

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
***(A Component Unit of the State of Rhode Island)***

FINANCIAL STATEMENTS AND SCHEDULES  
FISCAL YEAR ENDED JUNE 30, 2011  
(WITH REPORT OF INDEPENDENT AUDITORS)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

---

**Table of Contents**

	<u>Page(s)</u>
Report of Independent Auditors .....	1 - 2
Management's Discussion and Analysis .....	3 - 8
<b>Financial Statements:</b>	
Statement of Net Assets .....	9
Statement of Revenues, Expenses and Changes In Net Assets .....	10-11
Statement of Cash Flows .....	12
Notes to Financial Statements .....	13 – 26
<b>Required Supplemental Schedules:</b>	
Schedule of Funding Progress .....	27
<b>Supplementary Information:</b>	
Schedule B – Statement of Net Assets .....	28
Schedule C – Statement of Changes in Net Assets .....	29
Schedule E – Schedule of Changes in Long-Term Debt .....	30
Schedule of Tangible Property .....	31
Schedule of Operating Expenses .....	32 - 35
Combining Statement of Revenues, Expenses and Changes in Net Assets .....	36
Schedule of Travel and Entertainment .....	37-39

---

**REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors  
Rhode Island Public Transit Authority

We have audited the accompanying financial statements of the Rhode Island Public Transit Authority, a component unit of the State of Rhode Island and Providence Plantations (State), as of and for the year ended June 30, 2011 as listed in the table of contents. These 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 audit.

We conducted our audit 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011 and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 9 to the financial statements, the Authority received operating assistance including fare subsidies from the State for the fiscal year ending June 30, 2011 in the amount of \$41,025,227. 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 30, 2011 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over the financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Needham  
Boston  
Concord  
Taunton

The Management's Discussion and Analysis on pages 3 through 8 and schedule of funding progress on page 27 are 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 the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. Schedules B, C and E on pages 28, 29 and 30 and Schedule of Tangible Property, Schedule of Operating Expenses, Combining Statement of Revenue, Expenses and Changes in Net Assets and Schedule of Travel and Entertainment on pages 31-39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 30, 2011

A handwritten signature in black ink, appearing to read "Brian OC". The signature is written in a cursive, flowing style.

## **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, 2011. 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.

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 for the current year. 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 revenue and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Assets*. This statement reports the current years' 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 for the current years. 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 5.4% or \$5.1 million during FY 2011 compared to FY 2010.
- Operating and non-operating expenses increased by 8.5 % or \$9.0 million during FY 2011 as compared to FY 2010.
- Capital contributions increased \$25.6 million or 101.9% from the previous year.
- Capital assets increased by \$43.8 million or 38.5% from FY 2010.
- The Authority's total net assets increased by \$35.3 million or 40.1 % from FY 2010.

**Assets and Liabilities**

The following schedule presents the condensed Statement of Net Assets for the fiscal years ended June 30, 2011 and 2010.

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
Assets:		
Capital assets	\$157,627,706	\$113,810,934
Other assets	22,315,056	20,803,447
<b>TOTAL ASSETS</b>	<u>179,942,762</u>	<u>134,614,381</u>
Liabilities:		
Current liabilities	12,473,314	13,549,821
Long-term liabilities	43,953,177	32,927,227
<b>TOTAL LIABILITES</b>	<u>56,426,491</u>	<u>46,477,048</u>
Net assets		
Unrestricted net assets (deficit)	(21,226,895)	(16,512,606)
Invested in capital assets	144,743,166	104,649,939
<b>TOTAL NET ASSETS</b>	<u>\$123,516,271</u>	<u>\$88,137,333</u>

The majority of the Authority's assets (88%) reflect its investment in capital assets (land, building, revenue vehicles, equipment). The increase in net assets totaling \$35.3 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 federal and state governments, inventories, prepaid expenses and other receivables. Current liabilities consist of vendor, government, employee, and benefit payments while long-term liabilities include accrued pension, self-insured claims, and a liability of \$23.6 million

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

associated with implementing GASB #45, Other Post-employment benefits effective FY 2008.

**Authority Operations**

The following schedule presents the condensed Statement of Revenues, Expenses and Changes in Net Assets for the fiscal years ended June 30, 2011 and 2010.

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
Operating Revenue		
Ritecare program revenue	\$6,894,717	\$6,139,975
Passenger revenue	12,883,690	11,908,966
Ride program revenue	7,163,120	6,157,915
Other operating revenues	4,147,277	3,490,143
Non-operating Revenue		
Grant revenue	24,373,884	21,853,999
Contract revenue	3,341,398	3,382,654
Other non-operating revenue	54,766	41,817
Transfer in from the State	<u>41,025,227</u>	<u>41,788,014</u>
Total Revenues	<u>99,884,079</u>	<u>94,763,478</u>
Operating Expenses		
Management and general	(23,448,088)	(20,104,716)
Operations and maintenance	(78,706,414)	(76,158,471)
Depreciation	(12,673,713)	(9,484,280)
Non-operating Expenses		
Debt service	(483,462)	(386,869)
Other non-operating expenses	(5,455)	(197,970)
Total Expenses	<u>(115,317,132)</u>	<u>(106,332,306)</u>
Net Income ( Loss) before Capital Contributions	(15,433,053)	(11,568,828)
Capital Contributions	<u>50,811,991</u>	<u>25,165,798</u>
Change in Net Assets	35,378,938	13,596,970
Total Net Assets- Beginning	<u>88,137,333</u>	<u>74,540,363</u>
Total Net Assets- Ending	<u>\$123,516,271</u>	<u>\$88,137,333</u>

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

The Authority's operating revenue, non-operating revenue, transfers from the state and capital contributions total \$150,696,070. The revenue reported as operating revenue, non-operating revenue and transfers from the state increased 5.4% or \$5,120,601 over the prior year. This increase was the result of receiving additional federal funds from the federal stimulus program. The Authority's operating and non-operating expenses total \$115,317,132. This reflects an increase of 8.5% or \$8,984,826 over the prior year.

**Capital Assets**

The following schedule summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Land, shops, garages and buildings	\$102,023,648	\$60,296,337
Revenue equipment	118,795,842	86,311,544
Service vehicles and garage equipment	5,082,333	4,642,683
Furniture and fixtures	4,185,167	3,924,279
Management information systems	5,118,557	4,675,672
Federal grant projects in process	<u>3,893,928</u>	<u>38,665,311</u>
	239,099,475	198,515,826
Less accumulated depreciation	<u>(81,471,769)</u>	<u>(84,705,892)</u>
Net capital assets	<u>\$157,627,706</u>	<u>\$113,809,934</u>

At the end of fiscal year 2011, the Authority had \$ 157,627,706 invested in capital assets. This amount represents an increase of 38.5% or \$43.8 million from the prior year.

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

- Completion of the Paratransit Operations and Support Facility
- Purchase of 63 Hybrid and 10 clean diesel fixed route vehicles
- Purchase of 44 Paratransit vehicles

During FY 2012, the Authority has committed to the purchase of 4 Flex vehicles and 20 Paratransit vehicles. The Authority will also be accepting the design approval, factory inspection and mini-fleet installation of the CAD/AVL system as part of the multi-year ITS project.



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

### **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.

The following factors were considered in setting the Authority's FY 2012 budget:

- Level of federal funds appropriated for operating and capital purposes. The current transit funding authorization act, SAFETEA-LU expired 10/1/09. A new transportation funding act has not yet been approved. Federal funding continues under the existing act via a federal continuing resolution until 3/31/12. The FY 2012 budget includes funding for mobility management reimbursement, ADA reimbursement, preventive maintenance, Jobs Access/Reverse Commute and rural operating assistance.
- The Authority received \$37 million in 100% federal stimulus funds (ARRA) during the fiscal year 2011. Ten percent of the ARRA funds were allowed to be used as one-time operating assistance. The Authority used \$3.7 million in FY 2011 as operating assistance. These funds are not available for operating for FY 2012.
- State gasoline tax revenue available for operating purposes. For FY 2012, the yield determined by the State of RI Department of Revenue for the gasoline tax is expected to increase slightly from the previous fiscal year. In total RIPTA receives 9.25 of the 32 cent gasoline tax and .5 of the 1 cent UST fee annually.
- 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, a program which was reduced significantly during FY 2010.
- RIPTA increased the base fare from \$1.75 to \$2.00 and associated increases to all other fare media effective September 1, 2010. The annualized revenue from this fare increase has been incorporated in FY 2012. The Authority has also introduced a new fare product, ECO Pass, geared towards businesses who contribute towards their employee's transportation.
- The FY 2012 budget includes wage increases based on the Amalgamated Transit Union interest arbitration award. The Authority is currently in negotiations with LIU 808 whose contract expired 6/30/09. Employee wages and associated fringe benefits (less employee contributions) make up approximately 69% of the Authority's annual budget.
- Costs associated with fuel prices. The Authority consumes 2.5 million gallons of fuel annually. The budgeted fuel cost for FY 2012 has been budgeted at \$3.50 per

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

gallon, an increase of 35% from the previous fiscal year where the Authority budgeted \$2.60 per gallon. The current fiscal year lock-in price is greater than the budgeted price per gallon. The Authority will continue purchasing fuel at a daily market price until such time as the lock-in price is cost beneficial to the Authority.

- Inclusion of expenses and offsetting reimbursement of the State of Rhode Island DOT vehicle maintenance and repair program contracted with the Authority.

**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, 705 Elmwood Avenue, Providence, Rhode Island, 02907.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2011**

---

<b><u>ASSETS</u></b>	
	<b>2011</b>
<b>Current assets:</b>	
<b>Cash and cash equivalents:</b>	
Operating fund	\$ 3,537,718
Capital replacement fund	1,941,951
Paratransit capital fund	321,101
Accident and casualty fund	135,514
<b>Total cash and cash equivalents</b>	<b><u>5,936,284</u></b>
Investments	4,058,509
Due from primary government	<u>5,979,425</u>
<b>Receivables:</b>	
Accounts	2,080,728
Grants	1,269,008
<b>Total receivables</b>	<b><u>3,349,736</u></b>
Inventories, net allowance of \$34,000	2,879,790
Prepaid expenses	<u>111,312</u>
<b>Total current assets</b>	<b><u>22,315,056</u></b>
<b>Long-term assets:</b>	
Capital assets, non-depreciable	6,039,851
Capital assets, depreciable net of depreciation	<u>151,587,855</u>
<b>Total long-term assets</b>	<b><u>157,627,706</u></b>
<b>TOTAL ASSETS</b>	<b><u>179,942,762</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>	
Accounts payable	6,318,790
Accrued salaries, wages and vacation pay	4,524,385
Other liabilities	897,839
Deferred revenue - other	114,036
Due to primary government	618,264
<b>Total current liabilities</b>	<b><u>12,473,314</u></b>
<b>Long-term liabilities:</b>	
Accrued self insured claims	6,272,085
Net pension obligation	1,755,708
Net OPEB obligation	23,659,108
Due to primary government	<u>12,266,276</u>
<b>Total long-term liabilities</b>	<b><u>43,953,177</u></b>
<b>Total liabilities</b>	<b><u>56,426,491</u></b>
<b>Net assets:</b>	
Unrestricted net deficit	(21,226,895)
Invested in capital assets, net	<u>144,743,166</u>
<b>Total net assets</b>	<b><u>\$ 123,516,271</u></b>

SEE NOTES TO THE FINANCIAL STATEMENTS.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2011**

---

	<u>2011</u>
<b>Operating revenues:</b>	
Passenger	\$ 19,778,407
Paratransit	1,786,444
Rental	192,096
Advertising	579,260
RIDE	7,163,120
Other	1,590,477
<b>Total operating revenues</b>	<u>31,089,804</u>
<b>Operating expenses:</b>	
Administration	1,051,673
Finance	2,914,240
Operations	64,852,587
Marketing	2,261,023
Human resources	1,083,730
Risk management	3,960,334
Planning and scheduling	2,031,745
Specialized transportation	2,252,563
Paratransit operations	9,143,192
Purchasing	1,471,253
Flex RIPTA	1,850,649
MIS	908,176
RIDE	5,150,770
Centralized maintenance	2,247,392
Facilities engineering operations	362,581
State of Rhode Island - DOT	612,594
Depreciation	12,673,713
<b>Total operating expenses</b>	<u>114,828,215</u>
<b>Operating loss</b>	<u>(83,738,411)</u>
<b>Non-operating revenues (expenses):</b>	
Transfer from State	41,025,227
Grants	24,372,884
Investment income	54,766
Contract revenue	3,341,398
Loss on disposal of assets	(5,455)
Debt service	(483,462)
<b>Total non-operating revenues</b>	<u>68,305,358</u>
<b>Loss before transfers and capital contributions</b>	(15,433,053)

(CONTINUED)

SEE NOTES TO THE FINANCIAL STATEMENTS.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2011**

---

	<u>2011</u>
<b>Capital contributions</b>	
Capital contributions	50,811,991
<b>Total capital contributions</b>	<u>50,811,991</u>
<b>Increase in net assets</b>	<u>35,378,938</u>
<b>Net assets, beginning of year</b>	<u>88,137,333</u>
<b>Net assets, end of the year</b>	<u>\$ 123,516,271</u>

(CONCLUDED)

SEE NOTES TO THE FINANCIAL STATEMENTS.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2011**

	<u>2011</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 30,118,394
Cash payments to suppliers for goods and services	(22,188,293)
Cash payments to employees for services	<u>(73,839,282)</u>
<b>Net cash used for operating activities</b>	<u>(65,909,181)</u>
<b>Cash flows from non-capital financing activities:</b>	
Debt service	3,240,083
Operating transfers in	41,586,805
Contract revenue	<u>3,341,398</u>
<b>Net cash provided by non-capital financing activities</b>	<u>48,168,286</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from grants	75,899,406
Acquisition and construction of capital assets	<u>(56,495,940)</u>
<b>Net cash provided by capital and related financing activities</b>	<u>19,403,466</u>
<b>Cash flows from investing activities:</b>	
Purchase of investments	(8,609,297)
Maturity of investments	8,328,900
Interest and dividends on investments	<u>54,766</u>
<b>Net cash used for investing activities</b>	<u>(225,631)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,436,940
<b>Cash and cash equivalents at beginning of year</b>	<u>4,499,344</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 5,936,284</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>	
Operating loss	\$ (83,738,411)
Adjustment to reconcile operating loss to net cash used for operating activities:	
Depreciation	12,673,713
Decrease in inventory allowance	(3,063)
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(985,077)
Decrease (increase) in inventory	(117,047)
Decrease in prepaid expenses	34,806
Increase (decrease) in accounts payable and accrued expenses	(376,618)
Increase (decrease) in deferred revenue	13,667
Decrease in Pension liability	(43,376)
Increase in OPEB liability	<u>6,632,225</u>
Total adjustments	<u>17,829,230</u>
<b>Net cash used for operating activities</b>	<u>\$ (65,909,181)</u>

SEE NOTES TO THE FINANCIAL STATEMENTS.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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, 1964, 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, 1966, 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 1966".

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 unit 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.

***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.

The Authority 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.

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Standards***

The Authority has implemented the following new accounting pronouncements:

- ✓ GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, effective for the Authority's fiscal year ending June 30, 2011. The adoption of this Statement did not have an impact on the Authority's financial position or results in operation.
- ✓ GASB Statement No. 59 – Financial Instruments Omnibus, effective for the Authority's fiscal year ending June 30, 2011. The adoption of this Statement did not have an impact on the Authority's financial position or results in operation.

The Authority will adopt the following new accounting pronouncement in future years:

- ✓ GASB Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangement, effective for the Authority's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 61 – The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, effective for the Authority's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the Authority's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for the Authority's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53, effective for the Authority's fiscal year ending June 30, 2012.

The impact of these pronouncements on the Authority's financial statements has not been determined.

***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.

***Investments***

Investments are valued at fair market value.

(CONTINUED)



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Materials and Supplies of Inventory***

Inventories consist of spare parts, supplies and fuel oil and are stated at the lower of cost (weighted average method) 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 lives of assets are as follows:

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

Capital assets are defined by the Authority as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year.

***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.

***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.

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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 6.

***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, 2011 was \$556,610.

**2. CASH DEPOSITS AND INVESTMENTS**

***Cash Deposits***

The carrying amount of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2011 was \$3,672,132 and the bank balance was \$4,465,776. Of the bank balance, \$4,465,776 was insured by federal depository insurance and Securities Investor Protection.

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, 2011, 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 for June 30, 2011 is \$3,672,132. Investments of \$2,263,052, and \$1,100 of petty cash, relate to the balance sheet totals for June 30, 2011 as follows:

Cash deposits	\$ 3,672,132
Add: Petty cash	1,100
Investments classified as cash equivalents for financial statement purposes	2,263,052
Cash and cash equivalents per balance sheet	<u>\$ 5,936,284</u>

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**2. CASH DEPOSITS AND INVESTMENTS (Continued)**

At June 30, 2011, the Authority had the following investments classified as cash equivalents:

<u>Description</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Government Money Market Fund	On demand	See below	\$ 1,941,951
Fidelity Institutional cash	On demand	Aa2	321,101
			<u>\$ 2,263,052</u>

At June 30, 2011, the Authority had the following investments:

<u>Description</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Certificate of Deposit	6/21/2012	N/A	\$ 224,035
National Federal Mortgage Association	7/30/12-12/15/13	AAA	1,362,328
Federal Home Loan Banks	12/27/13-5/28/14	AAA	504,766
Federal Home Loan Mortgage Corporation	7/27/12-10/28/13	AAA	959,099
US Treasury Notes	5/31/12-12/15/13	AAA	1,008,281
			<u>\$ 4,058,509</u>

*Custodial Credit Risk – Deposits and Investments.* Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit or investment policy for custodial credit risk.

*Interest Rate Risk.* It is the policy of the Authority to limit the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* As of June 30, 2011, the Authority's investment in National Federal Mortgage Association was rated AAA by Standard and Poors and Moody's Investor Service. Government Money Market Fund is not a rated security, as the fund invests in short-term obligations issued by the U.S. Treasury and invests in repurchase agreements and other instruments collateralized or secured by U.S. Treasury obligations. The U.S. Treasury does not directly or indirectly insure or guarantee the performance of the fund. Treasury obligations have historically involved minimal risk of loss if held to maturity. However, fluctuations in market interest rates may cause the value of Treasury obligations in the Fund's portfolio to fluctuate.

*Concentration of Credit Risk.* The corporation does not have a formal policy that limits the amount that may be invested in any one issuer.

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**3. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at June 30, 2011:

	<u>Balance</u> <u>7/1/2010</u>	<u>Additions</u>	<u>Transfers &amp;</u> <u>Removals</u>	<u>Balance</u> <u>6/30/2011</u>
<b>Cost:</b>				
Land	\$ 2,145,924			\$ 2,145,924
Shop, garages and buildings	58,150,413	41,727,311		99,877,724
Revenue equipment	86,311,544	48,009,590	15,525,292	118,795,842
Service vehicles and garage equipment	4,643,683	722,147	283,497	5,082,333
Furniture and office equipment	3,924,279	296,214	35,326	4,185,167
Management information system	4,675,672	512,063	69,178	5,118,557
<b>Total fixed assets</b>	<b>159,851,515</b>	<b>91,267,325</b>	<b>15,913,293</b>	<b>235,205,547</b>
Federal grant projects in process	38,665,311	6,813,815	41,585,199	3,893,927
<b>Total cost</b>	<b>198,516,826</b>	<b>98,081,140</b>	<b>57,498,492</b>	<b>239,099,474</b>
<b>Accumulated depreciation:</b>				
Shop, garages and buildings	21,406,867	2,681,722		24,088,589
Revenue equipment	55,014,251	8,489,341	15,525,293	47,978,299
Service vehicles and garage equipment	3,326,797	466,295	283,307	3,509,785
Furniture and office equipment	2,164,043	247,369	30,816	2,380,596
Management information system	2,793,934	788,986	68,421	3,514,499
<b>Total accumulated depreciation</b>	<b>84,705,892</b>	<b>12,673,713</b>	<b>15,907,837</b>	<b>81,471,768</b>
<b>Total property, plant and equipment</b>	<b>\$ 113,810,934</b>	<b>\$ 85,407,427</b>	<b>\$ 41,590,655</b>	<b>\$ 157,627,706</b>

Depreciation expense for the fiscal year ended June 30, 2011 was \$12,673,713.

**4. NOTES PAYABLE**

The Authority had a \$2,000,000 line of credit with a financial institution for 2011. The line of credit was 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. This line of credit was not renewed during fiscal year ended June 30, 2011.

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**5. 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, 2011 was as follows:

Balance at beginning of year	\$ 3,607,474
Deposits:	
Capital replacement deposits	332,631
Local match payments	(230,125)
Interest and dividend earnings	40,593
Balance at end of year	<u>\$ 3,750,573</u>
Classified as cash and cash equivalents	1,941,951
Classified as investments	1,808,622
Balance classifies as investments	<u>\$ 3,750,573</u>

**6. 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, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 357,815	\$ 354,672
Deposits:		
Interest earnings on investments	1,734	3,143
Balance at end of year	<u>\$ 359,549</u>	<u>\$ 357,815</u>

Assets restricted at June 30, 2011 and 2010 in the accident and casualty fund amounted to \$359,549 and \$357,672, respectively. For fiscal years 2011 and 2010, \$135,514 and \$135,280, respectively, is classified as cash and cash equivalents and \$224,035 and \$222,535, respectively, is classified as investments.

It is the intention of the Authority to build this self-insurance fund to not less than \$5,000,000 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, 2011**

**6. SELF INSURANCE (Continued)**

At June 30, 2011 and 2010, 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, 2011 and 2009 was as follows:

	<u>2011</u>	<u>2010</u>
Amount of claims liabilities, beginning of year	\$ 5,618,401	\$ 5,435,636
Incurred claims	3,825,266	2,335,120
Payments on claims	(3,171,582)	(2,152,355)
Amount of claims liabilities, end of year	<u>\$ 6,272,085</u>	<u>\$ 5,618,401</u>

**Health Care**

During fiscal year June 30, 2005, the Authority changed to a self-insured program administered by the State of Rhode Island. The unpaid claims liability at June 30, 2011 and 2010 is recorded as other liabilities in the Statement of Net Assets. The Authority's incurred but not reported claims as of June 30, 2011 was as follows:

	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning of year	\$ 916,879	\$ 961,211
Incurred claims	10,753,019	12,377,385
Payments on claims	(10,895,597)	(12,421,717)
Unpaid claims, end of year	<u>\$ 774,301</u>	<u>\$ 916,879</u>

**7. COMMITMENTS AND CONTINGENCIES**

**Claims and Legal Actions**

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.

**Contract Commitments**

The Authority is committed under various contracts in the amount of \$15,193,207 at June 30, 2011.

**8. POST RETIREMENT BENEFITS**

**Plan Description**

The Authority's Post-Employment Medical Benefit Plan is a single-employer defined benefit postretirement health and life insurance program that is administered through the State of Rhode Island's carrier. The Authority provides lifetime health care and life insurance benefits to substantially all retired employees and their spouses. Health care benefits were paid to 445 retirees during fiscal year ended June 30, 2011 and life insurance benefits were paid to 235 retirees during fiscal year ended June 2011. These benefits are provided through a group insurance policy that covers both active and retired employees. Any changes to these provisions are subject to the Authority's approval. The plan does not issue a separate report.

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**8. POST RETIREMENT BENEFITS (Continued)**

**Funding Policy**

The Authority funding policy provides for actuarially determined periodic contributions to the plans at rates that, increase gradually over time so that sufficient assets will be available to pay benefits when due. Any changes to these provisions are subject to the Authority's approval. For employees retiring on or before July 1, 2006, the Authority contributes the full premium for the retired plan member and their spouse. For employees retiring after July 1, 2006, covered spouses contribute per month for coverage until age 65 and surviving spouses contribute 50% of the health care premium. The annual OPEB cost was determined as part of the July 1, 2010 actuarial valuation using the projected unit credit funding method (with service proration). The actuarial assumptions included a 3.566% discount rate and the RP-2000 Male/Female Combined Healthy Table.

The Authority adopted GASB 45 during fiscal year ended June 30, 2008. The available trend information is presented below.

**Three-Year Trend Information**

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 7,561,348	16.5%	\$ 23,659,108
6/30/2010	\$ 6,920,782	28.3%	\$ 17,026,883
6/30/2009	\$ 6,364,241	23.8%	\$ 12,066,721

The Authority's annual OPEB cost and net OPEB obligation for the year ended June 30, 2011 was as follows:

Annual required contribution	\$ 7,893,754
Interest on net OPEB obligation	618,603
Adjustment to annual required contribution	(951,009)
Annual OPEB cost	<u>7,561,348</u>
Contributions made	(929,123)
Increase in net OPEB obligation	<u>6,632,225</u>
Net OPEB obligation, beginning of year	17,026,883
Net OPEB obligation, end of year	<u>\$ 23,659,108</u>

**Schedule of Funding Progress**

The unfunded actuarial accrued liability was determined using the level dollar thirty year open amortization basis.

Actuarial Valuation Date	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 (5)	UAAL as a Percent of Covered Payroll (3)/(5) (6)
07/01/10	N/A	\$69,647,632	\$69,647,632	N/A	\$36,647,743	190.0%

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

---

**8. POST RETIREMENT BENEFITS (Continued)**

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation. The actuarial assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Annual Required Contribution for fiscal year 2011 was determined based on the July 1, 2010 valuation. The annual required contribution was determined using the individual entry age funding method. The unfunded actuarial liability (UAAL) is amortized over a period of 30 years using the level dollar thirty year open amortization basis. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL is being amortized over the remainder of an open 30-year period. The Authority makes contributions to the plan on a pay-as-you-go basis. The Board of Directors of the Authority has the authority to establish and/or amend the plan's provisions and the plan's contribution rates.

The individual entry-age actuarial funding method is used to determine the annual required contribution amounts and the annual net OPEB obligation. Under this funding method, projected benefits are assumed to accrue on a level annual basis from date of hire to the expected retirement date. Normal cost for a participant is the present value of the projected benefit which accrues in the current plan year. Normal cost for the plan is the sum of the normal costs for all participants. The actuarial assumptions include a 3.566% discount rate and an annual healthcare cost trend of 9% progressively declining to 4.5% after 6 years. Changes in assumptions between the 2010 and the 2011 valuations include updating to the RP-2000 Male/Female Combined Healthy Table. This assumption change was made to better reflect current expectations of future experience.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are formulated about the future.

**9. 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, 2011, the State appropriated a total of nine and one quarter cents of dedicated gas tax and a half cent of gas tax from the Underground Storage Tank Fund. For fiscal year ending June 30, 2011, the Authority received \$41,025,227 from the dedicated gas tax as operating assistance in support of the transit system. Beginning fiscal year 2011, the Authority has been allocated nine and quarter cents of dedicated gas tax and a half cent of gas tax from the Underground Storage Tank Fund. The Authority anticipates receiving approximately \$41,459,720 in fiscal year ended June 30, 2012 from the State.

On August 10, 2005, President Bush signed *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU) authorizing federal transportation programs through federal fiscal year 2009. This act maintained the provision allowing for the use of capital funds for preventative maintenance activities and the use of capital funds to cover the costs of providing ADA service, up to a maximum of 10 percent of the annual Section 5307 apportionment.

For fiscal year 2011, RIPTA used \$10,337,633 for preventative maintenance expenses.

(CONTINUED)



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**10. 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(7), 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 Human Services. For the fiscal year ended June 30, 2011, the Authority recorded \$3,341,398 of contract revenue from this agreement. For fiscal year 2012, RIPTA anticipates receiving \$3,359,300 under this agreement.

**11. DUE FROM/TO PRIMARY GOVERNMENT**

At June 30, 2011, the Rhode Island Public Transit Authority is owed \$5,979,425 from the State of Rhode Island.

At June 30, 2011, the Rhode Island Public Transit Authority owes \$8,482,859 to the State of Rhode Island related to payments for debt service to the State and \$4,401,681 related to unfunded debt service.

**12. NET ASSETS**

Net assets represent the difference between assets and liabilities. The net asset amount at June 30, 2011 was as follows:

<b><i>Invested in capital assets, net of related debt:</i></b>	
Net capital assets in service, net of related debt.....	<u>\$144,743,166</u>
<b><i>Total restricted for capital activity and debt service ....</i></b>	<u>144,743,166</u>
<b><i>Unrestricted (deficit).....</i></b>	<u>(21,226,895)</u>
<b><i>Total net assets.....</i></b>	<u>\$123,516,271</u>

**13. 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.

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**14. PENSION PLANS**

Effective January 1, 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. The pension plan eligibility, contributions and benefit provisions are defined in the Rhode Island Public Transit Authority Employee's Pension Plan document. Any changes to these provisions are subject to the collective bargaining process.

***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.

***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, 2011 was as follows:

	Bargaining Unit	Salaried Unit
Annual required contribution	\$ 6,405,583	\$ 890,868
Interest on net pension obligation	145,856	-
Adjustment to annual required contribution	(145,856)	-
Annual pension cost	<u>6,405,583</u>	<u>890,868</u>
Contributions made	6,448,959	890,868
Increase (decrease) in net pension obligation	(43,376)	-
Net pension obligation June 30, 2010	<u>1,799,084</u>	-
Net pension obligation June 30, 2011	<u>\$ 1,755,708</u>	<u>\$ -</u>

***Bargaining Unit***

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation. The actuarial assumptions included 8% investment rate of return from June 30, 2010 to December 31, 2010 and a 7.5% investment rate of return effective January 1, 2011, 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 on a level closed basis. The remaining amortization period at June 30, 2011 is 28 years.

The schedule of funding progress presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**14. PENSION PLANS (Continued)**

***Bargaining Unit (Continued)***

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	6,117,156	100%	1,799,084
6/30/2010	6,768,493	100%	1,799,084
6/30/2011	6,405,583	101%	1,755,708

***Salaried Unit***

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation. The actuarial assumptions included a 7.5% investment rate of return and increases 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 on a level closed basis. The remaining amortization period at June 30, 2011 is 28 years. Effective January 1, 2008, the actuarial cost method was changed from the entry age normal method to the frozen attained age method and the mortality table was changed from the 1971 group annuity mortality table to the RP-2000 combined healthy mortality table.

The schedule of funding progress presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	1,606,904	100%	0
6/30/2010	975,399	100%	0
6/30/2011	890,868	100%	0

***Schedule of Funding Progress***

**Bargaining Unit**

Actuarial Valuation Date	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)
Jan 1, 2011	\$54,778,816	\$85,237,701	\$30,458,885	64.27%	\$30,242,652	100.74%

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**14. PENSION PLANS (Continued)**

**Schedule of Funding Progress (Continued)**

	<b>Salaried Unit</b>					
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA) (1)</b>	<b>Actuarial Accrued Liability (AAL) (2)</b>	<b>Unfunded AAL (UAAL) (2)-(1) (3)</b>	<b>AVA as a Percent of AAL (1)/(2) (4)</b>	<b>Covered Payroll for Active Participants (5)</b>	<b>UAAL as a Percent of Covered Payroll (3)/(5) (6)</b>
January 1, 2011	\$12,399,340	\$17,094,043	\$4,694,703	72.54%	\$5,088,131	92.27%

**15. PARATRANSIT OPERATIONS**

Beginning June 1, 2009, the Authority was awarded a two-year contract with three one-year renewal options 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 104 runs under the RIDE Program. The transportation needs include trips to meal sites, workshops, adult daycare and medical visits.

**16. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; errors and omissions; workers' compensation claims and self-insured health care. A detail description of the risks associated with the above are described in Notes 1 and 6.

(CONCLUDED)

***REQUIRED SUPPLEMENTARY INFORMATION***

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF FUNDING PROGRESS  
JUNE 30, 2011**

**Required supplementary information**

**Rhode Island Public Transit Authority's schedule of funding progress is as follows:**

**Salaried 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>
January 1, 2011	\$ 12,399,340	\$ 17,094,043	\$ 4,694,703	72.54%	\$ 5,088,131	92.27%
January 1, 2010	11,016,648	15,845,292	4,828,644	69.53%	5,068,303	95.27%
January 1, 2009	9,341,618	14,294,858	4,953,240	65.35%	5,260,992	94.15%
January 1, 2008	9,225,518	15,184,097	5,958,579	60.76%	5,507,617	108.19%
January 1, 2007	8,584,242	14,341,947	5,757,705	59.85%	4,914,984	117.15%
January 1, 2006	9,075,277	16,848,040	7,772,763	53.87%	7,068,218	109.97%
January 1, 2005	8,230,659	15,688,414	7,457,755	52.46%	6,897,586	108.12%
January 1, 2004	7,442,204	14,593,295	7,151,091	51.00%	6,604,025	108.28%
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%

**Bargaining Unit**

January 1, 2011	\$ 54,778,816	\$ 85,237,701	\$ 30,458,885	64.27%	\$ 30,242,652	100.71%
January 1, 2010	45,904,451	72,504,411	26,599,960	63.31%	30,270,456	87.87%
January 1, 2009	34,390,148	61,408,539	27,018,391	56.00%	30,223,316	89.40%
January 1, 2008	38,102,478	61,341,381	23,238,903	62.12%	30,204,278	76.94%
January 1, 2007	33,041,125	50,250,369	17,209,244	65.75%	29,210,919	58.91%
January 1, 2006	26,329,994	43,480,559	17,150,565	60.56%	24,091,280	71.19%
January 1, 2005	22,854,889	40,219,586	17,364,697	56.83%	23,706,541	73.25%
January 1, 2004	18,496,569	35,584,946	17,088,377	51.98%	24,010,191	71.17%
January 1, 2003	13,557,300	28,988,352	15,431,052	46.77%	21,206,502	72.77%
January 1, 2002	12,668,565	28,252,509	15,583,944	44.84%	21,276,554	73.24%
January 1, 2001	13,040,965	24,910,283	11,869,318	52.35%	20,347,877	58.33%

**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 this plan

**Postemployment Medical Benefit Plan**

July 1, 2011	N/A	\$ 69,647,632	\$ 69,647,632	N/A	\$ 36,647,743	190.0%
July 1, 2010	N/A	62,392,160	62,392,160	N/A	36,209,202	172.3%
July 1, 2009	N/A	57,018,308	57,018,308	N/A	35,714,749	159.6%

SEE INDEPENDENT AUDITORS' REPORT

***SUPPLEMENTARY INFORMATION***

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

**STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	<b>SCHEDULE B</b>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 5,936,284
Investments	4,058,509
Receivables	3,349,736
Due from primary government	5,979,425
Inventories	2,879,790
Other assets	111,312
<b>Total current assets</b>	<u>22,315,056</u>
Noncurrent Assets	
Capital assets, non-depreciable	6,039,851
Capital assets, depreciable (net)	151,587,855
<b>Total noncurrent assets</b>	<u>157,627,706</u>
<b>Total assets</b>	<u>179,942,762</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	6,318,790
Due to primary government	618,264
Deferred revenue	114,036
Other liabilities	5,422,224
<b>Total current liabilities</b>	<u>12,473,314</u>
Noncurrent Liabilities	
Due to primary government	12,266,276
Net OPEB obligation	23,659,108
Other liabilities	8,027,793
<b>Total noncurrent liabilities</b>	<u>43,953,177</u>
<b>Total liabilities</b>	<u>56,426,491</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	144,743,166
Unrestricted	<u>(21,226,895)</u>
<b>Total net assets</b>	<u>\$ 123,516,271</u>

SEE INDEPENDENT AUDITORS' REPORT



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

**STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2011**

---

<b>SCHEDULE C</b>	
<b>Operating revenues</b>	
Charges for services	\$ 29,499,327
Other operating income	<u>1,590,477</u>
<b>Total operating revenues</b>	<u>31,089,804</u>
<b>Operating expenses</b>	
Personnel	73,395,870
Supplies, materials and services	23,609,222
Depreciation, depletion and amortization	12,673,713
Other operating expenses	<u>5,149,410</u>
<b>Total operating expenses</b>	<u>114,828,215</u>
<b>Nonoperating revenues (expenses)</b>	
Interest revenue	54,766
Grants	24,372,884
Payments from primary government	41,025,227
Loss on sale of property	(5,455)
Interest expense	(483,462)
Other nonoperating revenue	<u>3,341,398</u>
<b>Total nonoperating revenue</b>	<u>68,305,358</u>
<b>Loss before contributions</b>	<u>(15,433,053)</u>
Capital contributions	<u>50,811,991</u>
<b>Change in net assets</b>	<u>35,378,938</u>
<b>Total net assets - beginning</b>	<u>88,137,333</u>
<b>Total net assets - ending</b>	<u><u>\$ 123,516,271</u></u>

SEE INDEPENDENT AUDITORS' REPORT

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

**SCHEDULE OF CHANGES IN LONG-TERM DEBT  
YEAR ENDED JUNE 30, 2011**

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Schedule E Amounts Due Thereafter
Bonds payable	\$	\$	\$	\$ 0	\$	\$ 0
Net unamortized premium/discount				0		0
Deferred amount on refunding				0		0
Bonds payable:	0	0	0	0	0	0
Due to Primary Government	9,160,995	4,401,681	678,138	12,884,540	618,264	12,266,276
Notes Payable				0		0
Obligations under capital leases				0		0
Net OPEB obligation	17,026,883	6,632,225		23,659,108		23,659,108
Compensated absences				0		0
Included in other liabilities:						
Arbitrage rebate				0		0
Pollution remediation				0		0
Items not listed above	7,417,485	653,684	43,376	8,027,793		8,027,793
Other liabilities	7,417,485	653,684	43,376	8,027,793	0	8,027,793
	<u>\$ 33,605,363</u>	<u>\$ 11,687,590</u>	<u>\$ 721,512</u>	<u>44,571,441</u>	<u>\$ 618,264</u>	<u>\$ 43,953,177</u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF TANGIBLE PROPERTY**

**JUNE 30, 2011**

	Tangible Property		Rate	Balance 7/1/2010	Balance 6/30/2011	Accumulated Depreciation		Balance 6/30/2011	Net Book Value 6/30/2011
	Additions	Removals				Additions	Transfers/ Removals		
	\$ 2,145,924			\$ 2,145,924				\$ 2,145,924	
Land and land rights									
Shops, garages and office buildings	56,577,568	41,727,311	3 1/3%	20,675,190	98,304,879	2,639,912		23,315,102	74,989,777
Tunnels	1,572,845		4%	731,677	1,572,845	41,810		773,487	799,358
Communication system	5,649,037		10%	3,671,108	5,649,037	564,052		4,235,160	1,413,877
Revenue equipment - busses	62,673,957	\$ 13,026,457	8 1/3%	39,121,536	86,968,271	5,756,405	\$ 13,026,457	31,851,484	55,116,787
Trolleys	4,701,613	6,931,795	8 1/3%	4,515,551	10,636,348	389,023	997,060	3,907,514	6,728,834
Fare boxes	4,008,100		8 1/3%	938,583	4,008,100	323,107		1,261,690	2,746,410
Service cars and equipment	2,647,599	613,478	25%	1,779,902	2,982,293	338,633	278,784	1,839,751	1,142,542
Shops and garage equipment	1,996,084	108,669	10-20%	1,546,895	2,100,040	127,661	4,525	1,670,031	430,009
Furniture and office equipment	935,123	95,728	10-20%	822,188	995,525	46,403	30,816	837,775	157,750
Miscellaneous equipment	2,989,156	200,486	5-10%	1,341,855	3,189,642	200,966		1,542,821	1,646,821
Management information systems	4,675,672	512,063	10-20%	2,793,934	5,118,557	788,987	68,421	3,514,500	1,604,057
Leased Paratransit Vans	9,278,837	3,757,024	20%	6,767,473	11,534,086	1,456,754	1,501,774	6,722,453	4,811,633
Total fixed assets	159,851,515	91,267,325		84,705,892	235,205,547	12,673,713	15,907,837	81,471,768	153,733,779
Federal grant projects in process	38,665,311	6,813,815			3,893,927				3,893,927
<b>Total tangible property</b>	<b>\$ 198,516,826</b>	<b>\$ 98,081,140</b>		<b>\$ 84,705,892</b>	<b>\$ 239,099,474</b>	<b>\$ 12,673,713</b>	<b>\$ 15,907,837</b>	<b>\$ 81,471,768</b>	<b>\$ 157,627,706</b>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF OPERATING EXPENSES  
YEAR ENDED JUNE 30, 2011**

	2011
<b>Administration:</b>	
Salaries	\$ 323,715
Fringes	212,240
Legal	370,571
Other services	145,147
<b>Total administration</b>	<b>1,051,673</b>
<b>Finance:</b>	
Salaries	500,009
Fringes	365,381
Office expense/supplies	31,017
Utilities	1,657,318
Lease expense	1
Other services	49,213
Travel	15,602
Miscellaneous	190,147
Tickets & passes	105,552
<b>Total finance</b>	<b>2,914,240</b>
<b>Operations:</b>	
Salaries	
Wages - drivers	19,816,150
Wages - other	9,163,973
Fringe benefits	23,716,870
Other services	41,759
Maintenance agreement	224,452
Supplies	768,982
Uniforms	181,567
Hazardous waste disposal	128,400
Fuel	6,341,361
Antifreeze and lubricants	244,484
Parts - revenue vehicles	2,591,281
Parts - service vehicles	64,608
Professional Services	5,227
Tires and tubes	619,957
Major components	183,618
Inventory adjustment (recovery)	434,136
Miscellaneous	325,762
<b>Total operations</b>	<b>64,852,587</b>
<b>Marketing:</b>	
Salaries	834,347
Fringes	726,642
Public relations	105,307
Time tables	281,995
Advertising	169,308
Services	45,490
Miscellaneous	8,390
Miscellaneous supplies	89,544
<b>Total marketing</b>	<b>2,261,023</b>

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF OPERATING EXPENSES  
YEAR ENDED JUNE 30, 2011**

	2011
<b>Human resources:</b>	
Salaries	527,417
Fringes	462,872
Miscellaneous	93,441
<b>Total human resources</b>	<b>1,083,730</b>
<b>Risk management:</b>	
Salaries	157,022
Fringes	132,250
Office expense/supplies	2,265
Insurance	240,585
Settlements	2,000,721
Workers' compensation legal	53,687
Workers' compensation medical	223,513
Workers' compensation	478,638
Workers' compensation - other	245,501
Legal	248,941
Miscellaneous	177,211
<b>Total risk management</b>	<b>3,960,334</b>
<b>Planning and Scheduling:</b>	
Salaries	593,981
Fringes	457,912
Professional services	973,086
Other services	2,522
Office expense/supplies	4,243
Miscellaneous	1
<b>Total planning and scheduling</b>	<b>2,031,745</b>
<b>Specialized transportation:</b>	
Salaries	1,040,861
Fringe benefits	887,412
Professional services	8,128
Other services	4,553
Maintenance agreement	230,189
Miscellaneous	81,420
<b>Total specialized transportation</b>	<b>2,252,563</b>
<b>Paratransit operations:</b>	
Wages – drivers	4,328,943
Wages – other	442,627
Fuel	1,099,830
Fringe benefits	2,418,734
Pension	301,062
Insurance	464,216
Supplies	2,031
Uniforms/laundry	27,586
Inspection/registration fees	1,226
Training	2,032
Miscellaneous	54,905
<b>Total paratransit</b>	<b>9,143,192</b>

(CONTINUED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF OPERATING EXPENSES  
YEAR ENDED JUNE 30, 2011**

	2011
<b>Purchasing:</b>	
Salaries	765,400
Fringe	640,164
Supplies	12,400
Travel	3,475
Temporary Help	1,323
Other services	48,491
<b>Total purchasing</b>	<b>1,471,253</b>
<b>Flex RIPTA:</b>	
Salaries	881,945
Fringes	723,231
Supplies	3,033
Vehicle maintenance	233,363
Miscellaneous	9,077
<b>Total Flex RIPTA</b>	<b>1,850,649</b>
<b>MIS:</b>	
Salaries	261,720
Fringes	190,514
Services	31,584
Maintenance agreements	244,352
Professional Services	150,491
Supplies	25,521
Travel	3,994
<b>Total MIS</b>	<b>908,176</b>
<b>RIDE</b>	
RIDE carriers	2,517,418
Taxi RIDE providers	2,633,352
<b>Total RIDE</b>	<b>5,150,770</b>
<b>Centralized Maintenance:</b>	
Salaries	902,529
Fringes	766,434
Services	34,196
Lubricants	64,443
Tire mileage	25,120
Repair parts	454,670
<b>Total Centralized Maintenance</b>	<b>2,247,392</b>

(CONTINUED)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF OPERATING EXPENSES  
YEAR ENDED JUNE 30, 2011

---

	2011
<b>Facilities Engineering Operations:</b>	
Salaries	203,759
Fringes	158,822
<b>Total Facilities Engineering</b>	<u>362,581</u>
<b>State of Rhode Island - DOT:</b>	
Salaries	272,892
Fringes	218,040
Repair parts	121,662
<b>Total State of Rhode Island - DOT</b>	<u>612,594</u>
<b>Depreciation:</b>	
Shops, garages and office buildings	2,639,188
Communication system	564,052
Revenue equipment	5,756,405
Service cars and equipment	330,683
Shop and garage equipment	135,658
Furniture and office equipment	57,349
Trolleys	389,023
Fare boxes	323,107
Miscellaneous equipment	180,222
Tunnel improvements	41,810
MIS equipment	799,461
Leased paratransit vans	1,456,755
<b>Total depreciation</b>	<u>12,673,713</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 114,828,215</u>

(CONCLUDED)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2011**

	FUND 01	FUND 02	FUND 04	TOTAL	INTERFUND ELIMINATIONS	TOTAL
<b>Operating revenues:</b>						
Passenger	\$ 19,778,407			\$ 19,778,407		\$ 19,778,407
Paratransit	244,228	\$ 8,191,991		8,436,217	\$ (8,649,773)	1,786,444
Rental	192,096			192,096		192,096
Advertising	579,260			579,260		579,260
RIDE	1,807,347		\$ 12,947,949	14,755,296	(7,592,176)	7,163,120
Other	1,590,477			1,590,477		1,590,477
<b>Total operating revenues</b>	<b>24,191,813</b>	<b>8,191,991</b>	<b>12,947,949</b>	<b>45,331,753</b>	<b>(14,241,949)</b>	<b>31,089,804</b>
<b>Operating expenses:</b>						
Administrative	1,051,673			1,051,673		1,051,673
Finance	2,914,240			2,914,240		2,914,240
Operations	64,852,587			64,852,587		64,852,587
Marketing	2,261,023			2,261,023		2,261,023
Human resources	1,083,730			1,083,730		1,083,730
Risk management	3,960,334			3,960,334		3,960,334
Planning and scheduling	2,031,745			2,031,745		2,031,745
Specialized transportation	8,902,336			8,902,336	(8,649,773)	2,252,563
Paratransit operations		9,143,192		9,143,192		9,143,192
Purchasing	1,471,253			1,471,253		1,471,253
Flex RIPTA	1,850,649			1,850,649		1,850,649
MIS	908,176			908,176		908,176
RIDE			12,742,946	12,742,946	(7,592,176)	5,150,770
Centralized Maintenance	2,247,392			2,247,392		2,247,392
Facilities Engineering operations	362,581			362,581		362,581
State of Rhode Island - DOT	612,594			612,594		612,594
Depreciation	12,673,713			12,673,713		12,673,713
<b>Total operating expenses</b>	<b>107,184,026</b>	<b>9,143,192</b>	<b>12,742,946</b>	<b>129,070,164</b>	<b>(14,241,949)</b>	<b>114,828,215</b>
<b>Operating income (loss)</b>	<b>(82,992,213)</b>	<b>(951,201)</b>	<b>205,003</b>	<b>(83,738,411)</b>	<b>-</b>	<b>(83,738,411)</b>
<b>Non-operating revenues (expenses):</b>						
Transfer from grants	41,025,227			41,025,227		41,025,227
Grants	24,372,884			24,372,884		24,372,884
Investment income	54,766			54,766		54,766
Contract revenue	3,341,398			3,341,398		3,341,398
Loss on disposal of assets	(5,455)			(5,455)		(5,455)
Debt service	(483,462)			(483,462)		(483,462)
<b>Total non-operating revenues</b>	<b>68,305,358</b>	<b>-</b>	<b>-</b>	<b>68,305,358</b>	<b>-</b>	<b>68,305,358</b>
<b>Gain (loss) before transfers and capital contributions</b>	<b>(14,686,855)</b>	<b>(951,201)</b>	<b>205,003</b>	<b>(15,433,053)</b>	<b>-</b>	<b>(15,433,053)</b>
<b>Capital contributions</b>						
Capital contributions	50,811,991			50,811,991		50,811,991
<b>Total capital contributions</b>	<b>50,811,991</b>	<b>-</b>	<b>-</b>	<b>50,811,991</b>	<b>-</b>	<b>50,811,991</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 36,125,136</b>	<b>\$ (951,201)</b>	<b>\$ 205,003</b>	<b>\$ 35,378,938</b>	<b>\$ -</b>	<b>\$ 35,378,938</b>



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
SCHEDULE OF TRAVEL AND ENTERTAINMENT**

**YEAR ENDED JUNE 30, 2011**

<b>Travelers Name</b>	<b>Purpose</b>	<b>Amount</b>
A. Moscola	Transit Safety & Security	\$ 35.00
F. Rose	Bus inspection	2,949.70
F. Rose	Bus inspection	578.00
F. Rose	Bus inspection	380.00
J. Monti	Bus inspection	438.00
J. Braga	Bus inspection	353.00
J. Braga	Bus inspection	230.00
F. Rose	Bus inspection	1,885.20
J. Braga	Bus inspection	340.00
P. Dilorio	NTD Overview	45.00
F. Rose	Bus inspection	876.46
J. Monti	Bus inspection	250.00
A. Moscola	Electric Bus Co.	1,147.54
J. Braga	Bus inspection	958.41
F. Rose	Bus inspection	250.00
J. Monti	Bus inspection	179.88
J. Darelius	Bus inspection	230.00
F. Rose	Bus inspection	222.00
M. Lonczak	Bus inspection	230.00
J. Darelius	Bus inspection	371.50
M. Lonczak	Bus inspection	323.65
J. Braga	Bus inspection	150.00
J. Darelius	Bus inspection	230.00
F. Rose	Bus inspection	497.24
F. Rose	Bus inspection	371.33
F. Rose	Bus inspection	540.00
J. Braga	Bus inspection	445.00
J. Darelius	Bus inspection	333.00
M. Lonczak	Bus inspection	348.00
J. Darelius	Bus inspection	503.00
F. Rose	Bus inspection	313.00
F. Rose	Bus inspection	500.00
J. Monti	Bus inspection	290.00
J. Darelius	Bus inspection	55.00
F. Rose	Bus inspection	402.28
J. Monti	Bus inspection	359.16
J. Darelius	Bus inspection	612.8
M. Lonczak	Bus inspection	612.8
C. Odigmba	Legislative conference	625.00
M. Therrien	Legislative conference	625.00
L. Picchione	Legislative conference	625.00
C. Odigmba	Transit CEO seminar	745.00
F. Rose	Bus inspection	350.00
F. Rose	Bus inspection	250.00
J. Darelius	Bus inspection	218.97

(Continued)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
SCHEDULE OF TRAVEL AND ENTERTAINMENT**

**YEAR ENDED JUNE 30, 2011**

Travelers Name	Purpose	Amount
F. Rose	Bus inspection	1211.61
M. Lonczak	Bus inspection	250.00
F. Rose	Bus inspection	180.00
F. Rose	Bus inspection	764.00
J. Darelus	Bus inspection	459.80
M. Lonczak	Bus inspection	675.00
F. Rose	Bus inspection	1225.60
F. Rose	Bus inspection	494.00
F. Rose	Bus inspection	301.71
J. Braga	Bus inspection	135.00
C. Odigmbé	APTA CEO Conference	403.80
F. Rose	Bus Inspection IN	230.00
C. Odigmbé	APTA Conf	90.50
F. Rose	Bus inspection IN	306.36
F. Rose	Bus Inspection IN	1609.22
M. Lonczak	Bus Inspection CA	652.00
M. Salisbury	APTA TransiTech	180.00
L. Picchione	APTA Conf	65.73
C. Odigmbé	APTA Conf	150.00
L. Picchione	APTA Conf	150.00
M. Therrien	APTA Conf	150.00
M. Lonczak	Bus inspection CA	760.86
C. Odigmbé	APTA Conf	376.40
L. Picchione	APTA Conf	376.40
M. Therrien	APTA Conf	376.40
C. Odigmbé	APTA Conf	645.78
L. Picchione	APTA Conf	645.78
M. Therrien	APTA Conf	645.78
M. Salisbury	APTA Transitech	1434.91
R. Mencarini	NEPTA Conference	102.72
M. Neira	Seminar	57.12
C. Odigmbé	Am. Dream luncheon	100.00
M. Therrien	APTA Conf	72.00
M. Neira	Labor Negotiations lunch	59.73
V. Santos	Labor Negotiations lunch	56.67
F. Rose	Bus inspection IN	1229.07
F. Rose	Bus inspection IN	230.00
C. Odigmbé	APTA Conference	777.91
F. Rose	Bus inspection IN	1232.31
C. Odigmbé	APTA Conference	405.83
D. Pearsall	APTA Conference	250.00
D. Pearsall	APTA Conference	641.64
C. Odigmbé	APTA Conference	200.00
D. Pearsall	APTA Conference	381.30
D. Pearsall	APTA Conference	625.00

(Continued)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
SCHEDULE OF TRAVEL AND ENTERTAINMENT**

**YEAR ENDED JUNE 30, 2011**

---

<b>Travelers Name</b>	<b>Purpose</b>	<b>Amount</b>
K. Streker	Site visit Rochester-Genesee RTA	302.64
B. Harwood	Site visit Rochester-Genesee RTA	302.64
J. Monti	Site visit Rochester-Genesee RTA	302.64
R. Mencarini	Site visit Rochester-Genesee RTA	302.64
M. Rodgers	Site visit Rochester-Genesee RTA	302.64
C. Odigimbe	MTA Conference	86.00
M. Neira	MTA Conference	86.00
M. Therrien	MTA Conference	86.00
C. Odigimbe	APTA Conference	266.51
C. Odigimbe	MTA Conference	149.45
D. Pearsall	APTA Conference	178.56
D. Wood	CTAA Conference	2088.13
J. Braga	Bus Inspection IN	-150.00
		<hr/>
		\$ 47,746.51

(Concluded)