

**RHODE ISLAND
PUBLIC TRANSIT AUTHORITY**

**FINANCIAL STATEMENTS
AND
SCHEDULES**

YEAR ENDED JUNE 30, 2002

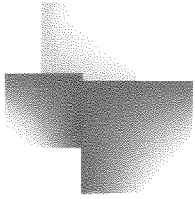
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2002**

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PRESCOTT CHATELLIER
FONTAINE & WILKINSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rhode Island Public Transit Authority

We have audited the accompanying basic financial statements of the Rhode Island Public Transit Authority, a component unit of the State of Rhode Island and Providence Plantations (State), as of June 30, 2002 as listed in the table of contents. These basic financial statements are the responsibility of the Rhode Island Public Transit Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the financial statements, during fiscal year 2002, the Authority changed its financial accounting and reporting to comply with the provisions of Statements No. 34, No. 37, and No. 38 of the Governmental Accounting Standards Board.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Rhode Island Public Transit Authority, as of June 30, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 11 to the financial statements, the Authority received operating assistance including fare subsidies from the State and the Federal government for the fiscal year ending June 30, 2002 in the amount of \$29,052,678. The amount of such assistance indicates that the Authority may require continued assistance in order to operate at its present level.

TRUST ■ INTEGRITY ■ RESULTS

In accordance with Government Auditing Standards we have also issued our report dated September 4, 2002 on our consideration of the Rhode Island Public Transit Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole.

The Management's Discussion and Analysis on Pages 3 - 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon. The other supplementary information on Pages 26 - 46 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Rhode Island Public Transit Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

September 4, 2002

A handwritten signature in cursive script that reads "Cary Prescott Clune of Chatellier, CPA". The signature is written in black ink and is positioned to the right of the date.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Rhode Island Public Transit Authority (Authority) provides this *Management's Discussion and Analysis* of their financial performance for the readers of the Authority's financial statements. This narrative provides an overview of the Authority's financial activity for the fiscal year ended June 30, 2002. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the Authority's financial activities based on facts, decisions, and conditions currently facing management.

Understanding the Authority's Financial Statements

The Authority is a component unit of the State of Rhode Island and Providence Plantations (State), accounted for as an enterprise fund which reports all assets and liabilities using the accrual basis of accounting much like a private business entity. In accordance with generally accepted accounting principles, this report consists of a series of financial statements, along with explanatory notes to the financial statements and supplementary schedules detailing resources, expenses and changes in accounts receivable for grants and reconciliation of net operating expenses.

The financial statements include a Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Asset; Statement of Cash Flows; and notes to the financial statements.

The *Statement of Net Assets* presents the financial position of the Authority on the accrual basis of accounting. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

All the current years revenue and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Assets*. This statement reports the current year's operating revenues and expenses and non-operating revenue and expenses for the Authority.

The *Statement of Cash Flows* provides information about the changes in cash and cash equivalents, resulting from operational, financing and, investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earning event, when an obligation arises, or depreciation of assets.

The financial statements immediately follow this discussion and analysis by management and are designed to highlight the Authority's net assets and changes to those assets resulting from Authority's operations.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights

- The net assets of the Authority increased by \$17.5 million or 23.4%.
- During the year the Authority's operating, non-operating revenues and transfers from the state increased by 9.8% or \$5.4 million while operating expenses increased by 11.3% or \$6.8 million.
- Capital contributions decreased by \$4.2 million or 14.8% over the previous year.
- The Authority's capital assets increased by \$18.3 million or 24.3% over FY 2001.

Assets and Liabilities

The following schedule presents the condensed Statement of Net Assets for the fiscal years ended June 30, 2002 and 2001.

	<u>June 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
Assets:		
Capital assets	93,726,404	75,434,547
Other assets	17,416,098	27,399,682
TOTAL ASSETS	111,142,502	102,834,229
Liabilities:		
Current Liabilities	10,507,014	20,032,127
Long-term Liabilities	7,902,753	7,632,678
TOTAL LIABILITES	18,409,767	27,664,805
Net assets		
Unrestricted net assets (deficit)	(993,669)	(265,123)
Invested in capital assets	93,726,404	75,434,547
TOTAL NET ASSETS	92,732,735	75,169,424

The majority of the Authority's assets (84%) reflects its investment in capital assets (land, building, revenue vehicles, equipment). The increase in net assets totaling \$17.5 million demonstrates that the financial position of the Authority is improving. Other assets include cash (including amounts invested in cash equivalent type instruments), accounts receivables from the federal and state governments and inventories. Current liabilities consist of vendor, employee and benefit payments while long-term liabilities include accrued pension and self-insured claims.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Authority Operations

The following schedule presents the condensed Statement of Revenues, Expenses and Changes in Net Assets for the fiscal years ended June 30, 2002 and 2001.

	June 30, 2002	June 30, 2001
Total Operating Revenues	12,652,723	12,100,081
Total Non-operating Revenue	18,649,743	16,471,374
Transfer in from the State	29,052,678	26,412,331
Total Operating Expenses	(65,845,538)	(59,286,278)
Total Non-operating Expenses	(888,595)	(662,717)
Net Income (Loss) before Capital Contributions	(6,378,989)	(4,965,209)
Capital Contributions	<u>23,942,300</u>	<u>28,098,773</u>
Change in Net Assets	17,563,311	23,133,564
Total Net Assets- Beginning	<u>75,169,424</u>	<u>52,035,860</u>
Total Net Assets- Ending	<u>92,732,735</u>	<u>75,169,424</u>

The Authority's operating revenue, non-operating revenue and transfers from the state increased by 9.8% or \$5,371,358 over the prior year. This increase was the result of receiving additional federal grant funds for operating purposes, additional passenger revenue and transfers from the state. The Authority's expenses increased by 11.3% over the prior year. The growth is a result of expense increases in personnel and fringe benefits, insurance premiums, Flex service costs and depreciation. Capital contributions decreased by 14.8% or \$4.2 million from the prior year.

Capital Assets.

At the end of fiscal year 2002, the Authority had \$ 93,726,404 invested in capital assets. This amount represents an increase of over \$ 18.3 million, or 24.3% over the last year. The following schedule summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2002 and 2001.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS

Major capital asset events during the current fiscal year include the following:

- Completion of the Chafee Operations, Transportation and Maintenance Facility
- Construction began on the Kennedy Plaza Intermodal Facility
- Purchase of revenue vehicles for the Paratransit Ride Program.

	2002	2001
Land,shops,garages and buildings	\$44,105,037	\$18,547,910
Revenue equipment	70,858,543	71,317,835
Service Vehicles and garage equipment	2,874,496	2,258,137
Furnitures and fixtures	1,578,789	1,434,267
Management informations systems	2,933,655	2,599,860
Federal grant projects in process	18,504,228	28,254,793
	140,854,748	124,412,802
Less accumulated depreciation	(47,128,344)	(48,978,255)
Net capital assets	\$ 93,726,404	\$75,434,547

During fiscal year 2003, the Authority is committed to pay \$2.6 million to finalize both the Chafee Operations, Transportation and Maintenance Facility and the Kennedy Plaza Intermodal Facility as well as begin and complete the Authority’s Middletown garage alternative fuels conversion. Additionally, the Authority has contracted for the purchase and installation of a system-wide radio communications system that will be completed during FY 2003.

Economic Factors and Next Year’s Budget

The Authority’s mission is to provide safe, reliable and cost effective transit service with a skilled team of professionals responsive to our customers, the environment, and committed to transit excellence. To accomplish this, the Authority must continuously assess its operational functions, financial capacity and products and services provided. Currently, the State of Rhode Island is projecting a budget deficit that will also affect the Authority’s current year budget development.

The Rhode Island Public Expenditure Council (RIPEC) issued a report that focused on the funding crisis facing transportation in Rhode Island. This report makes several recommendations for the current fiscal year as well as suggests some long-term funding solutions.

The following factors were considered in setting the Authority’s FY 2003 budget:

- Change and/or adjustment of travel routes to better serve our transit customers. Three times a year the Authority reviews and potentially modifies routes to provide better serve to our customers.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

- ❑ Amount of federal funds appropriated for operating and capital purposes. FFY 2003 is the final year of TEA 21, a six-year federal appropriation that established guaranteed levels of funding for transit agencies nationwide.
- ❑ State gasoline tax revenue available for operating purposes. For FY 2003, the yield from the gasoline tax is expected to remain at the same level that was in place over the previous two fiscal years. All but two cents of the thirty cents of gasoline tax has been distributed for transportation purposes, either to the Authority or the Rhode Island Department of Transportation.
- ❑ Revenue from state agencies to subsidize policy driven transit travel programs. This program provides payment for free and reduced rides for senior citizens and the disabled population. Additionally, the Authority provides the transportation benefit for the states RIte Care program.
- ❑ Passenger revenue anticipated which includes increases in pass product costs and new pass product programs such as the Upass program. The Upass program allows university students access to all transportation routes by simply displaying their university identification card.
- ❑ Cost increases associated with employee contractual contract and health benefit increases. Employee wages and associated fringe benefits made up approximately 70% of the Authority's annual budget. Currently, employee labor contracts expire during FY 2003.
- ❑ Costs associated with increased liability insurance premiums. Costs for insurance premiums increased 50% over the past fiscal year, largely due in part to the events that took place on September 11th.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's financial activity for all those interested in the Authority's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Rhode Island Public Transit Authority, 265 Melrose Street, Providence, Rhode Island, 02907.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF NET ASSETS

June 30, 2002

ASSETS:	2002
Current assets:	
Cash and cash equivalents:	
Operating fund	\$ 2,613,596
Capital replacement fund	2,525,819
Paratransit capital fund	1,065,034
Accident and casualty fund	1,093,537
Total cash and cash equivalents	<u>7,297,986</u>
Due from primary government	2,460,943
Receivables:	
Accounts, less allowance for doubtful accounts of \$313,000	1,094,100
Grants	4,638,794
Total receivables	<u>5,732,894</u>
Inventories	1,718,818
Prepaid expenses	205,457
Total current assets	<u>17,416,098</u>
Capital assets, net of depreciation	<u>93,726,404</u>
TOTAL ASSETS	<u>111,142,502</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	6,657,930
Accrued salaries, wages and vacation pay	3,302,272
Due to primary governments - current portion	500,000
Other liabilities	17,112
Deferred revenue - other	29,700
Total current liabilities	<u>10,507,014</u>
Non-current liabilities:	
Accrued self insured claims	5,184,638
Accrued pension liabilities	1,837,247
Due to primary governments	646,661
Deferred revenue - tokens	234,207
Total non-current liabilities	<u>7,902,753</u>
TOTAL LIABILITIES	<u>18,409,767</u>
NET ASSETS:	
Unrestricted net assets (deficit)	(993,669)
Invested in capital assets	<u>93,726,404</u>
TOTAL NET ASSETS	<u>\$ 92,732,735</u>

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2002

	2002
Operating revenues:	
Passenger	\$ 10,509,230
Paratransit	2,042,303
Rental	31,216
Advertising	35,000
Other	34,974
Total operating revenues	<u>12,652,723</u>
Operating expenses:	
Administrative	874,422
Finance	2,070,176
Operations	40,448,874
Marketing	1,885,977
Human resources	621,133
Risk management	2,332,202
Planning and scheduling	992,070
Specialized transportation	4,179,207
Paratransit operations	2,440,421
Purchasing	925,154
Flex access	178,343
Flex RIPTA	259,885
MIS	781,856
Ferry	1,001,937
Depreciation	6,853,881
Total operating expenses	<u>65,845,538</u>
Operating loss	<u>(53,192,815)</u>
Non-operating revenues (expenses):	
Transfer from State	29,052,678
Capital grants	14,348,258
Investment income	156,202
Interest expense	(5,702)
Contract revenue	3,550,393
Other non-operating revenue	594,890
Loss on disposal of assets	(100,355)
Debt service	(782,538)
Total non-operating revenues	<u>46,813,826</u>
Loss before capital contributions	(6,378,989)
Capital contributions	
Capital contributions	23,942,300
Total capital contributions	<u>23,942,300</u>
Net increase in net assets	<u>\$ 17,563,311</u>

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Net assets, beginning of year	
Unrestricted net assets (deficit)	\$ (265,123)
Invested in capital assets	<u>75,434,547</u>
	75,169,424
Net increase (decrease) in net assets	
Unrestricted net assets	(728,546)
Invested in capital assets	<u>18,291,857</u>
	17,563,311
Net assets, end of year	
Unrestricted net assets (deficit)	(993,669)
Invested in capital assets	<u>93,726,404</u>
	<u>\$ 92,732,735</u>

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Cash flows from operating activities:	
Cash received from customers	\$ 13,288,097
Cash payments to suppliers for goods and services	(28,325,184)
Cash payments to employees for services	(26,873,372)
Net cash used for operating activities	<u>(41,910,459)</u>
Cash flows from non-capital financing activities:	
Interest paid on revolving loan	(5,702)
Debt service	(1,282,538)
Transfer from State	28,753,906
Contract revenue	3,866,393
Other nonoperating revenues	594,890
Net cash provided by non-capital financing activities	<u>31,926,949</u>
Cash flows from capital and related financing activities:	
Proceeds from capital grants	47,447,261
Acquisition and construction of capital assets	(37,551,100)
Net cash provided by capital and related financing activities	<u>9,896,161</u>
Cash flows from investing activities:	
Interest and dividends on investments	156,202
Net cash provided by investing activities	<u>156,202</u>
Net increase in cash and cash equivalents	68,853
Cash and cash equivalents at beginning of year	<u>7,229,043</u>
Cash and cash equivalents at end of year	<u>\$ 7,297,896</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	(53,192,815)
Adjustment to reconcile operating loss to net cash used for operating activities:	
Depreciation	6,853,881
Increase in allowance for doubtful accounts	313,000
Changes in assets and liabilities:	
Decrease in accounts receivable	253,096
Decrease in inventory	257,378
Decrease in prepaid expenses	63,464
Increase (decrease) in accounts payable and accrued expenses	3,472,259
Increase in deferred revenue	69,368
Total adjustments	<u>11,282,446</u>
Net cash used for operating activities	<u>\$ (41,910,369)</u>

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

1. ORGANIZATION

The Rhode Island Public Transit Authority (the Authority) is a body corporate and politic of the State of Rhode Island and Providence Plantations created by Chapter 210, Public Laws of Rhode Island, 1974, as amended. Its purpose is to take over any mass motor bus transportation system if the system has previously filed a petition to discontinue its service with the State Public Utilities Administrator, and further, if the Authority determines it is in the public interest to continue such service. The Authority has no stockholders.

On July 1, 1976, the Authority, in accordance with its purpose as stated above, acquired the property and assets of the United Transit Company (owner and operator of the public transportation system in Providence-Pawtucket Metropolitan area of the state) through the issuance of \$3,200,000 of revenue bonds designated "Rhode Island Public Transit Authority Revenue Bonds, Series 1976".

The powers of the Authority permit it to pledge its assets to the Federal government or any of its agencies.

On July 18, 1972, the Authority acquired the operating rights over intricate routes in Woonsocket for \$3,500.

On May 2, 1974 the Authority acquired the operating assets of Transit Line, Inc., which serviced the Newport-Middletown urban area, for a total purchase price of \$76,931. Federal and State grants were received for this acquisition.

Legislation in 1977 provided that the Authority "shall be deemed an instrumentality and political subdivision of the State".

On March 9, 1979, the Authority entered into an agreement with ABC Bus Lines, Inc. and acquired certain of the company's operating assets and rights to intrastate routes. The total purchase price of \$185,000 was financed by Federal and State capital grants.

On September 7, 1979, the Authority entered into an agreement with Bonanza Bus Lines, Inc. and acquired certain of the company's operating assets and rights to intrastate routes. The total purchase price of \$175,000 was financed by Federal and State capital grants.

The Authority is a component entity of the State of Rhode Island for financial reporting purposes and as such, the financial statements of the Authority will be included in the State of Rhode Island's Annual Financial Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The basic financial statements of the Authority are maintained in accordance with the principles of proprietary fund accounting utilizing the accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Corporation has elected not to apply Financial Accounting Standards Boards statements and interpretations, accounting principles, board opinions, and Accounting Research Bulletins of the committee of accounting procedures issued after November 30, 1989.

These financial statements include the implementation of GASB No. 34, *Accounting and Financial Reporting for Nonexchange Transactions and Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. These new standards provide for significant changes in terminology; recognition of capital contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

The corporation has implemented GASB No. 37 *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus*, for the year ended June 30, 2002 which provides expanded language regarding GASB No. 34.

The Corporation has implemented GASB No. 38, *Certain Financial Statement Note Disclosures*, for the year ended June 30, 2002 which changes the way the Corporation presents the details to its receivables and payables. The adoption of this Statement did not have a significant impact on the Corporation's financial position or results of operations.

Federal and State Grants

The Federal and State government have made various capital grants available to the Authority for the acquisition of public transit facilities, vehicles and equipment.

Prior to October 1, 2001, Federal operating assistance grants under the Urban Mass Transportation Act of 1974, as amended, were administered through the State of Rhode Island or one of its agencies and are included in operating transfers as the related expenses were incurred. Beginning October 1, 2001, the Authority became the designated grant recipient of all new Federal Transit funds, thereby receiving the federal money directly.

Materials and Supplies of Inventory

Inventories consist of spare parts, supplies and fuel oil and are stated at the lower of cost or market.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line basis using the half-year convention over the estimated useful lives of respective assets. Depreciation expense is not provided for assets under construction. Useful life of assets are as follows:

Buildings and building improvements.....	15-30 years
Buses	10-12 years
Other equipment	4-20 years

Operating Revenues and Expenses

The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation of the Authority. All other revenues and expenses are reported as nonoperating revenues and expenses.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation expense is accrued when earned by employees and reflects current rate of pay. Sick leave expense is recorded primarily when taken by employees.

Income Taxes

Rhode Island Public Transit Authority is exempt from Federal and State income taxes.

Net Assets

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted for capital activity and debt service; and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted for capital activity and debt service consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted consists of all other net assets not included in the above categories.

Self Insurance

The Authority is self insured for workers' compensation claims, public liability and property damage claims. Management believes that the accrual for self insurance claims is adequate to cover the ultimate liability arising from such claims. However, the recorded liability is based upon estimates of final settlement amounts, which may be more or less than the amount ultimately paid. The Authority has established a fund for self insurance as more fully described in Note 8.

The Authority has acquired an excess liability policy. This policy covers for bodily injury or property damage up to \$5,000,000 per occurrence after a retained limit of \$1,000,000 per occurrence.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Estimates

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

Advertising Costs

It is the Authority's policy to expense advertising costs as incurred. Advertising expense for fiscal year ended June 30, 2002 was \$1,072,237.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

3. CASH DEPOSITS AND INVESTMENTS

Cash Deposits

The carrying amounts of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2002 were \$2,688,240 and the bank balances were \$3,631,995. Of the bank balances, \$200,000 were insured by federal depository insurance and Securities Investor Protection Corporation and the remaining portions, \$3,431,995 were uninsured and uncollateralized as defined by the Governmental Accounting Standards Board as of June 30, 2002.

In accordance with General Laws, Chapter 35-10.1, Rhode Island depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2002 the Authority's uncollateralized deposits had maturities of less than sixty (60) days and were with an institution that met the minimum capital standards.

Investments

GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," was implemented during fiscal year ended June 30, 1998. Fair values are established by quoted market values. Unrealized gains and losses from the changes in fair value are recognized as investment income.

The Authority invests in U.S. treasuries which are stated at fair value. The Board of Directors gives the Finance Director and General Manager the authority to make the investments as well as the control over the type of investments made. The Finance Director is not limited by the corporate by-laws or by legal or contractual provision for the type of investments made. The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes insured, registered or securities held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered, and securities held by the Brokers or dealers trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered securities held by the counterparty or by its trust department or agent, but not in the Authority's name.

Investments at June 30, 2002 are as follows:

<u>Description</u>	<u>Category</u>			<u>Total Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Corporate notes	<u>\$348,380</u>			\$ 348,380
Investments not subject to categorization:				
Investment in U.S. Government guaranteed mutual funds				4,253,205
Investment in certificate of deposit.....				<u>7,061</u>
Total investments				4,608,646
Less: amounts classified as cash equivalents				<u>4,608,646</u>
NET TOTAL				<u>\$ 0</u>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

3. CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The carrying value of deposits of \$2,688,240, investments of \$4,608,646 and \$1,100 of petty cash, relate to the balance sheet totals as follows:

Cash deposits	\$2,688,240
Add: Petty cash	1,100
Investments classified as cash equivalents for financial statement purposes	<u>4,608,646</u>
Cash and cash equivalents per balance sheet	<u>\$7,297,986</u>
Total investments per footnote	\$4,608,646
Investments classified as cash equivalents for financial statements purposes	<u>4,608,646</u>
Investments per balance sheet	<u>\$ 0</u>

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at June 30, 2002:

	<u>Balance</u> <u>7/1/2001</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance</u> <u>6/30/02</u>
Cost:				
Land, shop, garages and buildings	\$18,547,910	\$25,557,128		\$44,105,038
Revenue equipment	71,317,835	8,300,656	\$ 8,759,948	70,858,543
Service vehicles and garage equipment	2,258,137	616,758	399	2,874,496
Furniture and office equipment	1,434,267	145,989	1,467	1,578,789
Management information system	2,599,860	381,180	47,385	2,933,655
Total fixed assets	<u>96,158,009</u>	<u>35,001,711</u>	<u>8,809,199</u>	<u>122,350,521</u>
Federal grant projects in process	28,254,793	14,870,051	24,620,616	18,504,228
Total cost	<u>124,412,802</u>	<u>49,871,762</u>	<u>33,429,815</u>	<u>140,854,749</u>
Accumulated depreciation:				
Land, shop, garages and buildings	5,482,024	962,525		6,444,549
Revenue equipment	38,841,638	5,368,704	8,656,531	35,553,811
Service vehicles and garage equipment	1,445,732	233,816	40	1,679,508
Furniture and office equipment	1,025,114	93,864	1,106	1,117,872
Management information system	2,183,747	194,972	46,114	2,332,605
Total accumulated depreciation	<u>48,978,255</u>	<u>6,853,881</u>	<u>8,703,791</u>	<u>47,128,345</u>
Total property, plant and equipment	<u>\$75,434,547</u>	<u>\$43,017,881</u>	<u>\$24,726,024</u>	<u>\$93,726,404</u>

Depreciation expense for the fiscal year ended June 30, 2002 was \$6,853,881.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

5. NOTES PAYABLE

The Authority has a \$2,000,000 line of credit with a financial institution. The line of credit is due on demand with interest payable at a floating rate at the financial institution's base rate or fixed rate options at the financial institution's cost of funds plus 2.00%. No amount was due under this line of credit at June 30, 2002.

6. DUE TO PRIMARY GOVERNMENT

The Authority has entered into an agreement with the Rhode Island Department of Transportation for reimbursement of debt service for the years 1994 through 1999. Payments due under this agreement are as follows:

2003	\$ 500,000
2004	<u>646,661</u>
Total	<u>\$1,146,661</u>

7. CAPITAL REPLACEMENT FUNDS

The Authority established a capital replacement fund for the purpose of meeting capital match requirements of its capital program.

The activity in the capital replacement fund for fiscal years ended June 30, 2002 was as follows:

Balance at beginning of year.....	\$2,097,859
Deposits:	
Capital replacement deposits.....	1,537,212
Loan	(1,174,049)
Interest earnings	<u>64,797</u>
Balance at end of year	<u>\$2,525,819</u>

8. SELF INSURANCE

The Authority established an accident and casualty fund as of July 1, 1977 for the purpose of paying all insurance claims and related losses and expenses. This reserve fund is augmented annually by depositing interest income earned on all investments and insurance settlements into the Accident and Casualty fund.

The activity in the accident and casualty fund for fiscal year ended June 30, 2002:

Balance at beginning of year.....	\$1,218,716
Deposits:	
Interest earnings on investments	26,376
Insurance settlement.....	22,945
Settlement payment	<u>(174,500)</u>
Balance at end of year	<u>\$1,093,537</u>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

8. SELF INSURANCE (Continued)

Assets restricted at June 30, 2002 in the accident and casualty fund amounted to \$1,093,537.

It is the intention of the Authority to build this self-insurance fund to not less than \$5,000,000 to provide for excess insurance coverage in the event of a large claim or catastrophe. The Authority, with the concurrence of the Urban Mass Transportation Administration (UMTA) authorized at its meeting on August 25, 1980, the placement of \$250,000 of the accident and casualty fund in a special reserve for Workers' Compensation claims exclusively, to satisfy a requirement of the Rhode Island Department of Labor for an appropriate "bond in kind" for self-insurance under the Workers' Compensation Act. During fiscal year 1990, the State increased the special reserve requirement to \$800,000. For fiscal year 1991, the State revoked the asset special reserve requirement. The Authority transferred \$400,000 from the Workers Compensation Fund to operating fund during fiscal year 1991 as they were no longer required to maintain a reserve.

At June 30, 2002, the Authority obtained an independent evaluation of its self-insurance reserve for losses. The reserve for losses reflects the actuarial determined amount at the 75% confidence level.

The activity in the liability for self-insured claims for fiscal year ended June 30, 2002 was as follows:

	<u>2002</u>
Amount of claims liabilities, beginning of year	\$5,149,706
Incurred claims.....	1,384,442
Payments on claims.....	<u>(1,349,510)</u>
Amount of claims liabilities, end of year	<u>\$5,184,638</u>

9. COMMITMENTS AND CONTINGENCIES

Claims and Legal Actions

The Authority is involved in a suit involving the rescinding of a contract by the Authority. The amount of a settlement, if any, is not presently determinable. As a result, no liability has been recorded in the financial statements.

During the ordinary course of its operations, the Authority is a party to various claims, legal actions and complaints. In the opinion of the Authority's management and legal counsel, these matters are not anticipated to have a material financial impact on the Authority.

Construction Contracts

The Authority is committed under construction contracts in the amount of \$2,645,962 at June 30, 2002.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

10. POST RETIREMENT BENEFITS

The Authority provides certain health care and life insurance benefits to substantially all retired employees and their spouses. These benefits are provided through a group insurance policy that covers both active and retired employees. The Authority funds these post retirement benefits on a pay as you go basis. Premiums on the policies are merit-rated, based on claims paid during the prior year, and are expensed during the related policy year. The total cost of these benefits for 2002 was \$882,308. These benefits are provided as part of the employee's contract.

11. OPERATING TRANSFERS

State statute directs the Authority to generate sufficient revenues to pay all costs of operating and maintaining the transit system during each fiscal year. Beginning July 1, 1992, the Authority was not given a fixed appropriation from the State but was allocated the revenue generated from a three-cent dedicated gas tax. Beginning July 1, 2001, the State appropriated an additional one-half cent of gas tax for a total of six and one-quarter cents of dedicated tax annually. For the fiscal year ending June 30, 2002, the Authority received \$29,052,678 from the dedicated gas tax as operating assistance in support of the transit system. The Authority anticipates receiving approximately \$29,375,000 in fiscal year ended June 30, 2003 from the State.

On May 22, 1998, the Congress passed the Transportation Equity Act for the 21st century (TEA 21) authorizing Federal transportation programs for the next six years. This act eliminated Federal funding for operating. However, TEA 21 expanded the definition of capital preventive maintenance allowing the use of federal capital funds to be applied towards preventative maintenance expenses. For fiscal year 2003, RIPTA anticipates using \$7,313,903 of Federal capital funds to offset preventive maintenance costs. Additionally, RIPTA expects to receive \$2,000,000 in Jobs Access/Reverse Commute Federal funds during fiscal year 2003.

12. ELDERLY BUS SERVICE

Beginning July 1, 1994, the Authority entered into an agreement with the Department of Elderly Affairs, Rhode Island Department of Transportation and the Governor's Commission on the Handicapped. The agreement provides for the Rhode Island Public Transit Authority to receive funds to cover the cost of the fixed route elderly bus service provided in accordance with Rhode Island General Law 39-18-4(g)(1), and to fund paratransit services. The funding source for the above revenue is a portion of the one-cent gasoline tax dedicated to the Department of Elderly Affairs. For the fiscal year ended June 30, 2002, the Authority recorded \$3,550,685 of contract revenue from this agreement. For fiscal year 2003, RIPTA anticipates receiving \$3,550,685 under this agreement.

13. DUE FROM PRIMARY GOVERNMENT

At June 30, 2002, the Rhode Island Public Transit Authority is owed \$2,460,943 from the Rhode Island Department of Transportation.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

14. NET ASSETS

Net assets represent the difference between assets and liabilities. The net asset amount at June 30, 2002 was as follows:

	<u>2002</u>
<i>Invested in capital assets, net of related debt:</i>	
Net capital assets in service	\$93,726,404
Less: bonds payable	<u>0</u>
<i>Total restricted for capital activity and debt service</i>	<u>93,726,404</u>
<i>Unrestricted (deficit)</i>	<u>(993,669)</u>
<i>Total net assets</i>	<u>\$92,732,735</u>

15. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Authority implemented the Governmental Accounting Standards Board, Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan*. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result deferred compensation investments and the respective liability have been removed from the Authority's basic financial statements.

16. PENSION PLANS

Effective January, 2002, the Authority consolidated its' Bargaining Unit and Salaried Unit single-employer defined benefit pension plans into the Rhode Island Public Transit Authority Employees' Pension Plan. This plan covers all eligible employees. Employees are required to contribute 3% of their base salary to the Plan.

Plan Description - The Authority has a funded pension plan for all employees (the Rhode Island Public Transit Authority Employees' Pension Plan), for which eligibility to participate begins immediately upon employment. Benefits vest upon completion of ten years of service. Authority employees are eligible to retire upon attainment of age 62 and 10 years of continuous service. Retired employees are entitled to a monthly retirement benefit for life as stipulated in the plan provisions. The plan also provides death and disability benefits. Employees are required to contribute 3% of their base salary to the plan. The remaining contributions to the plan are made by the Authority.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

16. PENSION PLANS (Continued)

Funding Policy

The Authority funding policy provides for actuarially determined periodic contributions to the plans at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

Annual Pension Cost and Net Pension Obligation

The Authority's annual pension cost and net pension obligation for the year ended June 30, 2002 was as follows:

<u>2002</u>	<u>Bargaining Unit</u>	<u>Salaried Unit</u>
Annual required contribution.....	\$2,531,762	\$731,386
Interest on net pension obligation.....	130,084	0
Adjustment to annual required contribution.....	(129,958)	0
Annual pension cost.....	<u>2,531,888</u>	<u>731,386</u>
Contributions made	<u>(1,836,413)</u>	<u>(731,386)</u>
Increase in net pension obligation	695,475	0
Net pension obligation, June 30, 2001	<u>1,141,772</u>	<u>0</u>
Net pension obligation, June 30, 2002	<u>\$1,837,247</u>	<u>\$ 0</u>

Bargaining Unit

This plan was changed to a calendar year plan to conform with the salaried unit plan. The annual required contribution for the current year was determined as part of the January 1, 2002 actuarial valuation, and the six month required contribution was determined as part of the July 1, 2001 actuarial valuation using the attained age normal cost method. The actuarial assumptions included 8% investment rate of return and projected salary increases of 3% per year. The actuarial value of assets was determined using values used by insurance companies plus due and accrued contributions. The unfunded actuarial accrued liability is being amortized over 30 years. The remaining amortization period at June 30, 2002 was 28 years.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

16. PENSION PLANS (Continued)

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/00	1,773,072	100.84%	1,140,548
6/30/01	1,678,575	99.93%	1,141,772
6/30/02	2,531,888	72.53%	1,837,248

Salaried Unit

The annual required contribution for the current year was determined as part of the January 1, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a 7% investment rate of return and projected salary increased of 3% per year. The actuarial value of assets was determined using value used by insurance companies plus due and accrued contributions. The unfunded actuarial accrued liability is being amortized over 30 years. The remaining amortization period at June 30, 2002 is 26 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2000	574,168	100%	-0-
6/30/2001	677,289	100%	-0-
6/30/2002	731,386	100%	-0-

Schedule of Funding Progress

Bargaining Unit

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA) (1)</u>	<u>Actuarial Accrued Liability (AAL) (2)</u>	<u>Unfunded AAL (UAAL) (2) -(1) (3)</u>	<u>AVA as a Percent of AAL (1)/(2) (4)</u>	<u>Covered Payroll for Active Participants (5)</u>	<u>UAAL as a Percent of Covered Payroll (3)/(5) (6)</u>
Jan. 1, 2002	\$12,668,565	\$28,252,509	\$15,583,944	44.84%	\$21,276,554	73.24%
July 1, 2001	13,040,965	24,910,283	11,869,318	52.35%	20,347,877	58.33%
July 1, 2000	13,237,585	25,212,610	11,975,025	52.50%	17,668,588	67.78%
July 1, 1999	11,042,015	23,042,740	12,000,725	47.92%	15,762,022	76.14%
July 1, 1998	8,846,080	20,713,915	11,867,835	42.71%	15,006,637	79.08%
July 1, 1997	7,062,997	19,610,063	12,547,066	36.02%	14,253,772	88.03%
July 1, 1996	5,875,074	20,241,153	14,366,079	29.03%	15,167,167	94.72%
July 1, 1995	4,905,921	16,963,725	12,057,804	28.92%	14,905,438	80.90%

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

16. PENSION PLANS (Continued)

Additional disclosures for Frozen Attained Age Funding Method:

- allocation is based on earnings
- aggregation is used in the calculation process
- there are no other methods used to value benefits under the plan

Values for years prior to July 1, 1997 were based on the Entry Age Normal Method, taking into account the benefit structure in effect on the valuation date shown.

Schedule of Funding Progress (Continued)

Actuarial Valuation Date	Salaried Unit					
	Actuarial Value of Assets (AVA) (1)	Actuarial Accrued Liability (AAL) (2)	Unfunded AAL (UAAL) (2)-(1) (3)	AVA as a Percent of AAL (1)/(2) (4)	Covered Payroll for Active Participants (5)	UAAL as a Percent of Covered Payroll (3)/(5) (6)
January 1, 2002	\$6,446,196	\$12,115,911	\$5,669,715	53.20%	\$5,522,334	102.67%
January 1, 2001	6,288,035	10,847,671	4,559,636	57.97%	4,481,180	101.75%
January 1, 2000	6,201,287	10,371,393	4,170,106	59.79%	4,048,872	102.99%
January 1, 1999	5,983,551	10,079,376	4,095,825	59.36%	2,784,609	147.09%
January 1, 1998	5,482,866	9,972,748	4,489,882	54.98%	2,397,937	187.24%
January 1, 1997	5,632,235	8,800,328	3,168,093	64.00%	1,676,086	189.02%
January 1, 1996	3,121,603	2,895,860	(225,743)	107.80%	2,255,834	(10.01%)

Additional disclosures for Entry Age Normal Funding Method:

- allocation is based on earnings
- aggregation is used in the calculation process
- entry age is minimum age for inclusion
- there are not different benefit formulas for various periods of service
- there are no other methods used to value benefits under the plan

17. PARATRANSIT OPERATIONS

Beginning November 1, 1998, the Authority was awarded three one-year contracts to provide paratransit service in the Providence and South County areas. These contracts expired October 2001, and were extended until December, 2001. January 1, 2002 the Authority was again awarded a one-year contract to provide paratransit services in the Providence and South County area. This contract expires December 31, 2002. Along with ten other carriers, the Authority supplies service as a coordinated paratransit system in the State. RIPTA operates 31 of the 107 runs under the RIDE Program. The transportation needs include trips to meal sites, workshops, adult daycare and medical visits.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

18. SUBSEQUENT EVENTS

Beginning July 1, 2002, the Authority assumed responsibility for the administration function of the RIDE Program from a contracted broker ATC Vancom. These responsibilities include the RIDE trip scheduling functions, reservationist functions and administrative and clerical positions. Revenue received from Agencies whose clients are transported on the RIDE vehicles support this function.

(CONCLUDED)

SUPPLEMENTARY INFORMATION

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF TANGIBLE PROPERTY
JUNE 30, 2002

	Tangible Property			Rate	Balance 7/1/01	Accumulated Depreciation		Balance 6/30/02	Net Book Value 6/30/02
	Balance 7/1/01	Additions	Removals			Balance 9/30/02	Additions		
Land and land rights	\$ 1,637,188								\$ 1,637,188
Shops, garages and office buildings	15,337,877	\$ 25,557,128		3 1/3%	\$ 5,126,639	\$ 920,713		\$ 6,047,352	34,847,653
Tunnels	1,572,845			4%	355,385	41,812		397,197	1,175,648
Communication system	1,706,617			10%	1,695,655	3,227		1,698,882	7,735
Revenue equipment - busses	55,621,374	6,216,222	\$ 8,082,339	8 1/3%	30,636,746	3,747,011	\$ 7,979,080	26,404,677	27,350,580
Trolleys	6,385,564			8 1/3%	1,146,980	641,569		1,788,549	4,597,015
Fare boxes	1,102,368			8 1/3%	1,068,484	7,514		1,075,998	26,370
Service cars and equipment	1,240,748	119,725		25%	832,841	134,014		966,855	393,618
Shops and garage equipment	1,017,389	497,033	399	10-20%	612,891	99,802	40	712,653	801,370
Furniture and office equipment	807,382	69,297	1,467	10-20%	568,012	54,421	1,106	621,327	253,885
Miscellaneous equipment	626,885	76,692		5-10%	457,102	39,443		496,545	207,032
Management information systems	2,599,860	381,180	47,385	10-20%	2,183,747	194,972	46,114	2,332,605	601,050
Leased Paratransit Vans	6,501,912	2,084,434	677,609	20%	4,293,773	969,383	677,451	4,585,705	3,323,032
Total fixed assets	96,158,009	35,001,711	8,809,199		48,978,255	6,853,881	8,703,791	47,128,345	75,222,176
Federal grant projects in process	28,254,793	14,870,051	24,620,616		18,504,228				18,504,228
Total tangible property	\$ 124,412,802	\$ 49,871,762	\$ 33,429,815		\$ 48,978,255	\$ 6,853,881	\$ 8,703,791	\$ 47,128,345	\$ 93,726,404

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
FISCAL YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Administration:	
Salaries	\$ 213,660
Fringes	98,348
Legal	428,747
Supplies	7,953
Professional services	11,006
Other services	114,116
Travel	592
Total administration	<u>874,422</u>
Finance:	
Salaries	482,523
Fringes	217,506
Office expense/supplies	45,888
Professional services	65,402
Utilities	1,026,993
Lease expense	5,000
Other services	63,352
Miscellaneous	84,410
Tickets & Passes	77,930
Maintenance agreement	1,172
Total finance	<u>2,070,176</u>
Operations:	
Salaries	411,867
Wages - drivers	15,209,468
Wages - other	7,050,292
Fringe benefits	11,202,667
Other services	150,481
Maintenance agreement	3,625
Supplies	762,389
Inspection/registration fees	15,909
Uniforms	204,045
Travel	10,393
Hazardous waste disposal	223,836
Fuel	1,895,708
Antifreeze and lubricants	56,188
Parts - revenue vehicles	1,950,681
Parts - service vehicles	33,508
Tires and tubes	283,179
Major Components	372,077
Inventory Adjustment	438,741
Miscellaneous	173,820
Total operations	<u>40,448,874</u>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
FISCAL YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Marketing:	
Salaries	426,882
Fringes	170,579
Professional services	132,470
Public relations	527,886
Time tables	294,679
Advertising	139,548
Services	78,913
Miscellaneous	59,849
Miscellaneous supplies	55,171
Total marketing	<u>1,885,977</u>
Human resources:	
Salaries	291,816
Fringes	153,621
Miscellaneous	175,696
Total human resources	<u>621,133</u>
Risk management:	
Salaries	173,113
Fringes	101,029
Office expense/supplies	5,311
Professional services	31,729
Insurance	257,507
Settlements	619,703
Workers' Compensation legal	22,816
Workers' Compensation medical	179,519
Workers' Compensation	481,316
Workers' Compensation - other	68,973
Judgements	190,627
Legal	182,503
Miscellaneous	18,056
Total claims	<u>2,332,202</u>
Planning and Scheduling:	
Salaries	513,195
Fringes	265,144
Professional services	177,765
Other services	19,259
Office expense/supplies	11,129
Miscellaneous	5,578
Total planning and scheduling	<u>992,070</u>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
FISCAL YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Specialized transportation:	
Salaries	395,587
Fringe benefits	246,869
Professional services	663,503
Other services	218,309
Temporary help	22,996
Office expenses/supplies	161
ADA functional cons	2,536,616
Maintenance Agreement	88,238
Miscellaneous	6,928
Total specialized transportation	<u>4,179,207</u>
Paratransit operations:	
Wages – drivers	1,140,855
Wages – other	372,010
Fuel	125,372
Vehicle lease payment	154,750
Fringe benefits	293,461
Insurance	94,883
Other services	3,963
Supplies	9,635
Uniforms/Laundry	13,794
Parts – vehicles	216,011
Lubricants	2
Maintenance	10,803
Inspection/registration fees	1,106
Training	2,433
Travel	270
Utilities	151
Miscellaneous	922
Total paratransit	<u>2,440,421</u>
Purchasing:	
Salaries	613,814
Fringe	238,105
Supplies	35,005
Other services	33,269
Travel	4,961
Total purchasing	<u>925,154</u>
Flex Access:	
Salaries	123,243
Fringes	39,161
Supplies	124
Vehicle maintenance	15,815
Total Flex Access	<u>178,343</u>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULES OF OPERATING EXPENSES
FISCAL YEAR ENDED JUNE 30, 2002

	<u>2002</u>
Flex RIPTA:	
Salaries	174,967
Fringes	54,742
Supplies	2,594
Vehicle Maintenance	27,525
Miscellaneous	57
Total Flex RIPTA	<u>259,885</u>
MIS:	
Salaries	244,310
Fringes	42,050
Services	375,348
Travel	21,696
Maintenance Agreements	44,603
Supplies	53,849
Total MIS	<u>781,856</u>
Ferry:	
Professional Services	186,041
Contracted Services	458,806
Advertising	272,332
Building Lease	84,758
Total Ferry	<u>1,001,937</u>
Depreciation:	
Shops, garage and office building	920,657
Communication system	3,150
Revenue equipment	4,389,291
Service cars and equipment	134,014
Shop and garage equipment	99,753
Furniture and office equipment	54,171
Fare boxes	7,512
Miscellaneous equipment	39,508
Tunnel improvements	41,811
MIS equipment	191,803
Paratransit operations	1,979
Leased paratransit vans	970,232
Total depreciation	<u>6,853,881</u>
TOTAL OPERATING EXPENSES	<u>\$ 65,845,538</u>

(CONCLUDED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR GRANTS
FISCAL YEAR ENDED JUNE 30, 2002

	RI 90-X044	RI 90-X039	RI 90-X024	RI 90-X040	RI 90-X020	RI 90-X041
Resources:						
Federal	\$0	\$160,000	\$652,171	\$8,402,462	\$34,317	\$8,337,140
Non-federal contribution:						
State of Rhode Island	-	40,000	-	545,489	-	1,075,406
Total resources	-	200,000	652,171	8,947,951	34,317	9,412,546
Expenses:						
Capital improvements:						
Comm. System			258,534			
Farebox						16,371
Furn & Fixtures						
Maintenance equipment						
Renovation of facility			348,224			
Transportation equipment	1,443,720			2,097,274		1,629,240
Water Trans Equipment						
MIS System				208,525		43,361
Facility Construction	2,400,753	40,000	75,975	576,541	34,317	2,362,984
Other costs	3,844,473	40,000	682,733	5,619,479	34,317	1,862,631
Total expenses						5,914,586
Excess (deficiencies) of resources over expenses	(3,844,473)	160,000	(30,562)	3,328,472	-	3,497,959
Accounts receivable (unearned grant contribution) at June 30, 2001	-	160,000	14,423	3,341,169	-	3,810,426
Accounts receivable (unearned grant contribution) at June 30, 2002	\$ 3,844,473	\$ -	\$ 44,986	\$ 12,697	\$ -	\$ 312,467

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
 SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR GRANTS
 FISCAL YEAR ENDED JUNE 30, 2002

	RI 90-X025	RI 26-0006	RI 90-X029	RI 90-X030	RI 90-X032	RI 37-X001
Resources:						
Federal	\$28,532	\$8,890	\$15,900	\$130,290	\$35,593	\$62,253
Non-federal contribution:						
State	-	-	3,975	1,288	8,898	-
Total resources	<u>28,532</u>	<u>8,890</u>	<u>19,875</u>	<u>131,578</u>	<u>44,492</u>	<u>62,253</u>
Expenses:						
Capital improvements:						
Comm. System				59,098		
Farebox						
Furn & Fixtures						
Maintenance equipment						
Renovation of facility						
Transportation equipment						
Water Trans Equip			12,008			
MIS System						
Facility Construction				72,481	43,699	62,253
Other costs	28,532	43,719	12,008	131,578	43,699	62,253
Total expenses	<u>28,532</u>	<u>43,719</u>	<u>12,008</u>	<u>131,578</u>	<u>43,699</u>	<u>62,253</u>
Excess (deficiencies) of resources over expenses	-	(34,829)	7,867	-	792	-
Accounts receivable (unearned grant contribution) at June 30, 2001	-	-	7,867	-	792	-
Accounts receivable (unearned grant contribution) at June 30, 2002	\$ -	\$ 34,829	\$ -	\$ -	\$ 0	\$ -

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR GRANTS
FISCAL YEAR ENDED JUNE 30, 2002

	RI 90-X034	RI 90-X037	RI 03-0025	RI 18x-014	CMAMAFER	FBD
Resources:						
Federal	\$779,470	\$407,235	\$4,300,016	\$13,533	\$97,346	\$444,667
Non-federal contribution:						
State of Rhode Island	24,835	101,809	651,558	-	24,337	111,167
Total resources	<u>804,306</u>	<u>509,044</u>	<u>4,951,574</u>	<u>13,533</u>	<u>121,683</u>	<u>555,833</u>
Expenses:						
Capital improvements:						
Comm System						
Farebox	8,670					
Furn & Fixtures	-					
Maintenance equipment						
Renovation of facility						
Transportation equipment	128,973		4,951,574			
Water Trans Equip		194,387				269,466
MIS System						
Facility Construction						
Other costs	103,437	67,986		13,533	136,704	288,162
Total expenses	<u>241,080</u>	<u>262,372</u>	<u>4,951,574</u>	<u>13,533</u>	<u>136,704</u>	<u>557,627</u>
Excess (deficiencies) of resources over expenses	563,226	246,672	-	-	(15,021)	(1,794)
Accounts receivable (unearned grant contribution) at June 30, 2001	563,226	250,371	-	-	-	-
Accounts receivable (unearned grant contribution) at June 30, 2002	\$ -	\$ 3,699	\$ -	\$ -	\$ 15,021	\$ 1,794

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR GRANTS
FISCAL YEAR ENDED JUNE 30, 2002

	RI 03-0023	RI 18-X019	RI 90-X042	RI 16-0024	CMG M53100	FAP3CMA
Resources:						
Federal	\$4,018,821	\$569,532	\$6,507,891	\$396,800	\$307,792	\$200,000
Non-federal contribution: State of Rhode Island	794,367				69,658	-
Total resources	<u>4,813,188</u>	<u>569,532</u>	<u>6,507,891</u>	<u>396,800</u>	<u>377,450</u>	<u>200,000</u>
Expenses:						
Capital improvements:						
Comm System						
Farebox						
Furn & Fixtures						
Maintenance equipment						
Renovation of facility	-		5,304,187	206,910		
Transportation equipment	-					349,175
Water Trans Equip					24,350	
MIS System	323,696					
Facility Construction		569,532	1,156,159		347,888	
Other costs		569,532	6,460,346	206,910	372,239	349,175
Total expenses	<u>323,696</u>	<u>569,532</u>	<u>6,460,346</u>	<u>206,910</u>	<u>372,239</u>	<u>349,175</u>
Excess (deficiencies) of resources over expenses	4,489,493	-	47,545	189,890	5,211	(149,175)
Accounts receivable (unearned grant contribution) at June 30, 2001	4,489,493	-	131,632	189,890	60,680	-
Accounts receivable (unearned grant contribution) at June 30, 2002	\$ -	\$ -	\$ 84,087	\$ -	\$ 55,468	\$ 149,175

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR GRANTS
FISCAL YEAR ENDED JUNE 30, 2002

	RI 16-0026	RI 16-0025	RI 90-X043	RI 37X002	RI 18-X020	Total
Resources:						
Federal	\$450,472	\$425,000	\$5,332,146	\$1,008,548	\$339,300	\$43,466,116
Non-federal contribution: State of Rhode Island	-		251,457	-	-	\$3,704,243
Total resources	450,472	425,000	5,583,603	1,008,548	339,300	\$47,170,359
Expenses:						
Capital improvements:						
Comm System						\$317,632
Farebox						\$33,785
Furn & Fixtures			8,745			\$348,224
Maintenance equipment						\$16,775,915
Renovation of facility						\$825,035
Transportation equipment		425,000	138,565			\$455,423
Water Trans Equip						\$6,518,597
MIS System			179,186			\$13,514,573
Facility Construction			1,094,778			\$38,789,184
Other costs			4,242,426	1,008,548	339,300	
Total expenses	450,472	425,000	5,663,701	1,008,548	339,300	\$38,789,184
Excess (deficiencies) of resources over expenses	-	-	(80,098)	-	-	\$8,381,175
Accounts receivable (unearned grant contribution) at June 30, 2001	-	-	-	-	-	\$13,019,970
Accounts receivable (unearned grant contribution) at June 30, 2002	\$-	\$-	\$80,098	\$-	\$-	\$4,638,794

(CONCLUDED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

<u>Payee</u>	<u>Travelers Name</u>	<u>Purpose</u>	<u>Amount</u>
RITZ CARLTON	B. SCOTT	APTA/HR CONF.	448
RITZ CARLTON	D. DAWSON	APTA/HR CONF.	336
RITZ CARLTON	H. KINCH	APTA/HR CONF.	224
B. A. SCOTT		APTA/HR CONF.	190
D. DAWSON		APTA/HR CONF.	158
L. BELIVEAU		APTA MKTG.SEM.	53
CRYSTAL GATEWAY	A. MCMAHON	FTA STATE MTG.	533
CRYSTAL GATEWAY	EDE/LECLERC	FTA STATE MTG.	533
BROOKS ALMONTE		PLANNING SEM.	22
BROOKS ALMONTE		PLANNING SEM.	256
RACHEL EDE		FTA STATE MTG.	172
C. LECLERC		FTA STATE MTG.	172
A. MCMAHON		FTA STATE MTG.	172
JOSEPH MONTI		BUS INSPECTION	341
APTA	BS,AM,LB,AP	APTA ANNUAL	2,625
DAVID PEARSALL		H.T.E. CONF.	63
L. BELIVEAU		APTA MKTG.SEM.	35
RADISSON HOTEL	J.MONTI	BUS INSPECTION	55
JOSEPH MONTI		BUS INSPECTION	100
LUIS MEDEIROS		BUS INSPECTION	100
D. DAWSON		APTA HR SEMINAR	11
AMTRAK	L. BELIVEAU	APTA MKTG.SEM.	275
HOTEL DUPONT	L. BELIVEAU	APTA MKTG.SEM.	300
AASHTO	A. MCMAHON	FTA STATE MTG.	160
AASHTO	R. EDE	FTA STATE MTG.	160
AASHTO	C. LECLERC	FTA STATE MTG.	160
FRANCIS ROSE		BUS INSPECTION	1,069
L. BELIVEAU		APTA MKTG.SEM.	150
FLEET CREDIT CARD	VARIOUS		3,576
HILTON MILWAUKEE	B. ALMONTE	PLANNING SEM.	(248)
R.I. CONF. AGING	B. SCOTT	CONFERENCE	50
TRANSIT STANDARDS		TELECONFERENCE	95
ATWOOD TRAVEL	S. CRIPPS	SEMINAR	172
		SUB-TOTAL	12,518

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

<u>Payee</u>	<u>Travelers Name</u>	<u>Purpose</u>	<u>Amount</u>
BERNARD HARWOOD		BUS INSPECTION	40
JOSEPH MONTI		BUS INSPECTION	40
MAUREEN RUZZANO		FTA SUB ABUSE	449
ATWOOD TRAVEL	B. SCOTT	APTA	587
JOSEPH MONTI		BUS INSPECTION	206
HENRY KINCH		APTA CONF.	200
D. DAWSON		APTA CONF.	44
JOSEPH MONTI		BUS INSPECTION	100
HOLIDAY INN	J. MONTI	BUS INSPECTION	150
B. A. SCOTT		APTA	76
OMNI W.P. HOTEL	M. RUZZANO	FTA SUB ABUSE	270
MAUREEN RUZZANO		FTA SUB ABUSE	200
A. MCMAHON		FTA SEMINAR	211
FLEET CREDIT CARD	L. BELIVEAU	APTA	(152)
ROGER MENCARINI		CERT. COURSE	155
ALFRED MOSCOLA		NTI CONFERENCE	112
ATWOOD TRAVEL	B. SCOTT	APTA CONF.	240
ATWOOD TRAVEL	DAW/KINCH	APTA CONF.	430
ATWOOD TRAVEL	KINCH	APTA CONF.	100
ATWOOD TRAVEL	ALMONTE	PLANNING SEM.	664
ANNA PRAGER		APTA ANNUAL	252
PHIL.MARRIOTT	VARIOUS	APTA ANNUAL	8,516
WYNDHAM PLAZA	VARIOUS	APTA ANNUAL	2,202
ALFRED MOSCOLA		APTA ANNUAL	290
ELLEN FARRELL		APTA ANNUAL	290
BEVERLY A. SCOTT		APTA ANNUAL	290
JAMES DEAN		APTA ANNUAL	192
TODD MILLARD		APTA ANNUAL	252
DONALD ST.AMAND		APTA ANNUAL	210
APTA		SCHOLAR/DINNER	300
D. DAWSON		APTA ANNUAL	282
U.R.I.-CCE		TRAINING	1,000
CHERYL LECLERC		APTA ANNUAL	60
APTA		AWARDS DINNER	825
		SUB-TOTAL	19,083

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

Payee	Travelers Name	Purpose	Amount
NAT'L ASSOC. ADA	C. LECLERC	ADA ANNUAL	1,190
SHERYL CRIPPS		ADD'L -9/11	730
W.T.S.	KINCH/AJM	SEMINAR	50
L. BELIVEAU		APTA ANNUAL	290
MAUREEN S. NEIRA		APTA ANNUAL	142
EDWARD SCOTT		APTA ANNUAL	142
HENRY KINCH		MARITIME DRUG	153
ITS-R.I. CHAPTER	SCOTT-B&E	ANNUAL MEETING	40
SPSS INC	S. CRIPPS	SEMINAR	799
SPSS INC	S. CRIPPS	SEMINAR	599
SHERYL CRIPPS		TRAINING	150
WOMEN'S TRANS.	8-ATTENDING	SEMINAR	200
ALFRED MOSCOLA		BUS INSPECTION	94
HAMPTON INN	S. CRIPPS	TRAINING	215
WOMEN'S TRANS.	B. SCOTT	AWARDS DINNER	65
FLEET CREDIT CARD	VARIOUS	APTA ANNUAL	2,059
HOLIDAY INN	C. LECLERC	ADA CONFERENCE	432
RADISSON HOTEL	J. MONTI	BUS INSPECTION	122
R.I. SOCIETY CPA'S	M. NEIRA	2001 TAX SEMINAR	195
SHERYL CRIPPS		SPSS TRAINING	23
JOSEPH MONTI		BUS INSPECTION	150
HENRY KINCH		FTA CONFERENCE	40
NFB OF R.I.	WM. INLOW	ADA CONFERENCE	30
DONALD ST.AMAND		APTA ANNUAL	204
MAUREEN NEIRA		RIGFOA SEMINAR	15
CHERYL LECLERC		ADA CONFERENCE	232
D. DAWSON		APTA ANNUAL	73
ADVOCATES/ACTION	WM. INLOW	ADA CONFERENCE	130
MARK THERRIEN		APTA ANNUAL	276
L. BELIVEAU		APTA ANNUAL	91
MAUREEN RUZZANO		WRKFORCE/DEV.	25
JAMES DEAN		APTA ANNUAL	111
EDWARD SCOTT		APTA ANNUAL	153
H.T.E.		INFO TECH CLASS	28
		SUB-TOTAL	9,248

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

Payee	Travelers Name	Purpose	Amount
ALFRED MOSCOLA		APTA ANNUAL	191
ATWOOD TRAVEL	C. LECLERC	PLANNING SEM.	204
ORLANDO MARRIOTT	H. KINCH	FERRY CONF.	488
ATWOOD TRAVEL		REFUND INVOICE	(84)
ATWOOD TRAVEL	M.MCGRANE	PURCHASING SEM	665
MAUREEN RUZZANO		FTA DRUG SEM	70
BEST WESTERN	M. RUZZANO	FTA DRUG SEM	107
DONALD ST.AMAND		SAFETY TRAINING	300
JOSEPH MONTI		BUS INSPECTION	338
CHERYL LECLERC		MOBILITY SEMINAR	170
HENRY KINCH		FERRY CONF.	268
MARRIOTT COURTYD.	D.ST.AMAND	SAFETY TRAINING	477
LUIS MEDEIROS		BUS INSPECTION	150
JOSEPH MONTI		BUS INSPECTION	150
ALFRED MOSCOLA		MINETA SYMP	673
JOSEPH MONTI		BUS INSPECTION	427
FLEET CREDIT CARD	VARIOUS		1,178
NEPTA	VARIOUS	CONFERENCE	450
BEVERLY SCOTT		APTA &FTA MTGS.	32
BEVERLY SCOTT		APTA &FTA MTGS.	118
BEVERLY SCOTT		APTA GM MTG.	153
BEVERLY SCOTT		APTA EXEC. COMM	185
ATWOOD TRAVEL	H. KINCH	FERRY CONF.	286
BEVERLY SCOTT		REAUTH. MTG.	292
DONALD ST.AMAND		SAFETY TRAINING	385
R.I. SOCIETY CPA'S	M. NEIRA	TAX FORUM	70
MAUREEN RUZZANO		DRUG ABUSE SEM	139
ANNA PRAGER		SURFACE TRANS.	62
L. BELIVEAU		SURFACE TRANS.	62
METRO MARRIOTT	LEE, ANNA	SURFACE TRANS.	456
BEVERLY SCOTT		APTA WRKFORCE	148
P.A.L.	WM. INLOW	ADA CONFERENCE	25
L. BELIVEAU		APTA/FTA MTGS.	200
BEVERLY SCOTT		APTA	17
		SUB-TOTAL	8,852

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

Payee	Travelers Name	Purpose	Amount
GRAND HYATT HOTEL	L BELIVEAU	APTA/FTA MTGS.	771
FLEET CREDIT CARD	VARIOUS		1,626
BEVERLY SCOTT		APTA ANNUAL	81
BEVERLY SCOTT		APTA HR CONF.	311
TRANS. SAFETY INST.	D. ST. AMAND	SEMINAR	45
M.S. NEIRA,TREAS.			12
FLEET CREDIT CARD	VARIOUS		1,718
FLEET CREDIT CARD	VARIOUS		(229)
APTA	DALEY/BILL B.	H.T.E.-TECH	650
JOSEPH MONTI		BUS INSPECTION	150
LUIS MEDEIROS		BUS INSPECTION	150
RADISSON HOTEL		BUS INSPECTION	118
FLEET CREDIT CARD	VARIOUS	APTA-REGISTS.	2,657
JOSEPH MONTI		BUS INSPECTION	35
FLEET CREDIT CARD		APTA ANNUAL	1,835
JAMES DALEY		APTA-TECH CONF.	169
BEVERLY SCOTT		APTA ANNUAL	355
TRANS SAFETY INST.	TOM D./CHRIS	TRAINING	450
ATWOOD TRAVEL	B. SCOTT	APTA GM MEETING	289
ROSEN HOTEL	DALEY/BILL B.	APTA-TECH CONF.	370
WILLIAM BARBIERI		APTA-TECH CONF.	150
JAMES DALEY		APTA-TECH CONF.	150
ATWOOD TRAVEL	DALEY/BILL B.	APTA-TECH CONF.	750
AMERICAN INN	J. MONTI	BUS INSPECTION	210
HYATT REGENCY	E. SCOTT	APTA ROADEO	644
ITS MASSACHUSETTS	D.ST.AMAND	SEMINAR	50
WALT DISNEY HOTEL	WM.MANTON	H.T.E. GROUP	604
CTAA EXPO	V. MOFFITT	APTA ROADEO	200
CTAA EXPO	E. SCOTT	APTA ROADEO	100
JOSEPH MONTI		BUS INSPECTION	200
D. DAWSON		APTA HR MEETING	50
APTA	D.DENICOURT	APTA-RISK MGMT.	325
L. BELIVEAU		APTA LEGISLATIVE	300
APTA	NEIRA/SCOTT	FARE WORKSHOP	850
		SUB-TOTAL	16,146

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

<u>Payee</u>	<u>Travelers Name</u>	<u>Purpose</u>	<u>Amount</u>
VINCENT REINA		FARE COLLECTION	50
JW MARRIOTT HOTEL	L. BELIVEAU	APTA LEGISLATIVE	1,147
ATWOOD TRAVEL	B. SCOTT	APTA GM CONF.	1,227
ATWOOD TRAVEL	B. SCOTT	APTA GM CONF.	390
ATWOOD TRAVEL	M.THERRIEN	APTA LEGISLATIVE	156
ATWOOD TRAVEL	H. KINCH	FERRY CONF.	215
INTER.AUDIT FORUM	M. NEIRA	SEMINAR	500
APTA	B.SCOTT/AJM	CONFERENCE	990
JOSEPH MONTI		BUS INSPECTION	162
SOC. H/R MGM'T.	D.DAWSON	ANNUAL CONF.	650
MAUREEN NEIRA		APTA FARE COLL.	242
EDWARD SCOTT		APTA FARE COLL.	242
PALMER HOUSE	B.SCOTT	APTA-RE-AUTH	548
CHERYL LECLERC		NTI TRAINING	150
COURTYARD OHIO	C. LECLERC	NTI TRAINING	287
WEST ELMWOOD	BOARD MEM.	APTA LEG. CONF.	425
LAS VEGAS HILTON	VARIOUS	APTA ANNUAL	909
RESIDENCE INN	VARIOUS	APTA ANNUAL	778
LAS VEGAS HILTON	VARIOUS	APTA ANNUAL	909
FLEET CREDIT CARD	VARIOUS		2,549
ATWOOD TRAVEL	J. MONTI	BUS INSPECTION	1,229
RACHEL EDE		CHECK LOST	(100)
ATWOOD TRAVEL	L. MANUAL	APTA	329
JANET BIRENBAUM		NTD SEMINAR	130
LORETTA ZOGLIO		NTD SEMINAR	130
CHERYL LECLERC		CTAA EXPO	192
HILTON MINNEAPOLIS	VARIOUS	APTA BUS CONF.	191
HILTON MINNEAPOLIS	VARIOUS	APTA BUS CONF.	450
ANNMARIE MCMAHON		NTD SEMINAR	130
EMBASSY SUITES	C.LECLERC	CTAA EXPO	514
ATWOOD TRAVEL	WM. MANTON	H.T.E. CONF.	214
CORONADO SPRINGS	WM. MANTON	H.T.E. CONF.	755
D. DAWSON		APTA H/R CONF.	142
MARK THERRIEN		APTA CONF.	130
		SUB-TOTAL	16,962

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

<u>Payee</u>	<u>Travelers Name</u>	<u>Purpose</u>	<u>Amount</u>
HILTON MINNEAPOLIS	VARIOUS	APTA BUS CONF.	411
HILTON MINNEAPOLIS	VARIOUS	APTA BUS CONF.	559
HILTON MINNEAPOLIS	VARIOUS	APTA BUS CONF.	373
FLEET CREDIT CARD			2,350
ATWOOD TRAVEL	C.LECLERC	CTAA EXPO	393
ATWOOD TRAVEL	SCOTT/AJM	APTA BUS CONF.	1,827
ATWOOD TRAVEL	D. DAWSON	APTA H/R CONF.	353
ATWOOD TRAVEL	B. SCOTT	APTA BUS CONF.	564
ATWOOD TRAVEL	C.LECLERC	APTA	489
ATWOOD TRAVEL	MOFFITT/EJS	APTA BUS ROADEO	806
ATWOOD TRAVEL	S. WELLS	APTA	604
B. SCOTT		APTA	226
B. SCOTT		APTA	218
APTA	LOPES/PETE	APTA CONF.	590
B. SCOTT		SENATE	63
ROCKINGHAM LODGE	TOM/CHRIS	TRAINING	488
RIVIERA HOTEL		APTA CONF.	124
JANET BIRENBAUM		NTD SEMINAR	232
LORETTA ZOGLIO		NTD SEMINAR	12
ANNMARIE MCMAHON		NTD SEMINAR	14
WILLIAM MANTON		H.T.E. CONF.	292
RIVIERA HOTEL	VARIOUS	APTA CONF.	497
VIRGINIA MOFFITT		APTA BUS ROADEO	130
EDWARD SCOTT		APTA BUS ROADEO	130
JAMES DALEY		H.T.E. CONF.	222
WILLIAM BARBIERI		H.T.E. CONF.	222
BEVERLY SCOTT		APTA	23
MARK THERRIEN		APTA CONF.	525
BEVERLY SCOTT		APTA LEG. CONF.	1,471
BEVERLY SCOTT		FTA SUMMIT	140
WASHINGTON HILTON	B. SCOTT	TRANS. WRKFORCE	136
GRAND HYATT NY	A.MCMAHON	NTD SEMINAR	450
GRAND HYATT NY	ZOGLIO/H.H.	NTD SEMINAR	450
HARRIET HOLBROOK		NTD SEMINAR	130
		SUB-TOTAL	15,514

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

<u>Payee</u>	<u>Travelers Name</u>	<u>Purpose</u>	<u>Amount</u>
FLEET CREDIT CARD	VARIOUS		1,812
HYATT REGENCY	B. SCOTT	COMPTO CONF.	537
RENAISSANCE HOTEL	C.LECLERC	TRANS. SUMMIT	159
CHERYL LECLERC		TRANS. SUMMIT	100
JAMES DALEY		H.T.E. CONF.	259
D. DAWSON		H/R MGMT. CONF.	230
EDWARD SCOTT		INOVA CONF.	251
DOUBLETREE HOTEL	D. DAWSON	H/R MGMT. CONF.	725
THOMAS DENNENY		INSTRUCT.TRAINING	564
ATWOOD TRAVEL	C.LECLERC	TRANS. SUMMIT	284
PETER MICHAUD		APTA CONF.	140
LYNETTE LOPES		APTA CONF.	140
ANNMARIE MCMAHON		APTA RAIL CONF.	40
CROWN PLAZA	C.DENICOURT	APTA RISK MGMT.	800
HOLIDAY INN	H.HOLBROOK	APTA CONF.	261
APTA		CONFERENCE	295
HARRIET HOLBROOK		APTA CONF.	110
APTA	T.McCORMICK	APTA CONF.	345
MARRIOTT COURTYRD	ESCOTT/BILLB	INOVA CONF.	195
EDWARD SCOTT		INOVA CONF.	100
WM. BARBIERI		INOVA CONF.	100
ATWOOD TRAVEL	D. ST.AMAND	SAFETY TRAIN.	516
ATWOOD TRAVEL	B. SCOTT	COMPTO CONF.	332
RADISSON HOTEL	D. ST.AMAND	SAFETY TRAIN.	644
R.I.D.E.A.	B. SCOTT	CONFERENCE	25
N.Y. MARRIOTT	T.McCORMICK	APTA PLANNING	614
BALTIMORE MARRIOTT	B. SCOTT	APTA	213
BALTIMORE MARRIOTT	A.McMAHON	APTA	213
HOLIDAY INN	B. SCOTT	TCRP AGENCY MTG.	344
ANNMARIE MCMAHON		APTA RAIL CONF.	72
BEVERLY SCOTT		APTA RAIL CONF.	182
HOLIDAY INN	LOPES/PETE	APTA CONF.	827
CAPE CODDER RESORT	HOLBROOK	RTAP CONF.	152
HARRIET HOLBROOK		RTAP CONF.	100
		SUB-TOTAL	11,681

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2002

Payee	Travelers Name	Purpose	Amount
THOMAS DENNENY		TRAINING	260
C. MATHEWSON		TRAINING	260
EDWARD SCOTT		APTA ROADEO	80
ATWOOD TRAVEL	C.DENICOURT	APTA RISK MGMT.	308
GIRO, INC.	B. MARQUIS	HASTUS TRAINING	185
GIRO, INC.	WM. BARBIERI	HASTUS TRAINING	185
TO CREDIT D/O-CTAA	C. LECLERC	CTAA CONFERENCE	(742)
		SUB-TOTAL	536
		TOTAL	\$ 110,540

(CONCLUDED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULE OF RECONCILIATION OF NET OPERATING EXPENSES
TO NET PROJECT COST
YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Net operating expenses for year ended June 30	\$ 65,845,538
Deposits to self-insurance reserve	22,945
Interest on short-term debt and other	5,702
Net operating expenses	<u>65,874,185</u>
Less eliminations	
Ineligible expenses:	
Depreciation	6,853,881
Expenses equal to revenue of:	
ID pass sales	25,995
Miscellaneous	365,358
Other unallowable expenses under federal regulations:	
Other, including applicable pension amounts	1,757,105
Non-mass transportation expenses:	
Expenses equal to revenue of:	
Rental building	30,966
Contra expenses:	
Interest income on working capital	156,202
Other excluded expenses:	
CMAQ/ service initiative	2,467,938
Miscellaneous expenses relating to capital grants	9,158,749
State wide planning	197,742
Total eliminations	<u>21,013,936</u>
Eligible operating expenses	<u>44,860,249</u>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULE OF RECONCILIATION OF NET OPERATING EXPENSES
TO NET PROJECT COST
YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
Fare box and other revenue not includable as local share:	
Fare box revenue - regular	9,747,818
Students' revenue	<u>761,412</u>
Total fare box and other revenue applied against eligible expenses not includable as local share	<u>10,509,230</u>
Net project costs	34,351,019
Local share other than general operating assistance:	
Advertising	<u>320,417</u>
Expenses eligible for state and federal operating assistance	<u>\$ 34,030,602</u>

(CONCLUDED)
