

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

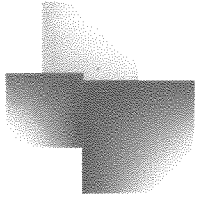
**FINANCIAL STATEMENTS AND SCHEDULES
YEAR ENDED JUNE 30, 2003
(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2003**

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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, 2003 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.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Rhode Island Public Transit Authority, as of June 30, 2003 and the respective changes in financial position and 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, 2003 in the amount of \$29,054,641. The amount of such assistance indicates that the Authority may require continued assistance in order to operate at its present level.

In accordance with Government Auditing Standards we have also issued our report dated September 15, 2003 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.

TRUST ■ INTEGRITY ■ RESULTS

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 accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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 24 - 39 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 15, 2003

Perrett Chatellier Fontana & Wilburson, JPA

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, 2003. 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 Assets; 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 Authority's operating, non-operating revenues and transfers from the state increased by 9.8% or \$6.0 million during FY 2003 compared to FY 2002.
- Operating expenses increased by 11.3% or \$7.6 million as compared to FY 2002.
- Capital contributions decreased by \$17.9 million or 74.9% over the previous year.
- The Authority's total liabilities decreased by \$1.9 million or 10.4 % from FY 2002.

Assets and Liabilities

The following schedule presents the condensed Statement of Net Assets for the fiscal years ended June 30, 2003 and 2002.

| | <u>June 30,</u> <u>2003</u> | <u>June 30,</u> <u>2002</u> |
|-----------------------------------|--------------------------------|--------------------------------|
| Assets: | | |
| Capital assets | 93,409,820 | 93,726,404 |
| Other assets | 12,822,166 | 17,416,098 |
| TOTAL ASSETS | <u>106,231,986</u> | <u>111,142,502</u> |
| Liabilities: | | |
| Current Liabilities | 8,935,811 | 10,507,014 |
| Long-term Liabilities | 7,567,160 | 7,902,753 |
| TOTAL LIABILITES | <u>16,502,971</u> | <u>18,409,767</u> |
| Net assets | | |
| Unrestricted net assets (deficit) | (3,680,805) | (993,669) |
| Invested in capital assets | 93,409,820 | 93,726,404 |
| TOTAL NET ASSETS | <u>89,729,015</u> | <u>92,732,735</u> |

The majority of the Authority's assets (88%) reflects its investment in capital assets (land, building, revenue vehicles, equipment). 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, 2003 and 2002.

| | June 30, 2003 | June 30, 2002 |
|---|--------------------------|--------------------------|
| Total Operating Revenues | 17,878,368 | 12,652,723 |
| Total Non-operating Revenue | 19,443,868 | 18,649,743 |
| Transfer in from the State | 29,054,641 | 29,052,678 |
| Total Operating Expense | (74,961,642) | (65,845,538) |
| Total Non-operating Expenses | (431,785) | (888,595) |
| Net Income (Loss) before Capital Contributions | (9,016,550) | (6,378,989) |
| Capital Contributions | <u>6,012,830</u> | <u>23,942,300</u> |
| Change in Net Assets | (3,003,720) | 17,563,311 |
| Total Net Assets- Beginning | <u>92,732,735</u> | <u>75,169,424</u> |
| Total Net Assets- Ending | <u><u>89,729,015</u></u> | <u><u>92,732,735</u></u> |

The Authority's operating revenue, non-operating revenue and transfers from the state increased by 9.9% or \$6,021,833 over the prior year. This increase was the result of receiving additional federal grant funds for operating purposes, additional passenger revenue and Funding agency revenue in support of the RIdE program. 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, Americans with Disability program cost, insurance premiums, Flex service costs and depreciation. Capital contributions decreased by 74.9% or \$17.9 million from the prior year.

Capital Assets.

At the end of fiscal year 2003, the Authority had \$ 93,409,820 invested in capital assets. This amount represents a slight decrease over the last year. The following schedule summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2003 and 2002.

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- Substantial completion of the Kennedy Plaza Intermodal Facility
- Completion of the Middletown garage alternative fuels conversion
- Purchase of revenue vehicles for the Paratransit RIDE Program

| | 2003 | 2002 |
|---------------------------------------|---------------|---------------|
| Land,shops,garages and buildings | \$56,850,066 | \$44,105,037 |
| Revenue equipment | 68,181,626 | 70,858,543 |
| Service Vehicles and garage equipment | 3,058,399 | 2,874,496 |
| Furnitures and fixtures | 2,064,522 | 1,578,789 |
| Management informations systems | 2,922,032 | 2,933,655 |
| Federal grant projects in process | 11,202,689 | 18,504,228 |
| | 144,279,334 | 140,854,748 |
| Less accumulated depreciation | (50,869,514) | (47,128,344) |
| Net capital assets | \$ 93,409,820 | \$ 93,726,404 |

During fiscal year 2004, the Authority is committed to pay \$7 million to finalize the Chafee Operations, Transportation and Maintenance Facility, the Kennedy Plaza Intermodal Facility and 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 began during FY 2003 and is expected to be completed in FY 2004. The Authority has also committed to the purchase of 16 Orion buses scheduled for delivery in the Spring Of 2004.

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 2004 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 was the final year of TEA 21, a six-year federal appropriation that established guaranteed levels of funding for transit agencies nationwide. As of September 2003 there has been no reauthorization legislation on new appropriation levels and the amount of the federal transit funding guarantees are uncertain at this time.
- State gasoline tax revenue available for operating purposes. For FY 2004, the yield from the gasoline tax is expected to remain at approximately the same level that was in place over the previous two fiscal years. All but one and four-tenths of a cent 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. All employee labor contracts expired during FY 2003 and have not been resolved yet.
- Costs associated with increased liability insurance premiums. Costs for insurance premiums increased 40% 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, 2003

ASSETS

| | <u>2003</u> |
|--|--------------------|
| Current assets: | |
| Cash and cash equivalents: | |
| Operating fund | \$ 513,992 |
| Capital replacement fund | 2,231,099 |
| Paratransit capital fund | 1,302,856 |
| Accident and casualty fund | 619,449 |
| Total cash and cash equivalents | <u>4,667,396</u> |
| Due from primary government | <u>2,389,166</u> |
| Receivables: | |
| Accounts | 1,638,503 |
| Grants | 1,936,564 |
| Total receivables | <u>3,575,067</u> |
| Inventories | 1,904,359 |
| Prepaid expenses | <u>286,178</u> |
| Total current assets | <u>12,822,166</u> |
| Capital assets, net of depreciation | <u>93,409,820</u> |
| TOTAL ASSETS | <u>106,231,986</u> |

LIABILITIES AND NET ASSETS

| | |
|--|----------------------|
| Current liabilities: | |
| Accounts payable | 4,343,290 |
| Accrued salaries, wages and vacation pay | 3,922,094 |
| Due to primary governments - current portion | 646,661 |
| Other liabilities | 7,266 |
| Deferred revenue - other | 16,500 |
| Total current liabilities | <u>8,935,811</u> |
| Long-term liabilities: | |
| Accrued self insured claims | 5,535,203 |
| Accrued pension liabilities | 1,836,113 |
| Deferred revenue - tokens | 195,844 |
| Total long-term liabilities | <u>7,567,160</u> |
| Total liabilities | <u>16,502,971</u> |
| Net assets: | |
| Unrestricted net assets (deficit) | (3,680,805) |
| Invested in capital assets | 93,409,820 |
| Total net assets | <u>\$ 89,729,015</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, 2003

| | <u>2003</u> |
|--|-----------------------|
| Operating revenues: | |
| Passenger | \$ 11,056,277 |
| Paratransit | 3,034,402 |
| Rental | 85,741 |
| Advertising | 325,655 |
| RIDE | 2,689,869 |
| Other | 686,424 |
| Total operating revenues | <u>17,878,368</u> |
| Operating expenses: | |
| Administrative | 985,536 |
| Finance | 2,600,846 |
| Operations | 42,537,626 |
| Marketing | 1,911,999 |
| Human resources | 793,286 |
| Risk management | 3,558,140 |
| Planning and scheduling | 1,126,546 |
| Specialized transportation | 4,532,151 |
| Paratransit operations | 3,259,885 |
| Purchasing | 798,121 |
| Flex access | 215,106 |
| Flex RIPTA | 529,779 |
| MIS | 758,007 |
| Ferry | 691,639 |
| RIDE | 2,532,863 |
| Centralized Maintenance | 194,958 |
| Facilities Engineering operations | 257,815 |
| Depreciation | 7,677,339 |
| Total operating expenses | <u>74,961,642</u> |
| Operating loss | <u>(57,083,274)</u> |
| Non-operating revenues (expenses): | |
| Transfer from grants | 29,054,641 |
| Grants | 15,374,875 |
| Investment income | 68,204 |
| Interest expense | (12,063) |
| Contract revenue | 3,689,300 |
| Other non-operating revenue | 311,489 |
| Loss on disposal of assets | (10,343) |
| Debt service | (409,379) |
| Total non-operating revenues | <u>48,066,724</u> |
| Loss before transfers and capital contributions | (9,016,550) |
| Capital contributions | |
| Capital contributions | 6,012,830 |
| Total capital contributions | <u>6,012,830</u> |
| Decrease in net assets | <u>\$ (3,003,720)</u> |

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2003**

| | 2003 |
|--|----------------------|
| Net assets, beginning of year | |
| Unrestricted net assets (deficit) | \$ (993,669) |
| Invested in capital assets | <u>93,726,404</u> |
| | 92,732,735 |
| Net increase (decrease) in net assets | |
| Unrestricted net assets | (2,687,136) |
| Invested in capital assets | <u>(316,584)</u> |
| | (3,003,720) |
| Net assets, end of year | |
| Unrestricted net assets (deficit) | (3,680,805) |
| Invested in capital assets | <u>93,409,820</u> |
| | <u>\$ 89,729,015</u> |

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2003

| | 2003 |
|--|------------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 17,959,302 |
| Cash payments to suppliers for goods and services | (39,378,053) |
| Cash payments to employees for services | <u>(29,527,745)</u> |
| Net cash used for operating activities | <u>(50,946,496)</u> |
| Cash flows from non-capital financing activities: | |
| Interest paid on revolving loan | (12,063) |
| Debt service | (409,379) |
| Operating transfers in | 28,544,651 |
| Contract revenue | 3,689,300 |
| Other nonoperating revenues | <u>311,489</u> |
| Net cash provided by non-capital financing activities | <u>32,123,998</u> |
| Cash flows from capital and related financing activities: | |
| Proceeds from grants | 23,494,802 |
| Acquisition and construction of capital assets | <u>(7,371,098)</u> |
| Net cash provided by capital and related financing activities | <u>16,123,704</u> |
| Cash flows from investing activities: | |
| Interest and dividends on investments | <u>68,204</u> |
| Net cash provided by investing activities | <u>68,204</u> |
| Net decrease in cash and cash equivalents | (2,630,590) |
| Cash and cash equivalents at beginning of year | <u>7,297,986</u> |
| Cash and cash equivalents at end of year | <u>\$ 4,667,396</u> |
| Reconciliation of operating loss to net cash used for operating activities: | |
| Operating loss | \$ (57,083,274) |
| Adjustment to reconcile operating loss to net cash used for operating activities: | |
| Depreciation | 7,677,339 |
| Decrease in allowance for doubtful accounts | (313,000) |
| Changes in assets and liabilities: | |
| Decrease in accounts receivable | 445,497 |
| Increase in inventory | (185,541) |
| Increase in prepaid expenses | (80,721) |
| Decrease in accounts payable and accrued expenses | (1,355,233) |
| Decrease in deferred revenue | <u>(51,563)</u> |
| Total adjustments | <u>6,136,778</u> |
| Net cash used for operating activities | <u>\$ (50,946,496)</u> |

SEE NOTES TO THE FINANCIAL STATEMENTS.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

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, 2003**

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.

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, 2003**

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, auto 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 years ended June 30, 2003 was \$660,790.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

3. CASH DEPOSITS AND INVESTMENTS

Cash Deposits

The carrying amount of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2003 is \$535,251 and the bank balance was \$3,297,372. Of the bank balance, \$139,318 was insured by federal depository insurance and Securities Investor Protection Corporation and the remaining portions, \$3,158,054 was uninsured and uncollateralized as defined by the Governmental Accounting Standards Board as of June 30, 2003.

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, 2003, 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

The carrying value of deposits of \$535,251, investments of \$4,131,045 and \$1,100 of petty cash, relate to the balance sheet totals for June 30, 2003 are as follows:

| | |
|---|--------------------|
| Cash deposits..... | \$ 535,251 |
| Add: Petty cash..... | 1,100 |
| Investments classified as cash equivalents for financial statement purposes | <u>4,131,045</u> |
| Cash and cash equivalents per balance sheet..... | <u>\$4,667,396</u> |

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at June 30, 2003:

| | <u>Balance 7/1/2002</u> | <u>Additions</u> | <u>Removals</u> | <u>Balance 6/30/03</u> |
|--|-----------------------------|-------------------|-------------------|----------------------------|
| Cost: | | | | |
| Land, shop, garages and buildings..... | \$44,105,038 | \$12,745,594 | \$ 566 | \$56,850,066 |
| Revenue equipment | 70,858,543 | 1,116,129 | 3,793,046 | 68,181,626 |
| Service vehicles and garage equipment..... | 2,874,496 | 247,129 | 63,226 | 3,058,399 |
| Furniture and office equipment..... | 1,578,789 | 494,508 | 8,775 | 2,064,522 |
| Management information system | 2,933,655 | 69,297 | 80,920 | <u>2,922,032</u> |
| Total fixed assets | <u>122,350,521</u> | <u>14,672,657</u> | <u>3,946,533</u> | <u>133,076,645</u> |
| Federal grant projects in process | 18,504,228 | 5,521,982 | 12,823,521 | 11,202,689 |
| Total cost | <u>140,854,749</u> | <u>20,194,639</u> | <u>16,770,054</u> | <u>144,279,334</u> |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

| | <u>Balance 7/1/2002</u> | <u>Additions</u> | <u>Removals</u> | <u>Balance 6/30/03</u> |
|---|-----------------------------|-------------------------|-------------------------|----------------------------|
| Accumulated depreciation: | | | | |
| Land, shop, garages and buildings..... | 6,444,549 | 1,600,398 | 0 | 8,044,947 |
| Revenue equipment | 35,553,811 | 5,482,351 | 3,790,438 | 37,245,724 |
| Service vehicles and garage equipment..... | 1,679,508 | 278,651 | 62,821 | 1,895,338 |
| Furniture and office equipment..... | 1,117,872 | 118,508 | 5,777 | 1,230,603 |
| Management information system | 2,332,605 | 197,431 | 77,134 | 2,452,902 |
| Total accumulated depreciation | <u>47,128,345</u> | <u>7,677,339</u> | <u>3,936,170</u> | <u>50,869,514</u> |
| Total property, plant and equipment..... | <u>\$93,726,404</u> | <u>\$12,517,300</u> | <u>\$12,833,884</u> | <u>\$93,409,820</u> |

Depreciation expense for the fiscal year ended June 30, 2003 was \$7,677,339.

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, 2003.

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:

| | |
|------------|------------------|
| 2004..... | <u>\$646,661</u> |
| Total..... | <u>\$646,661</u> |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

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, 2003 was as follows:

| | |
|------------------------------------|--------------------|
| Balance at beginning of year | \$2,525,819 |
| Deposits: | |
| Capital replacement deposits | 323,686 |
| Loan | (622,140) |
| Interest earnings | 31,587 |
| Transfer to operating | <u>(27,853)</u> |
| Balance at end of year | <u>\$2,231,099</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 years ended June 30, 2003:

| | |
|--|-------------------|
| Balance at beginning of year | \$1,093,537 |
| Deposits: | |
| Interest earnings on investments | 12,890 |
| Insurance settlement | 13,022 |
| Settlement payment..... | <u>(500,000)</u> |
| Balance at end of year..... | <u>\$ 619,449</u> |

Assets restricted at June 30, 2003 in the accident and casualty fund amounted to \$619,449.

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.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

8. SELF INSURANCE (Continued)

At June 30, 2003, 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, 2003 are as follows:

| | |
|---|--------------------|
| Amount of claims liabilities, beginning of year | \$5,184,638 |
| Incurred claims | 2,458,333 |
| Payments on claims | <u>(2,107,768)</u> |
| Amount of claims liabilities, end of year | <u>\$5,535,203</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 various contracts in the amount of \$7,012,877 at June 30, 2003.

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 2003 was \$1,058,297. These benefits are provided as part of the employee's contract.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

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. For fiscal year ended June 30, 2003, the State appropriated a total of six and one quarter cents of dedicated gas tax. For the fiscal year ending June 30, 2003, the Authority received \$29,054,641 from the dedicated gas tax as operating assistance in support of the transit system. The Authority anticipates receiving approximately \$32,332,000 in fiscal year ended June 30, 2004 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 2004, RIPTA anticipates using \$7,600,000 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 2004.

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, 2003, the Authority recorded \$3,689,300 of contract revenue from this agreement. For fiscal year 2004, RIPTA anticipates receiving \$3,728,800 under this agreement.

13. DUE FROM PRIMARY GOVERNMENT

At June 30, 2003, the Rhode Island Public Transit Authority is owed \$2,389,166 from the Rhode Island Department of Transportation.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

14. NET ASSETS

Net assets represent the difference between assets and liabilities. The net asset amount at June 30, 2003 was as follows:

| | |
|---|----------------------------|
| Invested in capital assets, net of related debt: | |
| Net capital assets in service | <u>\$93,409,820</u> |
| Total restricted for capital activity and debt service | <u>93,409,820</u> |
| | |
| Unrestricted (deficit) | <u>(3,680,805)</u> |
| Total net assets | <u>\$89,729,015</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, 2003**

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, 2003 was as follows:

| <u>2003</u> | <u>Bargaining Unit</u> | <u>Salaried Unit</u> |
|---|----------------------------|--------------------------|
| Annual required contribution | \$3,171,200 | \$ 795,434 |
| Interest on net pension obligation | 157,859 | 0 |
| Adjustment to annual required contribution | (158,994) | 0 |
| Annual pension cost..... | <u>3,170,065</u> | <u>795,434</u> |
| Contributions made..... | <u>(3,171,199)</u> | <u>(795,434)</u> |
| Increase (decrease) in net pension obligation | (1,134) | 0 |
| Net pension obligation, June 30, 2002..... | <u>1,837,247</u> | <u>0</u> |
| Net pension obligation, June 30, 2003..... | <u>\$1,836,113</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, 2003 actuarial valuation, and the six month required contribution was determined as part of the July 1, 2002 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, 2003 was 27 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> |
|-----------------------------------|--|--|---------------------------------------|
| 6/30/01 | 1,678,575 | 99.93% | 1,141,772 |
| 6/30/02 | 2,531,888 | 72.53% | 1,837,247 |
| 6/30/03 | 3,170,065 | 57.92% | 1,836,113 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

16. PENSION PLANS (Continued)

Salaried Unit

The annual required contribution for the current year was determined as part of the January 1, 2003 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, 2003 is 25 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> |
|---------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 6/30/2001 | 677,289 | 100% | -0- |
| 6/30/2002 | 731,386 | 100% | -0- |
| 6/30/2003 | 795,434 | 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, 2003 | \$13,557,300 | \$28,988,352 | \$15,431,052 | 46.77% | \$21,206,502 | 72.77% |
| 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% |

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.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002**

16. PENSION PLANS (Continued)

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, 2003 | \$6,622,670 | \$13,056,167 | \$6,433,497 | 50.72% | \$6,437,735 | 99.93% |
| 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 June 1, 2003, the Authority was awarded a five-year contract to provide paratransit service in the Providence, Central, Northeast and South County areas. Along with two other carriers, the Authority supplies service as a coordinated paratransit system in the State. RIPTA operates 87 of the 107 runs under the RIDE Program. The transportation needs include trips to meal sites, workshops, adult daycare and medical visits.

(CONCLUDED)

SUPPLEMENTARY INFORMATION

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF TANGIBLE PROPERTY

JUNE 30, 2003

| | Tangible Property | | | Rate | Balance 7/1/02 | Accumulated Depreciation | | Balance 6/30/03 | Net Book Value 6/30/03 |
|-------------------------------------|-----------------------|----------------------|----------------------|--------|----------------------|--------------------------|---------------------|----------------------|---------------------------|
| | Balance 7/1/02 | Additions | Removals | | | Balance 6/30/03 | Additions | | |
| Land and land rights | \$ 1,637,188 | | | | | | | | \$ 1,637,188 |
| Shops, garages and office buildings | 40,895,005 | \$ 12,745,594 | 566 | 3 1/3% | \$ 6,047,352 | \$ 1,558,588 | \$ | 7,605,940 | 46,034,093 |
| Tunnels | 1,572,845 | | | 4% | 397,197 | 41,810 | | 439,007 | 1,133,838 |
| Communication system | 1,706,617 | | | 10% | 1,698,882 | 2,967 | | 1,701,849 | 4,768 |
| Revenue equipment - busses | 53,755,257 | 288,618 | \$ 3,523,687 | 8 1/3% | 26,404,677 | 3,762,573 | \$ 3,523,936 | 26,643,314 | 23,876,874 |
| Trolleys | 6,385,564 | | | 8 1/3% | 1,788,549 | 641,569 | | 2,430,118 | 3,955,446 |
| Fare boxes | 1,102,368 | | | 8 1/3% | 1,075,998 | 7,482 | | 1,083,480 | 18,888 |
| Service cars and equipment | 1,360,473 | | 62,328 | 25% | 966,855 | 146,946 | 62,161.00 | 1,051,640 | 246,505 |
| Shops and garage equipment | 1,514,023 | 247,129 | 898 | 10-20% | 712,653 | 131,705 | 660 | 843,698 | 916,556 |
| Furniture and office equipment | 875,212 | 62,047 | 8,775 | 10-20% | 621,327 | 57,898 | 5,777 | 673,448 | 255,036 |
| Miscellaneous equipment | 703,577 | 432,461 | | 5-10% | 496,545 | 60,611 | | 557,156 | 578,882 |
| Management information systems | 2,933,655 | 69,297 | 80,920 | 10-20% | 2,332,605 | 197,431 | 77,134 | 2,452,902 | 469,130 |
| Leased Paratransit Vans | 7,908,737 | 827,511 | 269,359 | 20% | 4,585,705 | 1,067,759 | 266,502 | 5,386,962 | 3,079,927 |
| Total fixed assets | 122,350,521 | 14,672,657 | 3,946,533 | | 47,128,345 | 7,677,339 | 3,936,170 | 50,869,514 | 82,207,131 |
| Federal grant projects in process | 18,504,228 | 5,521,982 | 12,823,521 | | | | | | 11,202,689 |
| Total tangible property | \$ 140,854,749 | \$ 20,194,639 | \$ 16,770,054 | | \$ 47,128,345 | \$ 7,677,339 | \$ 3,936,170 | \$ 50,869,514 | \$ 93,409,820 |

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2003**

| | <u>2003</u> |
|------------------------------|-------------------|
| Administration: | |
| Salaries | \$ 276,767 |
| Fringes | 101,114 |
| Legal | 528,414 |
| Supplies | 4,994 |
| Professional services | 500 |
| Other services | 73,747 |
| Total administration | <u>985,536</u> |
| Finance: | |
| Salaries | 450,773 |
| Fringes | 224,772 |
| Office expense/supplies | 27,630 |
| Utilities | 1,095,836 |
| Lease expense | 4,881 |
| Other services | 25,471 |
| Miscellaneous | 668,029 |
| Tickets & Passes | 102,488 |
| Maintenance agreement | 966 |
| Total finance | <u>2,600,846</u> |
| Operations: | |
| Salaries | 155,809 |
| Wages - drivers | 15,581,499 |
| Wages - other | 7,675,901 |
| Fringe benefits | 12,732,833 |
| Other services | 86,639 |
| Maintenance agreement | 23,228 |
| Supplies | 891,799 |
| Inspection/registration fees | 9,288 |
| Uniforms | 120,767 |
| Travel | 3,790 |
| Hazardous waste disposal | 303,013 |
| Fuel | 1,949,280 |
| Antifreeze and lubricants | 43,254 |
| Parts - revenue vehicles | 1,772,030 |
| Parts - service vehicles | 83,700 |
| Tires and tubes | 249,398 |
| Major Components | 205,911 |
| Inventory Adjustment | 460,288 |
| Miscellaneous | 189,199 |
| Total operations | <u>42,537,626</u> |

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2003**

| | <u>2003</u> |
|--------------------------------------|------------------|
| Marketing: | |
| Salaries | 725,700 |
| Fringes | 359,586 |
| Professional services | 37,533 |
| Public relations | 310,944 |
| Time tables | 184,595 |
| Advertising | 108,880 |
| Services | 59,073 |
| Miscellaneous | 10,810 |
| Miscellaneous supplies | 114,878 |
| Total marketing | <u>1,911,999</u> |
| Human resources: | |
| Salaries | 395,065 |
| Fringes | 211,522 |
| Miscellaneous | 186,699 |
| Total human resources | <u>793,286</u> |
| Risk management: | |
| Salaries | 202,874 |
| Fringes | 126,734 |
| Office expense/supplies | 11,986 |
| Professional services | 34,382 |
| Insurance | 442,161 |
| Settlements | 1,149,668 |
| Workers' Compensation legal | 46,164 |
| Workers' Compensation medical | 233,745 |
| Workers' Compensation | 660,945 |
| Workers' Compensation - other | 63,410 |
| Judgments | 353,591 |
| Legal | 213,130 |
| Miscellaneous | 19,350 |
| Total risk management | <u>3,558,140</u> |
| Planning and Scheduling: | |
| Salaries | 532,373 |
| Fringes | 344,147 |
| Professional services | 216,460 |
| Other services | 13,862 |
| Office expense/supplies | 6,116 |
| Miscellaneous | 13,588 |
| Total planning and scheduling | <u>1,126,546</u> |

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2003**

| | <u>2003</u> |
|---|------------------|
| Specialized transportation: | |
| Salaries | 729,853 |
| Fringe benefits | 465,858 |
| Professional services | 161,777 |
| Other services | 14,088 |
| Temporary help | 11,848 |
| Office expenses/supplies | 1,292 |
| ADA functional cons | 3,017,912 |
| Maintenance Agreement | 85,514 |
| Miscellaneous | 44,009 |
| Total specialized transportation | <u>4,532,151</u> |
| Paratransit operations: | |
| Wages – drivers | 1,451,543 |
| Wages – other | 529,679 |
| Fuel | 110,256 |
| Vehicle lease payment | 148,684 |
| Fringe benefits | 414,784 |
| Insurance | 150,252 |
| Other services | 744 |
| Supplies | 16,857 |
| Uniforms/Laundry | 25,295 |
| Parts – vehicles | 389,091 |
| Lubricants | 498 |
| Maintenance | 1,720 |
| Inspection/registration fees | 1,794 |
| Training | 3,907 |
| Travel | 555 |
| Miscellaneous | 14,226 |
| Total paratransit | <u>3,259,885</u> |
| Purchasing: | |
| Salaries | 520,495 |
| Fringe | 218,392 |
| Supplies | 12,851 |
| Temporary help | 5,703 |
| Other services | 34,583 |
| Travel | 6,097 |
| Total purchasing | <u>798,121</u> |
| Flex Access: | |
| Salaries | 128,847 |
| Fringes | 42,894 |
| Supplies | 3 |
| Insurance | 19,380 |
| Vehicle maintenance | 23,982 |
| Total Flex Access | <u>215,106</u> |

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2003**

| | <u>2003</u> |
|--------------------------------------|------------------|
| Flex RIPTA: | |
| Salaries | 349,000 |
| Fringes | 127,741 |
| Supplies | 446 |
| Vehicle Maintenance | 51,623 |
| Miscellaneous | 969 |
| Total Flex RIPTA | <u>529,779</u> |
| MIS: | |
| Salaries | 246,996 |
| Fringes | 56,903 |
| Services | 207,493 |
| Travel | 13,254 |
| Maintenance Agreements | 121,243 |
| Supplies | 112,118 |
| Total MIS | <u>758,007</u> |
| Ferry: | |
| Professional Services | 120,506 |
| Contracted Services | 418,381 |
| Advertising | 52,361 |
| Building Lease | 100,391 |
| Total Ferry | <u>691,639</u> |
| RIDE | |
| RIDE Carriers | 1,527,091 |
| Taxi RIDE Providers | 1,005,772 |
| Total RIDE | <u>2,532,863</u> |
| Centralized Maintenance: | |
| Salaries | 73,887 |
| Fringes | 29,547 |
| Services | 1,558 |
| Diesel | 35,338 |
| Lubricants | 98 |
| Repair parts | 54,530 |
| Total Centralized Maintenance | <u>194,958</u> |

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULES OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2003**

| | <u>2003</u> |
|--|----------------------|
| <i>Facilities Engineering Operations:</i> | |
| Salaries | 141,538 |
| Fringes | 106,502 |
| Travel | 3,538 |
| Professional Services | 6,237 |
| <i>Total Facilities Engineering</i> | <u>257,815</u> |
| | |
| <i>Depreciation:</i> | |
| Shops, garages and office buildings | 1,558,588 |
| Communication system | 2,967 |
| Revenue equipment | 3,762,573 |
| Service cars and equipment | 146,946 |
| Shop and garage equipment | 131,705 |
| Furniture and office equipment | 57,898 |
| Trolleys | 641,569 |
| Fare boxes | 7,482 |
| Miscellaneous equipment | 58,632 |
| Tunnel improvements | 41,810 |
| MIS equipment | 197,431 |
| Paratransit operations | 1,979 |
| Leased paratransit vans | 1,067,759 |
| <i>Total depreciation</i> | <u>7,677,339</u> |
| | |
| <i>TOTAL OPERATING EXPENSES</i> | <u>\$ 74,961,642</u> |

(Concluded)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR CAPITAL GRANTS
FISCAL YEAR ENDED JUNE 30, 2003

| | RI 90-X044 | RI 18-X017 | RI 90-X024 | RI 90-X040 | RI 03-X027 | RI 90-X041 | RI 90-X049 |
|---|-------------------|---------------|----------------|----------------|----------------|------------------|---------------|
| Resources: | | | | | | | |
| Federal | \$10,052,859 | \$13,866 | \$255,297 | \$212,154 | \$372,654 | \$3,075,533 | |
| Non-federal contribution: State of Rhode Island | 18,983 | - | - | 5,310 | - | 43,178 | - |
| Total resources | <u>10,071,842</u> | <u>13,866</u> | <u>255,297</u> | <u>217,464</u> | <u>372,654</u> | <u>3,118,711</u> | <u>-</u> |
| Expenses: | | | | | | | |
| Capital improvements: | | | | | | | |
| Comm. System | | | 148,108 | | | 1,958,559 | |
| Bus Rehab | | | | | | | |
| Furn & Fixtures | 11,867 | | | | | | |
| Maintenance equipment | | | | | | | |
| Renovation of facility | | | 64,359 | 60,480 | | 247,100 | |
| Transportation equipment | 119,909 | | | | 372,654 | | |
| Water Trans Equipment | | | | | | | |
| MIS System | 120,990 | | | | | 104,140 | |
| Facility Construction | | | | 143,079 | | | |
| Other costs | 6,037,128 | 16,758 | | 2,423 | | 686,366 | 49,970 |
| Total expenses | <u>6,289,894</u> | <u>16,758</u> | <u>212,467</u> | <u>205,982</u> | <u>372,654</u> | <u>2,996,165</u> | <u>49,970</u> |
| Excess (deficiencies) of resources over expenses | 3,781,948 | (2,892) | 42,830 | 11,482 | - | 122,546 | (49,970) |
| Accounts receivable (unearned grant contribution) at June 30, 2002 | 3,844,473 | | 44,986 | 12,697 | | 312,467 | |
| Accounts receivable (unearned grant contribution) at June 30, 2003 | \$ 62,525 | \$ 2,892 | \$ 2,156 | \$ 1,215 | \$ - | \$ 189,921 | \$ 49,970 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR CAPITAL GRANTS
FISCAL YEAR ENDED JUNE 30, 2003

| | RI 26-0006 | RI 16-X027 | RI 18-X021 | RI 40-X001 | RI 90-X046 | RI 90-X034 | RI 90-X037 |
|--|---------------|----------------|------------------|---------------|----------------|---------------|----------------|
| Resources: | | | | | | | |
| Federal | \$94,051 | \$484,392 | \$1,141,559 | \$3,650 | \$583,806 | \$9,619 | \$191,731 |
| Non-federal contribution: | | | | | | | |
| State | - | | | | 15,924 | | 45,804 |
| Total resources | <u>94,051</u> | <u>484,392</u> | <u>1,141,559</u> | <u>3,650</u> | <u>599,730</u> | <u>9,619</u> | <u>237,535</u> |
| Expenses: | | | | | | | |
| Capital improvements: | | | | | | | |
| Comm. System | | | | 3,650 | | | |
| Bus Rehab | | | | | | | |
| Furn & Fixtures | | | | | | | |
| Maintenance equipment | | | | | | | |
| Renovation of facility | | | | | | | 228,095 |
| Transportation equipment | | | | | 302,959 | | |
| Water Trans Equip | | 484,392 | | | | | |
| MIS System | | | | | | | |
| Facility Construction | | | | | | | |
| Other costs | 60,198 | | 1,141,559 | | 373,238 | 9,619 | 171,732 |
| Total expenses | <u>60,198</u> | <u>484,392</u> | <u>1,141,559</u> | <u>3,650</u> | <u>676,197</u> | <u>9,619</u> | <u>399,827</u> |
| Excess (deficiencies) of resources over expenses | 33,853 | - | - | - | (76,467) | | (162,292) |
| Accounts receivable (unearned grant contribution) at June 30, 2002 | 34,829 | | | | | | 3,699 |
| Accounts receivable (unearned grant contribution) at June 30, 2003 | \$ 976 | \$ - | \$ - | \$ - | \$ 76,467 | \$ - | \$ 165,991 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR CAPITAL GRANTS
FISCAL YEAR ENDED JUNE 30, 2003

| | RI 37-004 | 90X-048 | CMAMAFR | FBD | RI 90-0045 | RI 90-X042 |
|---|------------------|------------------|---------------|----------------|----------------|----------------|
| Resources: | | | | | | |
| Federal | \$1,705,030 | | \$26,609 | \$265,070 | \$672,456 | \$744,736 |
| Non-federal contribution: State of Rhode Island | | \$1,122,499 | 6,652 | 58,423 | 154,123 | |
| Total resources | 1,705,030 | 1,122,499 | 33,261 | 323,493 | 826,579 | 744,736 |
| Expenses: | | | | | | |
| Capital improvements: | | | | | | |
| Comm System | | | | | | 360,223 |
| Bus Rehab | | | | | | |
| Furn & Fixtures | | | | | | 250,859 |
| Maintenance equipment | | | | | 846,055 | |
| Renovation of facility | | | | | | |
| Transportation equipment | | | | | | |
| Water Trans Equip | | | | 220,341 | | |
| MIS System | | | | | | |
| Facility Construction | 1,730,903 | 1,676,934 | 25,296 | 104,310 | | 131,392 |
| Other costs | 1,730,903 | 1,676,934 | 25,296 | 324,651 | 846,055 | 742,474 |
| Total expenses | | | | | | |
| Excess (deficiencies) of resources over expenses | (25,873) | (554,435) | 7,965 | (1,158) | (19,476) | 2,262 |
| Accounts receivable (unearned grant contribution) at June 30, 2002 | - | - | 15,021 | 1,794 | | 84,087 |
| Accounts receivable (unearned grant contribution) at June 30, 2003 | \$ 25,873 | \$ 554,435 | \$ 7,056 | \$ 2,952 | \$ 19,476 | \$ 81,825 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF RESOURCES, EXPENSES AND CHANGES IN ACCOUNTS RECEIVABLE FOR CAPITAL GRANTS
FISCAL YEAR ENDED JUNE 30, 2003

| | CMG M53100 | 37X005 | CMA FPSP | RI 90-X043 | Total |
|---|----------------|----------------|----------------|----------------|-------------------|
| Resources: | | | | | |
| Federal | \$222,240 | | \$382,983 | \$294,316 | \$21,927,110 |
| Non-federal contribution: State of Rhode Island | 55,560 | | 95,746 | | 499,703 |
| Total resources | <u>277,800</u> | | <u>478,729</u> | <u>294,316</u> | <u>22,426,813</u> |
| Expenses: | | | | | |
| Capital improvements: | | | | | |
| Comm System | | | | | 2,110,317 |
| Bus Rehab | | | | | 360,223 |
| Furn & Fixtures | | | | 43,849 | 55,716 |
| Maintenance equipment | | | | 118,639 | 369,498 |
| Renovation of facility | | | | | 1,446,089 |
| Transportation equipment | | | | | 1,279,914 |
| Water Trans Equip | | | 455,564 | | 675,905 |
| MIS System | 3,970 | | | 55,196 | 284,296 |
| Facility Construction | | | | | 143,079 |
| Other costs | 285,255 | 457,512 | 38,953 | | 12,999,546 |
| Total expenses | <u>289,225</u> | <u>457,512</u> | <u>494,517</u> | <u>217,684</u> | <u>19,724,583</u> |
| Excess (deficiencies) of resources over expenses | (11,425) | (457,512) | (15,788) | 76,632 | 2,702,230 |
| Accounts receivable (unearned grant contribution) at June 30, 2002 | 55,468 | | 149,175 | 80,098 | 4,638,794 |
| Accounts receivable (unearned grant contribution) at June 30, 2003 | \$ 66,893 | \$ 457,512 | \$ 164,963 | \$ 3,466 | \$ 1,936,564 |

(CONCLUDED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2003

| <u>Payee</u> | <u>Travelers Name</u> | <u>Purpose</u> | <u>Amount</u> |
|--------------------|-----------------------|------------------|------------------|
| M. NEIRA | | SEMINAR | 130.00 |
| A. MCMAHON | | SEMINAR | 130.00 |
| RADISSON DEAUVILLE | ST. AMAND | MGT. COURSE | 397.50 |
| FLEET CREDIT CARD | E.SCOTT | INOVA TRAINING | 1,492.40 |
| D. ST. AMAND | | TSI SEMINAR | 641.62 |
| ALFRED MOSCOLA | | APTA CONF. | 143.70 |
| ATWOOD TRAVEL | B. SCOTT | FTA ADMIN.MTG. | 633.50 |
| CLUB QUARTERS | A.MCMAHON | APTA TASK | 182.07 |
| CLUB QUARTERS | B. SCOTT | APTA TASK | 182.07 |
| WYNDHAM SAN DIEGO | B. SCOTT | APTA BOARD | 439.79 |
| ANNMARIE MCMAHON | | APTA TASK | 58.00 |
| C. DENNICOURT | | RISK MGMT.SEM. | 248.86 |
| EDWARD SCOTT | | MOTOROLA TEST | 117.60 |
| ALFRED MOSCOLA | | APTA | 150.00 |
| WASHINGTON HOTEL | A. MOSCOLA | APTA | 546.17 |
| D. DAWSON | | SHRM CONF. | 321.00 |
| EDWARD SCOTT | | MOTOROLA TEST | 100.00 |
| A.P.T.A. | SCOTT/REINA | APTA ANNUAL | 3,230.00 |
| A.P.T.A. | | ROADEO | 225.00 |
| D. ST. AMAND | | TSI SEMINAR | 342.00 |
| RITZ-CARLTON | MSN/AMM | FTA MGT. SEM. | 272.52 |
| ATWOOD TRAVEL | B. SCOTT | APTA | 1,310.00 |
| ATWOOD TRAVEL | B. SCOTT | APTA | 1,127.00 |
| GIRO, INC. | | HASTUS CONF. | 370.00 |
| NEW YORK MARIOTT | MCCORMICK | APTA-PLANNING | 614.16 |
| MARK THERRIEN | | NATPO CONF. | 228.85 |
| FLEET CREDIT CARD | B.SCOTT | APTA | 1,992.38 |
| T. MCCORMICK | | APTA PLANNING | 334.00 |
| D. ST.AMAND | | TRANSIT SEM. | 300.00 |
| FLEET CREDIT CARD | B.SCOTT | COMPTO CONF. | 1,573.97 |
| ATWOOD TRAVEL | BS,AM,AMM | REED/CHAFFEE | 2,362.50 |
| BRIAN MARQUIS | | GIRO | 623.21 |
| RAYMOND HOLT | | PPG TRAINING | 29.01 |
| RAYMOND HOLT | | PPG TRAINING | 97.82 |
| BERNARD HARWOOD | | APTA ANNUAL | 210.00 |
| INSTITUTE/TRANSIT | HOLBROOK | PLANNING | 900.00 |
| ANNMARIE MCMAHON | | REED/CHAFFEE | 50.00 |
| ALFRED MOSCOLA | | APTA ANNUAL | 310.00 |
| ALFRED MOSCOLA | | REIMBURSEMENT | 481.50 |
| ALFRED MOSCOLA | | APTA ANNUAL | 757.55 |
| | | SUB-TOTAL | 23,655.75 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2003

| <u>Payee</u> | <u>Travelers Name</u> | <u>Purpose</u> | <u>Amount</u> |
|-------------------|---------------------------|------------------|------------------|
| BEVERLY SCOTT | | APTA ANNUAL | 909.06 |
| BEVERLY SCOTT | | APTA ANNUAL | 300.00 |
| D. DAWSON | | APTA ANNUAL | 909.06 |
| D. DAWSON | | APTA ANNUAL | 360.00 |
| THOMAS CUTE | | APTA ANNUAL | 372.78 |
| THOMAS CUTE | | APTA ANNUAL | 230.00 |
| DONALD ST.AMAND | | APTA ANNUAL | 621.30 |
| BERNARD HARWOOD | | APTA ANNUAL | 481.50 |
| BERNARD HARWOOD | | APTA ANNUAL | 303.02 |
| VINCENT REINA | | APTA ANNUAL | 532.00 |
| VINCENT REINA | | APTA ANNUAL | 434.91 |
| M.S.NEIRA, TREAS. | | PETTY CASH | 8.90 |
| WALTER ASHE | | PPG TRAINING | 40.00 |
| STEVEN FLANAGAN | | PPG TRAINING | 40.00 |
| RAYMOND HOLT | | PPG TRAINING | 40.00 |
| BORIS ERIKHMANN | | PPG TRAINING | 40.00 |
| JOSEPH FERREIRA | | PPG TRAINING | 40.00 |
| DONALD ST.AMAND | | APTA CONF. | 350.00 |
| DAVID PEARSALL | | GIRO | 200.00 |
| R.I.A.P.A. | CL.HH.R.EDE | APA REGIONAL | 585.00 |
| WILLIAM BARBIERI | | GIRO | 200.00 |
| BRIAN MARQUIS | | GIRO | 200.00 |
| EDWARD BROWN | | GIRO | 200.00 |
| ROGER MENCARINI | | SEMINAR | 80.00 |
| ATWOOD TRAVEL | | APTA/ROADEO | 251.00 |
| ATWOOD TRAVEL | | APTA/ROADEO | 900.00 |
| ATWOOD TRAVEL | | APTA/ROADEO | 245.00 |
| ATWOOD TRAVEL | | APTA/ROADEO | 293.00 |
| ATWOOD TRAVEL | B. SCOTT | APTA | 607.50 |
| ATWOOD TRAVEL | H. KINCH | WATER CONF. | 227.00 |
| ATWOOD TRAVEL | ST. AMAND | SAFETY MGMT. | 284.00 |
| ATWOOD TRAVEL | E. SCOTT | MOTOROLA TEST | 305.50 |
| RESIDENCE INN | | HOTEL CREDIT | (929.77) |
| LORRAINE SHIPP | | GRANTS SEM. | 24.00 |
| HARRIET HOLBROOK | | PLANNING SEM. | 1,080.00 |
| ATWOOD TRAVEL | H. KINCH | WATER CONF. | 268.50 |
| FLEET CREDIT CARD | B.S./MSN | VARIOUS | 910.82 |
| ANNMARIE MCMAHON | | TRIENNIAL REV. | 12.00 |
| MARRIOTT | HOLBROOK | PLANNING SEM. | 688.11 |
| ROGER MENCARINI | | FTA SEMINAR | 29.00 |
| | | SUB-TOTAL | 12,673.19 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2003

| <u>Payee</u> | <u>Travelers Name</u> | <u>Purpose</u> | <u>Amount</u> |
|--------------------|---------------------------|------------------|------------------|
| ALFRED MOSCOLA | | APTA | 80.68 |
| ATWOOD TRAVEL | HOLBROOK | PLANNING SEM. | 283.50 |
| ITS R.I. CHAPTER | E. SCOTT | ITS ANNUAL MTG | 20.00 |
| BERNARD HARWOOD | | BUS INSPECT. | 78.25 |
| ALFRED MOSCOLA | | BUS INSPECT. | 40.00 |
| JOSEPH MONTI | | BUS INSPECT. | 40.00 |
| ROGER MENCARINI | | BUS INSPECT. | 50.00 |
| HENRY KINCH | | WATER CONF. | 669.13 |
| EDWARD SCOTT | | RTAP SEMINAR | 440.93 |
| LAU-RENE MANUEL | | SAFETY MTG. | 321.59 |
| HILTON MINNEAPOLIS | | CK. RETURNED | (190.97) |
| TSRP MTG | | | (278.96) |
| ALFRED MOSCOLA | | HYBRID BUS SEM | 158.00 |
| ALFRED MOSCOLA | | HYBRID BUS SEM | 52.00 |
| ALFRED MOSCOLA | | APTA MTG | 130.60 |
| ANNMARIE MCMAHON | | APTA MTG | 130.60 |
| ALFRED MOSCOLA | | APTA MTG | 58.00 |
| ANNMARIE MCMAHON | | APTA MTG | 58.00 |
| PROV. CHAMBER | AJM/E KING | MEETING | 120.00 |
| A.P.T.A. | AJM/AM/AP/MT | APTA MTG | 2,180.00 |
| ATWOOD TRAVEL | A. PRAGER | APTA MTG | 747.50 |
| ATWOOD TRAVEL | A. McMAHON | APTA MTG | 747.50 |
| ATWOOD TRAVEL | M. THERRIEN | APTA MTG | 747.50 |
| NORTHEAST PASS. | K. MENSEL | MKTG WKSHOP | 225.00 |
| ANNMARIE MCMAHON | | APTA LEG | 168.00 |
| DEBORAH DAWSON | | H/R TRAINING | 883.84 |
| CTAA | | EXPO 2003 | 200.00 |
| V. MALYUTA | | CTAA ROADEO | 150.00 |
| V. MALYUTA | | CTAA ROADEO | 196.48 |
| LOEWS PHILA HOTEL | V.MALYUTA | CTAA ROADEO | 339.72 |
| CTAA | EH/MALYUTA | CTAA BANQUET | 80.00 |
| ELIZABETH HARVEY | | CTAA ROADEO | 150.00 |
| ELIZABETH HARVEY | | CTAA ROADEO | 196.48 |
| LOEWS PHILA HOTEL | E. HARVEY | CTAA ROADEO | 339.72 |
| ANNMARIE MCMAHON | | APTA LEG | 67.00 |
| MARK THERRIEN | | APTA LEG | 90.00 |
| ATWOOD TRAVEL | D. DAWSON | H/R TRAINING | 476.50 |
| ANNMARIE MCMAHON | | APTA LEG | 666.39 |
| ALFRED MOSCOLA | | APTA LEG | 666.39 |
| ALFRED MOSCOLA | | APTA LEG | 188.00 |
| | | SUB-TOTAL | 11,767.37 |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF TRAVEL AND ENTERTAINMENT
YEAR ENDED JUNE 30, 2003

| <u>Payee</u> | <u>Travelers Name</u> | <u>Purpose</u> | <u>Amount</u> |
|-----------------------|---------------------------|--------------------|---------------------|
| MARK THERRIEN | | APTA LEG | 444.26 |
| MARK THERRIEN | | APTA LEG | 138.00 |
| ANNA PRAGER | | APTA LEG | 92.00 |
| ANNA PRAGER | | APTA LEG | 222.13 |
| HARRIET HOLBROOK | | FTA TRAINING | 47.00 |
| RACHEL EDE | | FTA TRAINING | 47.00 |
| UNIV OF RHODE ISLAND | MOSCOLA | RIDOT MEETING | 100.00 |
| BERNARD HARWOOD | | FERRY INSPECT | 20.00 |
| ATWOOD TRAVEL | DENICOURT | APTA RISK MGMT | 415.00 |
| A.P.T.A. | DENICOURT | APTA RISK MGMT | 345.00 |
| MARK THERRIEN | | ACT CONFERENCE | 14.00 |
| ALFRED MOSCOLA | | TECH MEETING | 366.92 |
| ALFRED MOSCOLA | | BUS INSPECT | 86.05 |
| ALFRED MOSCOLA | | APTA | 142.96 |
| N.E. ASSIC REGIONAL | T. MCCORMICK | REAUTHOR. MTG. | 40.00 |
| N.E. ASSIC REGIONAL | C. LECLERC | REAUTHOR. MTG. | 40.00 |
| N.E. ASSIC REGIONAL | H. HOLBROOK | REAUTHOR. MTG. | 40.00 |
| JOSEPH MONTI | | BUS INSPECT | 50.00 |
| BERNARD HARWOOD | | BUS INSPECT | 50.00 |
| FLEET CREDIT CARD | AJM/THERRIEN | APTA | 444.26 |
| MARK THERRIEN | | PLANNING MTG. | 37.38 |
| ELIZABETH HARVEY | | CTAA CONF. | 73.50 |
| NEPTA | VARIOUS | TRANS CONF. | 1,375.00 |
| NEPTA | VARIOUS | TRANS CONF. | 25.00 |
| ALFRED MOSCOLA | | NAT'L GAS OPE | 250.00 |
| BERNARD HARWOOD | | NAT'L GAS OPE | 250.00 |
| GROW SMART RI | MCCORMICK | SEMINAR | 30.00 |
| GROW SMART RI | LECLERC | SEMINAR | 30.00 |
| GROW SMART RI | HOLBROOK | SEMINAR | 30.00 |
| PARIS LAS VEGAS HOTEL | AJM/BH | NAT'L GAS OPE | 828.40 |
| NGV INSTITUTE | AJM/BH | NAT'L GAS OPE | 990.00 |
| INSTITUTE/TRANSIT | HOLBROOK | PLANNING | (900.00) |
| N Y MARRIOTT | MCCORMICK | APTA PLANNING | (614.16) |
| M.S. NEIRA, TREASURER | VARIOUS | CNG CONF.SHUTTLE | 30.00 |
| ATWOOD WORLD TRAVEL | AJM/HARWOOD | CNG CONFERENCE | 1,000.00 |
| | | SUB-TOTAL | <u>6,579.70</u> |
| | | GRAND TOTAL | <u>\$ 54,676.01</u> |

(CONCLUDED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULE OF RECONCILIATION OF NET OPERATING EXPENSES
TO NET PROJECT COST
YEAR ENDED JUNE 30, 2003**

| | <u>2003</u> |
|---|-------------------|
| Net operating expenses for year ended June 30 | \$74,961,642 |
| Deposits to self-insurance reserve | 13,022 |
| Interest on short-term debt and other | 12,063 |
| Net operating expenses | <u>74,986,727</u> |
| Less eliminations | |
| Ineligible expenses: | |
| Depreciation | 7,677,339 |
| Expenses equal to revenue of: | |
| ID pass sales | 26,805 |
| Miscellaneous | 1,039,302 |
| Other unallowable expenses under federal regulations: | |
| Other, including applicable pension amounts | 1,868,257 |
| Non-mass transportation expenses: | |
| Expenses equal to revenue of: | |
| Rental building | 85,741 |
| Contra expenses: | |
| Interest income on working capital | 68,204 |
| Other excluded expenses: | |
| Federal expenses relating to grants | 13,439,965 |
| State wide planning | 222,355 |
| Total eliminations | <u>24,427,968</u> |
| Eligible operating expenses | <u>50,558,759</u> |

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**SCHEDULE OF RECONCILIATION OF NET OPERATING EXPENSES
TO NET PROJECT COST
YEARS ENDED JUNE 30, 2001 AND 2000**

| | <u>2003</u> |
|---|----------------------|
| Fare box and other revenue not includable as local share: | |
| Fare box revenue - regular | 9,761,220 |
| Students' revenue | <u>1,295,057</u> |
| Total fare box and other revenue applied against eligible expenses not includable as local share | <u>11,056,277</u> |
| Net project costs | 39,502,482 |
| Local share other than general operating assistance: | |
| Advertising | <u>325,655</u> |
| Expenses eligible for state and federal operating assistance | <u>\$ 39,176,827</u> |

(CONCLUDED)