating Costs	\$ 256,136
Fare Box Recovery Ratio	<u>16.37%</u>
Required fare Box Recovery Ratio	10.00%

b) Section 6633.5 Services to Elderly/Handicapped

	<u>Arcata Dial a Ride</u>
Fare Revenue	\$ 24,074
Arcata Dial-a-Ride Operating Costs	\$ 147,231
Depreciation	<u>(- 0 -)</u>
Adjusted Operating Costs	\$ 147,231
Fare Box Recovery Ratio	<u>16.35%</u>
Required Fare Box Recovery Ratio	10.00%

	<u>Corridor DAR</u>
Fare Revenue	\$ 8,382
Arcata Dial-a-Ride Operating Costs	\$ 28,435
Depreciation	<u>(- 0 -)</u>
Adjusted Operating Costs	\$ 28,435
Fare Box Recovery Ratio	<u>29.48%</u>
Required Fare Box Recovery Ratio	10.00%

The Southern Humboldt Intercity and Southern Humboldt Local routes began in January 2010. The TDA allows exemptions to the fare box recovery requirements for new routes for two years. Fare box recovery will be tested beginning with the year ending June 30, 2013.

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.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

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 20, 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, 2012, PTMISEA funds received and expended were verified in the course of our audit as follows:

Year ended June 30, 2010

PTMISEA funds received 2009-2010	\$ 1,422,520
Interest earned through June 30, 2010	16,444
Subtotal	\$ 1,438,964
Expenditures	
Engineering, Bus Shelter Improvements	(45,178)
Unexpended PTMISEA funds at June 30, 2010	\$ 1,393,786

Year ended June 30, 2011

Unexpended PTMISEA funds at June 30, 2010	\$ 1,393,786
PTMISEA funds received 2010-2011	170,887
Interest earned through June 30, 2011	14,822
Subtotal	1,579,495
Expenditures	
Engineering and Construction, Bus Shelter Improvement Project	(487,372)
Bus Procurement	(834,853)
GPS System Design	(82,176)
Remitted to City of Eureka	(22,880)
Subtotal	(1,427,281)
Unexpended PTMISEA funds at June 30, 2011	\$ 152,214

HUMBOLDT TRANSIT AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2012

EXHIBIT D

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

Year ended June 30, 2012

Unexpended PTMISEA funds at June 30, 2011	\$	152,214
PTMISEA funds received 2011-2012		554,101
Interest earned through June 30, 2012		2,286
Subtotal	\$	705,510
Expenditures		
GPS System Design		(321,025)
Bus Shelter Improvements		(15,915)
Subtotal		(336,940)
Unexpended PTMISEA funds at June 30, 2012	\$	371,570

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2013, the date the financial statements were available to be issued.

In August 2012, the Company received capital grant funds totaling \$283,936 from the California Department of Transportation through PTMISEA designated for the Willow Creek bus purchase. This is reflected on the balance sheet in grant receivables and deferred revenue.

Additional funds received in August 2012 were State Transit Assistance funding for fiscal year 2011-2012 in the amount of \$198,260. In December 2012, \$150,000 was received for South Humboldt Inter City for transit operational expenses for fiscal year 2011-2012.

SUPPLEMENTARY INFORMATION

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

EXHIBIT E

ASSETS

	RTS	AMRTS MAINT.	WILLOW CREEK	ETS	QUAIL	ADAR	CORRIDOR DAR	SOHUM- INTERCITY	SOHUM- LOCAL	TOTAL
Current Assets										
Cash and Cash Equivalents	\$ 2,783,297	\$ (8,424)	\$ 272,186	\$ 28,042	\$ -	\$ 49,400	\$ 4,736	\$ 39,084	\$ 113,868	\$ 3,282,189
On Hand and in Deposit Accounts	281,662									281,662
Restricted Cash	3,064,959	(8,424)	272,186	28,042	-	49,400	4,736	39,084	113,868	3,563,857
Total Cash and Cash Equivalents										
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	148	-	-	-	134	-	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
Property, 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 ASSETS							
Current Liabilities										
Trade Payable	\$ 78,081	\$ 10,741	\$ 448	\$ 53,351	\$ -	\$ 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 1B PTM/ISEA	87,634	-	283,936	-	-	-	-	-	-	371,570
Deferred Fare Revenue	37,255	-	-	-	-	-	-	-	-	37,255
Accrued Payroll Liabilities	108,664	1,537	4,423	23,572	-	-	-	13,665	-	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	830,358	-	45,355	260,594	-	-	-	-	-	1,136,317
Total Long-Term Liabilities	\$ 830,358	\$ -	\$ 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 Assets										
Insurance Deductible Reserve	100,000	-	-	-	-	-	-	-	-	100,000
Equipment Acquisition	1,110,193	-	150,721	-	-	-	-	-	-	1,324,805
Retiree's Health Insurance	15,000	-	-	-	-	-	-	-	-	15,000
Total Restricted Net Assets	\$ 1,225,193	\$ -	\$ 150,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,439,805
Unrestricted Net Assets	419,340	1,009	53,463	(288,772)	-	31,979	(2,385)	167,793	(41,280)	343,147
Total Net Assets	8,813,490	1,302	260,735	(272,402)	-	31,979	(2,385)	167,793	111,990	9,112,502
TOTAL LIABILITIES AND NET ASSETS	\$ 10,669,563	\$ 13,580	\$ 611,082	\$ 67,115	\$ -	\$ 45,561	\$ 4,736	\$ 189,300	\$ 203,292	\$ 11,804,229

HUMBOLDT TRANSIT AUTHORITY
 Combining Schedule of Revenues, Expenses, and Changes in Net Assets
 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	\$ 41,931	\$ -	\$ -	\$ 24,074	\$ 8,382	\$ 63,667	\$ 12,369	\$ 1,179,731
Contract Transportation	27,000	90,000	-	774,374	-	-	-	-	-	891,374
Warranty/Insurance Reimbursement- Advertising	15,600	-	-	36,983	-	-	-	-	-	36,983
Total Operating Revenues	1,071,813	90,095	41,931	811,357	-	24,074	8,382	63,667	12,369	2,123,688
OPERATING EXPENSES										
Labor and Benefits	1,913,403	53,947	145,150	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
Capacity and Liability Insurance	90,329	1,237	6,159	49,764	-	-	-	11,891	5,694	165,094
Utilities	28,895	2,663	3,523	6,555	-	19	-	5,225	2,032	49,012
Leases and Rentals	4,462	6,034	3,002	9,568	-	-	-	3,507	3,177	29,750
Interest Expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous	12,516	823	1,581	3,257	-	50	-	2,425	841	21,493
Travel and Transportation	4,470	15	-	28	-	-	-	22	1,994	6,529
Depreciation	13,883	10	650	1,176	-	16	-	1,049	300	17,084
Total Operating Expenses	3,606,047	174,150	231,472	1,007,055	-	147,231	28,435	364,993	156,015	5,715,398
OPERATING INCOME (LOSS)	(2,534,234)	(84,055)	(189,541)	(195,698)	-	(123,157)	(20,053)	(301,326)	(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	259,929	-	68,705	-	-	-	-	150,000	-	478,634
Federal - FTA	-	-	-	-	-	-	-	-	-	-
Federal - ARRA	-	-	-	-	-	-	-	-	-	-
State Operating - STAF	-	-	-	-	-	30,000	-	-	-	62,141
Operating Grants to Others	28,756	-	-	-	-	-	-	-	-	28,756
Interest Income	(297,326)	-	-	-	-	-	-	-	-	(297,326)
Loss on Disposal of Capital Assets	122,269	85,357	-	22,170	-	-	-	-	-	229,796
Miscellaneous	1,193,234	85,357	229,427	22,170	-	121,274	32,141	444,287	105,713	2,235,603
Total Nonoperating Revenues	1,193,234	85,357	229,427	22,170	-	121,274	32,141	444,287	105,713	2,235,603
CHANGE IN NET ASSETS 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 ASSETS	(713,626)	1,302	39,886	(173,528)	-	(1,883)	12,088	142,961	(37,933)	(730,733)
NET ASSETS, 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 ASSETS, END OF YEAR	\$ 8,813,490	\$ 1,302	\$ 260,735	\$ (272,402)	\$ -	\$ 31,979	\$ (2,385)	\$ 167,793	\$ 111,990	\$ 9,112,502

HUMBOLDT TRANSIT AUTHORITY
Combining Schedule of Net Assets
June 30, 2011

EXHIBIT G

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	\$ 2,497,117	\$ (13,653)	\$ 202,705	\$ 200,814	\$ (19,517)	\$ 31,988	\$ 9,244	\$ 43,196	\$ 167,018	\$ 3,118,912	
Restricted Cash	152,214	-	-	-	-	-	-	-	-	152,214	
Total Cash and Cash Equivalents	2,649,331	(13,653)	202,705	200,814	(19,517)	31,988	9,244	43,196	167,018	3,271,126	
Accounts Receivable	144,920	12,351	-	3,366	-	1,546	-	100	-	162,283	
Interest Receivable	-	-	-	-	-	-	-	-	-	-	
Employee Advances	8,244	-	-	-	-	-	-	-	-	8,244	
Materials and Supplies Inventory (at cost)	167,504	-	203	17,239	-	328	-	786	261	185,274	
Prepaid Expenses	4,087	112	548	1,017	-	-	-	44,082	167,279	6,811	
Total Current Assets	2,974,086	(1,190)	203,456	222,436	(19,517)	33,862	9,244	44,082	167,279	3,633,738	
Property, Plant and Equipment, Net	7,863,882	293	71,818	16,370	-	-	-	-	10,402	7,962,765	
TOTAL ASSETS	\$ 10,837,968	\$ (897)	\$ 275,274	\$ 238,806	\$ (19,517)	\$ 33,862	\$ 9,244	\$ 44,082	\$ 177,681	\$ 11,596,503	
			LIABILITIES AND NET ASSETS								
Current Liabilities											
Trade Payable	\$ 113,205	\$ 885	\$ 1,316	\$ 35,985	\$ -	\$ -	\$ 1,576	\$ 4,816	\$ 1,991	\$ 159,774	
Deferred Income	396,514	-	-	-	-	-	22,141	-	-	418,655	
Deferred Income- Prop IB PTWISCA	152,214	-	-	-	-	-	152,214	-	-	152,214	
Deferred Fare Revenue	37,255	-	-	-	-	-	-	-	-	37,255	
Accrued Payroll Liabilities	146,339	3,632	7,753	42,333	-	-	-	14,434	6,250	220,781	
Total Current Liabilities	845,547	4,517	9,069	78,338	-	-	23,717	19,250	8,241	988,679	
Long-Term Liabilities											
Net OPFB Obligation	465,305	-	45,356	259,342	-	-	-	-	-	770,003	
Total Long-Term Liabilities	465,305	-	45,356	259,342	-	-	-	-	-	770,003	
Total Liabilities	1,310,852	4,517	54,425	337,680	-	-	23,717	19,250	8,241	1,758,682	
Invested in Capital Assets, Net of Related Debt	7,863,882	293	71,818	16,370	-	-	-	-	10,402	7,962,765	
Restricted Net Assets											
Insurance Deductible Reserve	100,000	-	-	-	-	-	-	-	-	100,000	
Equipment Acquisition	1,110,193	-	150,721	-	-	-	-	-	-	1,412,415	
Retiree's Health Insurance	15,000	-	-	-	-	-	-	-	-	15,000	
Earned Leave	19,145	-	-	-	-	-	-	-	-	19,145	
Total Restricted Net Assets	1,244,338	-	150,721	-	-	-	-	-	-	1,546,560	
Unrestricted Net Assets	418,896	(5,707)	(1,690)	(115,244)	(19,517)	33,862	(14,473)	24,832	7,537	338,496	
Total Net Assets	9,527,116	(5,414)	220,849	(98,874)	(19,517)	33,862	(14,473)	24,832	169,440	9,837,821	
TOTAL LIABILITIES AND NET ASSETS	\$ 10,837,968	\$ (897)	\$ 275,274	\$ 238,806	\$ (19,517)	\$ 33,862	\$ 9,244	\$ 44,082	\$ 177,681	\$ 11,596,503	

