



**RESEARCH TRIANGLE REGIONAL  
PUBLIC TRANSPORTATION  
AUTHORITY,  
NORTH CAROLINA**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended June 30, 2008**

**Prepared by:**

**Finance Department**

# **INTRODUCTORY SECTION**

November 13, 2008

Board of Trustees  
Research Triangle Regional Public Transportation Authority

We are pleased to present the **Comprehensive Annual Financial Report (CAFR)** of the Research Triangle Regional Public Transportation Authority (**Triangle Transit**) for the fiscal year ended **June 30, 2008**. The basic financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of **Cherry, Bekaert & Holland, LLP** and their unqualified opinion is included in the financial section. However, this report is presented by **Triangle Transit**, which is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material respects; it is presented in a manner designed to set forth fairly the financial position and results of operations of **Triangle Transit** as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of **Triangle Transit's** financial affairs have been included.

To provide a reasonable basis for making these representations, management of **Triangle Transit** has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of **Triangle Transit's** financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, **Triangle Transit's** comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## **Profile of Triangle Transit**

### **Triangle Transit**

The 1989 Session of the North Carolina General Assembly amended Chapter 160A of the General Statutes by adding Article 26 enabling the creation of regional public transportation authorities. The Boards of Commissioners in Durham, Orange and Wake counties each held a public hearing, published articles of incorporation, and passed resolutions creating the Research Triangle Regional

Public Transportation Authority (d/b/a Triangle Transit). The new unit of local government was chartered by the Secretary of State on December 1, 1989.

The 1991 session of the General Assembly enacted legislation permitting regional public transportation authorities to levy a vehicle registration tax of up to \$5 per registration. Following public hearing, a tax levy of \$5 per registered vehicle was approved by the Special Tax Board, the Boards of County Commissioners of Wake, Durham and Orange counties, and the Triangle Transit Board of Trustees. This tax forms the basic operating funding for regional transit services in the Triangle. The NC Division of Motor Vehicles began collection of the tax on January 1, 1992.

The 1997 session of the General Assembly enacted legislation permitting a regional public transportation authority to also levy a 5 percent tax on motor vehicle rental receipts in its multi-county service area. Following public hearing, a tax levy of 5 percent tax on motor vehicle rental receipts was approved by the Special Tax Board, the Boards of County Commissioners of Wake, Durham and Orange counties, and the Triangle Transit Board of Trustees. The tax provides a local match to current and anticipated federal and state grants to fund the development and construction of a regional rail system. Triangle Transit began collection of the tax on January 1, 1998.

### Purpose

Triangle Transit was created to plan, finance, organize and operate a public transportation system for the Research Triangle area. The public transportation system may include operation of ridesharing activities, vans, buses and fixed guideways.

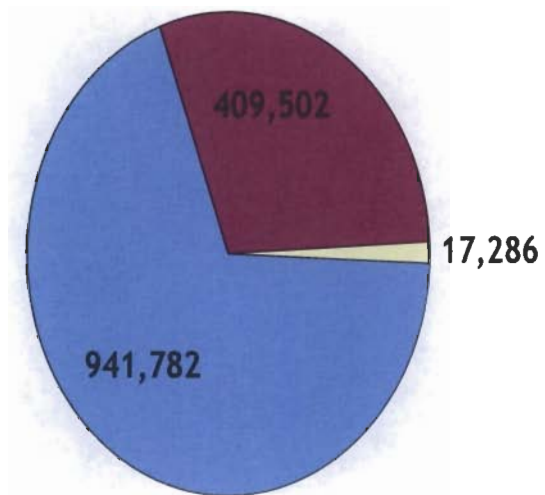
### Board of Trustees

Triangle Transit is governed by a thirteen member Board of Trustees. Ten members are appointed by the region's cities and counties and three members are appointed by the NC Secretary of Transportation, as shown in the following chart.

<u>Appointing Body</u>	<u>Number of Appointments</u>
Town of Cary	1
Town of Chapel Hill	1
City of Durham	1
Durham City and County	1
Durham County	1
Orange County	1
City of Raleigh	2
Wake County	2
Secretary of Transportation	3

# TTA at a Glance FY 2008

FY 2008 Ridership



**Total Full - Time Employees - 157**

General Counsel	1
Communications & Public Affairs	4
Administrative Services	14
Capital Development	7
Regional Bus	115
Ridesharing	16

## Economic Condition and Outlook

### The Triangle

The Research Triangle region is comprised of the counties of Wake, Durham and Orange. The principal cities in the area include Raleigh, Durham, Chapel Hill and Cary. The Triangle Region continues to receive accolades. The Raleigh-Durham Chapel Hill area is frequently at the top, ranked as “America’s Best Places to Live” and “Best Place to Live and Work.” Our current population is approximately 1.5 million, and is expected to grow by 1 million over the next 30 years. The Triangle region enjoys a robust economy and high quality of life. People want to move here to build businesses, careers, and families.

With its success, the Triangle has found growth is beginning to impact the quality of life that we have come to enjoy. The region’s population grew by 40% between 1990 and 2000. It’s estimated 3,000 new people move into the Triangle Region every month. Our growth rates have outpaced population growth for the nation and for North Carolina. From 1990 to 2000, Wake County was the 9<sup>th</sup> fastest growing county in the U.S.

Our transportation system is straining under current demand and far from adequate to meet future needs. For the past fifty years, our region has relied primarily on road-building to provide mobility. All projections indicate that our roads will become even more congested than they already are. The attractiveness of the Triangle is dependent on quality infrastructure, including our transportation network. For the Triangle to compete with other regions, we need a complete multi-modal transportation system. We must take a new approach and pursue and embrace alternatives.

Transit can help ensure that communities in the Triangle will have a transportation network that keeps pace with our growth. While it is widely known that transit eases congestion by adding capacity to existing roadways, many societal benefits are often overlooked. Some include:

- **Supporting the Employed** - In FY 2008, Triangle Transit provided over 1.35 million passenger trips on its regional bus and vanpool services. More than 63% of all trips on Triangle Transit are for the purpose of “making a living.”
- **Strengthens Business** - Transit increases the ability to attract and retain new jobs, improving mobility for employees, employers, suppliers, customers and tourists.
- **Moves The Economy** - Transit moves people to school and training, allowing them to seek higher paying jobs and become self-sufficient. An estimated 13% of TTA’s riders are traveling to or from college, using Triangle Transit to attend Duke University, Duke University Medical Center, Durham Technical Community

College, Meredith College, NC Central University, NC State University, Shaw University, UNC-Chapel Hill and the UNC Hospitals.

- **Encourage Independence** - By 2035, the population of those aged 65 and older in our region will grow from less than 10% to more than 15%. A significant number of people will continue or begin to live without a car, either by choice or necessity. Transit enables individuals without autos to remain independent by providing access to health care, shopping, nutrition programs, and other basic life needs.

## Major Initiatives

Leading the way for more transportation alternatives, Triangle Transit embarked on another history-making year in the fiscal year ending June 30, 2008. Listed below are the major accomplishments of each area separated by fund.

### Departments in the General Fund

- Continued to supply key research and technical assistance to the Special Transit Advisory Committee (STAC), appointed in 2007, by the region's two transportation planning organizations (MPO's).
- Received the FY'07 National Transit Database (NTD) Closeout letter. No deficiencies were found and the 2007 Annual Report year was closed without issues.
- Served on NCDOT's United Certification Program's (UCP) cost-sharing committee. The Committee was tasked with establishing program costs, cost-sharing options, and stakeholder roles and responsibilities.
- Migrated from Novell GroupWise to Microsoft Outlook (industry standard), providing a seamless email archiving feature to avoid data corruption.
- Installed and configured an Internet failover solution to provide the Regional Call Center with continuous access to real-time data.

### Regional Bus Fund

- Triangle Transit's vanpool program set new records in June 2008 with 70 vehicles on the road. Ten vanpools are awaiting vehicles and the list of potential vanpoolers is growing.

- Experienced FY 2008 bus ridership growth, an 8.8% increase over fiscal year 2007.
- Experienced FY 2008 paratransit ridership growth, a 20% increase over fiscal year 2007.
- Replaced 23 Coach buses with Gillig low floor transit buses.
- Talking bus and cameras were added to the new buses.
- Vanpool maintenance was brought in-house.
- Completed construction on the expansion of the Bus Operations & Maintenance Facility. Relocated all operations staff to one location.

### **Ridesharing Fund**

- Received 12,210 pledges to try a commuting option for the 2008 Smart Commute Challenge. The SmartCommute Challenge participation eliminated an estimated 1.9 million commuter miles in the Triangle, saved more than 86,000 gallons of gas, and avoided 865 tons of carbon emissions.
- Increased the number of registrants for Emergency Ride Home by 352 to 1,596, a 28% increase.
- Processed 6,625 rideshare match requests. Improved the percentage of requests that resulted in successful matches from 56.6% to 57.5%, though the number of successful matches declined to 3,819.
- Developed and led roll-out of a new brand for the agency, Triangle Transit.
- Planned express service expansion between Wake Forest and Raleigh through a partnership with both communities. Service will be implemented on July 7, 2008.
- Continued operation of the GoTriangle Transit Information Center handling 276,000 calls. Over 96% of all incoming calls were answered, and over 84% were answered by a live agent within 30 seconds.

Note: The information contained in this section provides an overview of the Triangle Transit's operations for FY 2008. For a more complete analysis please refer to the Management Discussion & Analysis section of this document.

## **Awards and Acknowledgements**

Triangle Transit is required by state law to have an independent financial audit. A compliance audit on federal and state financial assistance programs is also required under the revised federal Single Audit Act of 1996 and the State Single Audit Implementation Act. Triangle Transit's auditors, Cherry, Bekaert & Holland, LLP, were selected through a formal request for proposals. The auditors' report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports required as part of a single audit are found in the Compliance Section of this report.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Triangle Transit has received a Certificate of Achievement for the last thirteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

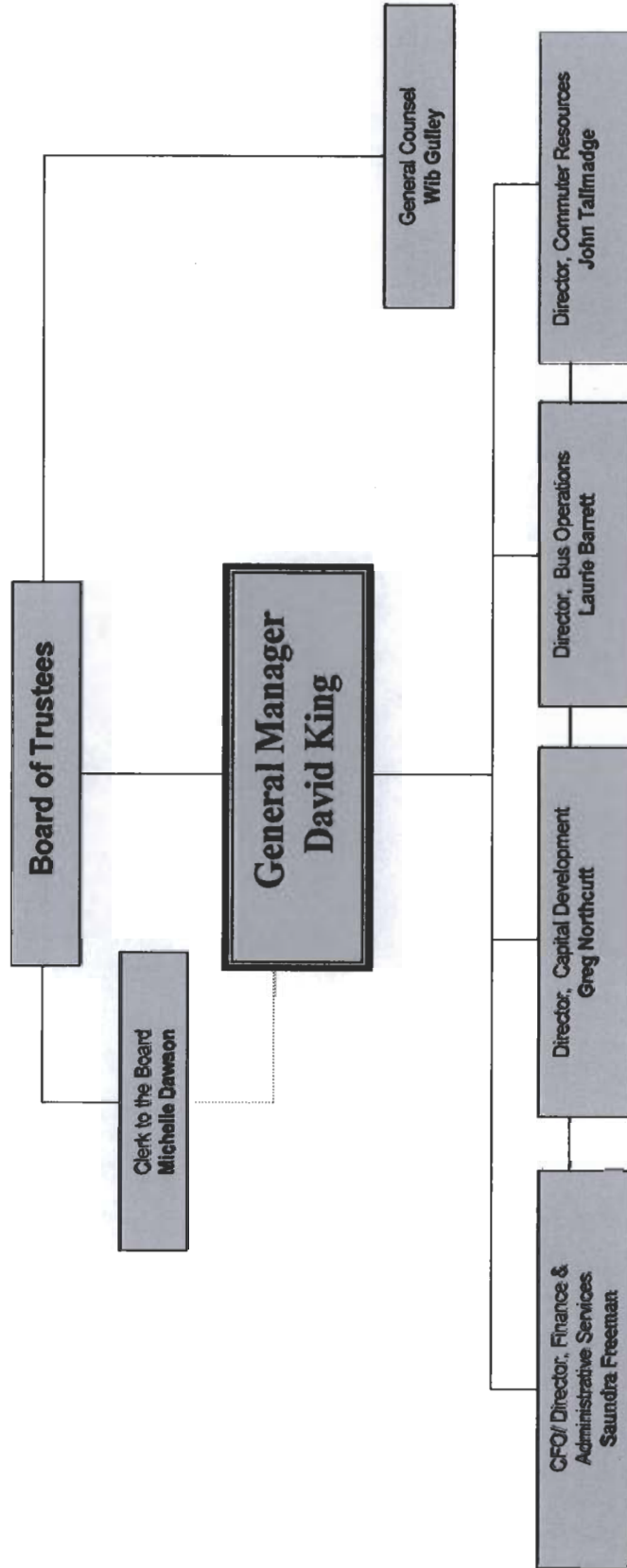
Respectfully submitted,

Sandra Freeman  
CFO/ Director of Finance and Administrative Services

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
BOARD OF TRUSTEES  
JUNE 30, 2008

<u>Board Members</u>	<u>Appointing Body</u>
Sig Hutchinson Chair	City of Raleigh
Bill Strom Vice Chair	Town of Chapel Hill
Jeff Merritt Treasurer	Wake County
Ellen Reckhow Secretary	Durham County
William V. Bell	Durham City & County
Jean Davis	City of Raleigh
Joe Freddoso	Wake County
Alice Gordon, Ph.D.	Orange County
Robert Hinshaw	Town of Cary
William G. Smith	City of Durham
Kenneth Spaulding	Sec. of Transportation
Nina Szlosberg	Sec. of Transportation
Vacant	Sec. of Transportation

# FY 2008 SENIOR STAFF



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Research Triangle Regional  
Public Transportation Authority  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Research Triangle Regional Public Transportation Authority  
Research Triangle Park, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Research Triangle Regional Public Transportation Authority (the "Authority") as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Authority as of June 30, 2008 and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2008 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over 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 assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Authority. The combining and individual fund statements and schedules and the accompanying schedule of expenditures of Federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Authority. Such information has not been subjected to the auditing procedures in our audit of the basic financial statements and, accordingly, we express no opinion on them.

**CHERRY, BEKAERT & HOLLAND, L.L.P.**

Raleigh, North Carolina  
November 13, 2008

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

As management of Research Triangle Regional Public Transportation Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative.

**Financial Highlights**

- The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$220,469,374 (*net assets*).
- The Authority's total net assets increased by \$12,727,028 primarily due to increases in the governmental activities' net assets.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$50,026,593, an increase of \$4,046,504 in comparison with the prior year.
- At the end of the current fiscal year, the fund balance in the General Fund was \$(1,895,527), a decrease of 213.90 percent from last fiscal year's total (*see note*).
- At the end of the current fiscal year, the fund balance in the Regional Rail Capital Reserve Fund was \$51,922,120, an increase of 17 percent from last fiscal year's total.

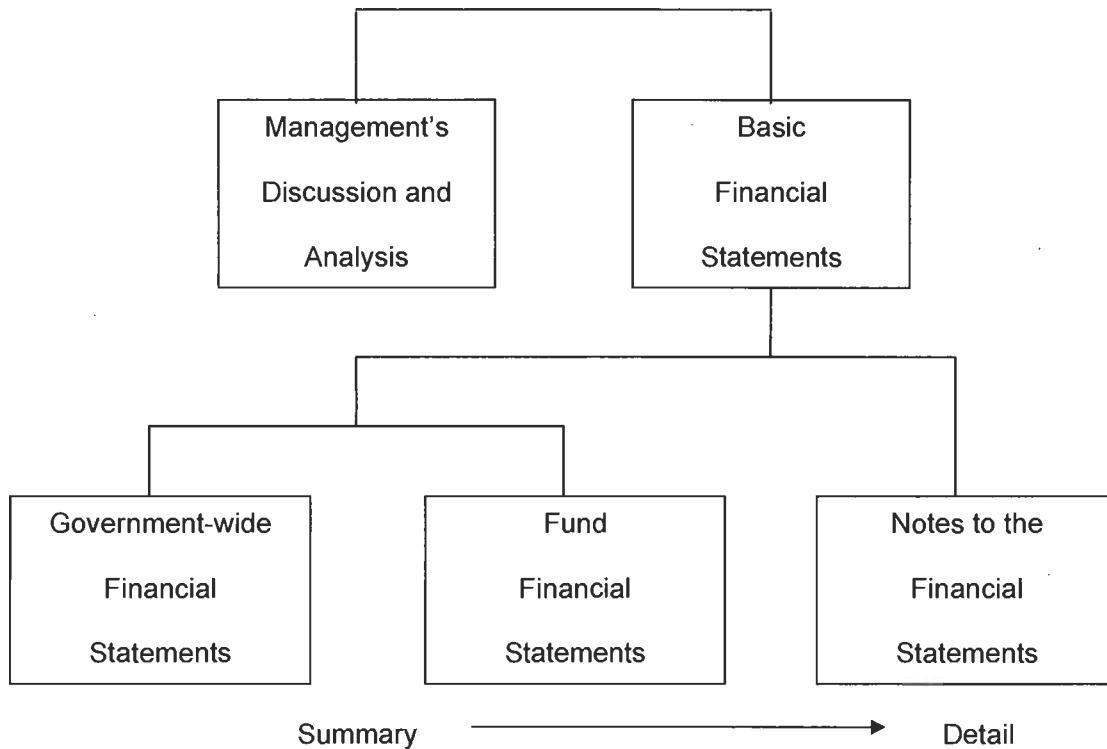
**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Authority through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Research Triangle Regional Public Transportation Authority.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

---

*Required Components of Annual Financial Report  
Figure 1*



**Basic Financial Statements**

The first two statements (pages 11 through 12) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short- and long-term information about the Authority's financial status.

The next statements (pages 13 through 21) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Authority's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Authority's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

**Government-wide Financial Statements** - The government-wide financial statements are designed to provide the reader with a broad overview of the Authority's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short- and long-term information about the Authority's financial status as a whole.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

The two government-wide statements report the Authority's net assets and how they have changed. Net assets are the difference between the Authority's total assets and total liabilities. Measuring net assets is one way to gauge the Authority's financial condition.

The government-wide statements are divided into two categories: governmental activities and business-type activities. The governmental activities include most of the Authority's basic services such as general counsel, planning and engineering, and general administration. Vehicle registration taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Authority charges customers to provide. These include the ridesharing and bus services offered by the Authority. The government-wide financial statements are on pages 11 and 12 of this report.

**Fund Financial Statements** - The fund financial statements (see page 13 through 21) provide a more detailed look at the Authority's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Authority's budget ordinance. All of the funds of the Authority can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Authority's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Authority's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Authority adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the counties the Authority serves, the management of the Authority, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Authority to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Authority complied with the budget ordinance and whether or not the Authority succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds** – The Authority has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses enterprise funds to account for its ridesharing and regional bus activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 22 through 36 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Authority's revenues, expenses, and operating statistics. Required supplementary information can be found on pages 37 through 42 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Authority exceeded liabilities by \$220,469,374 as of June 30, 2008. As of June 30, 2007, the net assets of the Authority stood at \$207,742,346. The Authority's net assets increased by \$12,727,028 for the fiscal year ended June 30, 2008, compared to an increase of \$14,608,549 in 2007. The largest portion of the increase reflects the Authority's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

**Research Triangle Regional Public Transportation Authority's Net Assets**  
**Figure 2**

	Governmental Activities 2008	Governmental Activities 2007	Business-Type Activities 2008	Business-Type Activities 2007	Total 2008	Total 2007
Current and other assets	\$ 50,451,097	\$ 47,194,151	\$ 223,394	\$ (236,834)	\$ 50,674,491	\$ 46,958,317
Capital assets	166,038,451	156,055,939	5,734,257	6,984,312	171,772,708	163,040,251
Total assets	216,489,548	203,250,090	5,957,651	6,748,478	222,447,199	209,998,568
Long-term liabilities outstanding	86,629	75,414	187,651	138,818	274,280	214,232
Other liabilities	684,391	1,440,299	1,019,154	601,691	1,703,545	2,041,990
Total liabilities	771,020	1,515,713	1,206,805	740,509	1,977,825	2,256,222
Net assets:						
Invested in capital assets, net of related debt	166,038,451	156,055,939	5,734,257	6,984,312	171,772,708	163,040,251
Unrestricted	49,680,077	45,678,438	(983,411)	(976,343)	48,696,666	44,702,095
Total net assets	\$ 215,718,528	\$ 201,734,377	\$ 4,750,846	\$ 6,007,969	\$ 220,469,374	\$ 207,742,346

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Research Triangle Regional Public Transportation Authority's Changes in Net Assets  
Figure 3**

	Governmental Activities 2008	Business-type Activities 2008	Total 2008	Governmental Activities 2007	Business-type Activities 2007	Total 2007	2006
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for services	\$ -	\$ 1,755,360	\$ 1,755,360	\$ -	\$ 1,750,526	\$ 1,750,526	\$ 1,625,859
Operating grants and contributions	668,400	4,023,166	4,691,566	3,524,908	3,163,922	6,688,830	4,986,772
Capital grants and contributions	7,027,213	-	7,027,213	8,461,334	-	8,461,334	15,266,770
<b>General revenues:</b>							
Vehicle registration taxes	5,402,500	-	5,402,500	5,462,145	-	5,462,145	5,113,015
Vehicle rental taxes	9,215,237	-	9,215,237	8,762,545	-	8,762,545	7,904,871
Miscellaneous revenues	975,030	587,430	1,562,460	922,775	128,262	1,051,037	1,782,699
Capital contributions	-	-	-	-	-	-	-
Unrestricted investment earnings	1,012,267	31,991	1,044,258	1,210,518	26,377	1,236,895	775,825
<b>Total revenues</b>	<b>24,300,647</b>	<b>6,397,947</b>	<b>30,698,594</b>	<b>28,344,225</b>	<b>5,069,087</b>	<b>33,413,312</b>	<b>37,455,811</b>
<b>Expenses:</b>							
Administration	315,318	-	315,318	260,012	-	260,012	338,507
Capital Development	348,251	-	348,251	1,048,563	-	1,048,563	938,049
Communications & PA	465,720	-	465,720	836,220	-	836,220	812,857
Finance	2,234,529	-	2,234,529	841,878	-	841,878	1,641,118
General counsel	199,493	-	199,493	320,446	-	320,446	144,515
Human Resources	329,622	-	329,622	315,943	-	315,943	294,481
DBE	102,033	-	102,033	108,831	-	108,831	105,087
Board	113,444	-	113,444	167,098	-	167,098	128,481
Interest on long-term debt	-	-	-	1,444,775	-	1,444,775	946,950
Regional bus service	-	12,269,806	12,269,806	-	12,088,065	12,088,065	11,283,998
Ridesharing	-	1,593,350	1,593,350	-	1,372,932	1,372,932	1,112,901
<b>Total expenses</b>	<b>4,108,410</b>	<b>13,863,156</b>	<b>17,971,566</b>	<b>5,343,766</b>	<b>13,460,997</b>	<b>18,804,763</b>	<b>17,746,944</b>
Increase/(Decrease) in net assets before transfers	20,192,237	(7,465,209)	12,727,028	23,000,459	(8,391,910)	14,608,549	19,708,867
Transfers	(6,208,086)	6,208,086	-	(3,399,239)	3,399,239	-	-
Increase/(Decrease) in net assets	13,984,151	(1,257,123)	12,727,028	19,601,220	(4,992,671)	14,608,549	19,708,867
Net assets, July 1	201,734,377	6,007,969	207,742,346	182,133,157	11,000,640	193,133,797	173,424,930
Net assets, June 30	\$ 215,718,528	\$ 4,750,846	\$ 220,469,374	\$ 201,734,377	\$ 6,007,969	\$ 207,742,346	\$ 193,133,797

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

Several particular aspects of the Authority's financial operations positively influenced the total unrestricted governmental net assets:

- Vehicle rental car tax revenue for the year was \$9,215,237.
- Vehicle registration tax revenue for the year was \$5,402,500.
- Vanpool and bus fare revenue for the year was \$1,755,360.

**Governmental activities** - Governmental activities increased the Authority's net assets by \$13,984,151 thereby accounting for 110.00% of the total growth in the net assets of the Authority. Key elements of this increase are as follows:

- Increase in capital assets due to continuing work on the capital project funds.
- Increase in cash and cash equivalents due to receipt of grant funds during the fiscal year.

**Business-type activities** - Business-type activities decreased the Authority's net assets by \$1,257,123. Key elements of this decrease are as follows:

- Decrease in current assets due, mainly, to the change in internal assets.
- Decrease in capital assets due to normal depreciation.

#### **Financial Analysis of the Authority's Funds**

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Authority's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, total fund balance was \$(1,895,527).

The Regional Rail Capital Reserve Special Revenue Fund had a fund balance of \$51,922,120 at the end of the current fiscal year.

At June 30, 2008, the major governmental funds of the Authority reported a combined fund balance of \$50,026,593, a 9 percent increase over last year. Included in this change in fund balance are increases in fund balance in the General and Special Revenue Funds.

**General Fund Budgetary Highlights** - During the fiscal year, the Authority made one revision to the budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

Revenues were more than the budgeted amounts primarily due to an unexpected increase in the amount of vehicle registration taxes received. Expenditures were also held in check; thus, the Authority was able to comply with its budgetary requirements.

**Proprietary Funds** - The Authority's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net assets of the Ridesharing Fund at the end of the fiscal year amounted to \$184,735 and those for the Regional Bus Service Fund amounted to \$4,566,111. Factors concerning the finances of these two funds have already been addressed in the discussion of the Authority's business-type activities.

**Capital Assets and Debt Administration**

**Capital assets** - The Authority's investment in capital assets for its governmental and business-type activities as of June 30, 2008 totals \$171,772,708 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, leasehold improvements, and vehicles.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Construction in progress for the capital project funds of \$3,519,213.
- Construction in progress completion to buildings of \$3,088,559.
- Vehicle acquisitions in the amount of \$7,744,853

***Research Triangle Regional Public Transportation Authority's  
Capital Assets (Net of Depreciation)  
Figure 4***

	Governmental Activities 2008	Business-type Activities 2008	Total 2008
Land	\$ 45,543,965	\$ 748,068	\$ 46,292,033
Buildings and Improvements	3,092,275	3,172,773	6,265,048
Equipment and vehicles	8,387,923	1,813,416	10,201,339
Construction in progress	109,014,288	-	109,014,288
<b>Total</b>	<b>\$ 166,038,451</b>	<b>\$ 5,734,257</b>	<b>\$ 171,772,708</b>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Additional information on the Authority's capital assets can be found in Note 4 of the Basic Financial Statements.

**Long-term Debt** - As of June 30, 2008, the Authority had retired all previous outstanding long term debt.

**Budget Highlights for the Fiscal Year Ending June 30, 2009**

**Governmental Activities** - Rental vehicle taxes are budgeted at \$8,850,170 for Fiscal Year 2009. Triangle Transit primarily uses these revenues to fund expenditures for the Major Transit Investment Fund. Budgeted departmental expenditures in the General Fund are expected to increase by 36%.

**Business – type Activities** – Expenses in the Regional Bus Service and Ridesharing fund are expected to increase. Fares from bus and vanpool services are expected to increase by 8%.

**Requests for Information**

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Department, Research Triangle Regional Public Transportation Authority, PO Box 13787, RTP, NC 27709.

# **BASIC FINANCIAL STATEMENTS**



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 16,966,372	\$ -	\$ 16,966,372
Receivables	2,857,693	135,828	2,993,521
Due from other governments	1,252,155	1,904,747	3,156,902
Internal balance	3,536,360	(3,536,360)	-
Investments, plus accrued interest	25,657,736	1,223,080	26,880,816
Inventories	-	496,099	496,099
Prepaid Items	180,781	-	180,781
Total current assets	<u>50,451,097</u>	<u>223,394</u>	<u>50,674,491</u>
Capital assets			
Building, net of depreciation	3,092,275	3,172,773	6,265,048
Equipment and furniture, net of depreciation	8,387,923	1,813,416	10,201,339
Land	45,543,965	748,068	46,292,033
Construction in progress	109,014,288	-	109,014,288
Total capital assets	<u>166,038,451</u>	<u>5,734,257</u>	<u>171,772,708</u>
Total Assets	<u>216,489,548</u>	<u>5,957,651</u>	<u>222,447,199</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	329,671	279,808	609,479
Accrued wages and benefits	94,833	145,114	239,947
Current portion of long-term liabilities:			
Compensated absences	259,887	594,232	854,119
Total current liabilities	<u>684,391</u>	<u>1,019,154</u>	<u>1,703,545</u>
Due in more than a year:			
Compensated absences	86,629	187,651	274,280
Total long-term liabilities	<u>86,629</u>	<u>187,651</u>	<u>274,280</u>
Total liabilities	<u>771,020</u>	<u>1,206,805</u>	<u>1,977,825</u>
<b>NET ASSETS</b>			
Net assets, invested in capital assets	166,038,451	5,734,257	171,772,708
Unrestricted	49,680,077	(983,411)	48,696,666
Total net assets	<u>\$ 215,718,528</u>	<u>\$ 4,750,846</u>	<u>\$ 220,469,374</u>

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 Statement of Activities  
 For the Year Ended June 30, 2008

Functions/Programs Primary government	Program Revenue			Net (Expense) Revenue and Changes in Net Assets Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 4,108,410	\$ -	\$ 668,400	\$ -	\$ (3,440,010)	\$ -	\$ (3,440,010)
Transportation	-	-	-	7,027,213	7,027,213	-	7,027,213
Total governmental activities	4,108,410	-	668,400	7,027,213	3,587,203	-	3,587,203
Business-type activities							
Transportation	13,863,156	1,755,360	4,023,166	-	-	(8,084,630)	(8,084,630)
Total business-type activities	13,863,156	1,755,360	4,023,166	-	-	(8,084,630)	(8,084,630)
Total primary government	\$ 17,971,566	\$ 1,755,360	\$ 4,691,566	\$ 7,027,213	\$ 3,587,203	\$ (8,084,630)	\$ (4,497,427)
<b>General revenues:</b>							
Taxes:							
Vehicle registration taxes					5,402,500	-	5,402,500
Vehicle rental taxes					9,215,237	-	9,215,237
Miscellaneous revenues					975,030	587,430	1,562,460
Unrestricted investment earnings					1,012,267	31,991	1,044,258
Transfers					(6,208,086)	6,208,086	-
Total general revenues, special items, and transfers					10,396,948	6,827,507	17,224,455
Change in net assets					13,884,151	(1,257,123)	12,727,028
Net assets - beginning					201,734,377	6,007,969	207,742,346
Net assets - ending					\$ 215,718,528	\$ 4,750,846	\$ 220,469,374

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 Balance Sheet  
 Governmental Funds  
 June 30, 2008

	Major Funds						Total Governmental Funds
	General Fund	Regional Rail Capital Reserve Special Revenue Fund	Regional Rail Capital Project Fund	Regional Bus Capital Project Fund	Combined Major Funds	Non-Major Governmental Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,794,331	\$ 11,171,991	\$ 50	\$ -	\$ 16,966,372	\$ -	\$ 16,966,372
Taxes receivable, net:							
Vehicle registration taxes	1,433,835	-	-	-	1,433,835	-	1,433,835
Refundable sales tax	209,698	-	-	-	209,698	-	209,698
Refundable fuel tax	83,339	-	-	-	83,339	-	83,339
Governmental agencies	698,400	-	13,423	540,332	1,252,155	-	1,252,155
Rental tax	-	625,400	-	-	625,400	-	625,400
Accrued interest	42,108	42,108	-	-	84,216	-	84,216
Other receivables	505,421	-	-	-	505,421	-	505,421
Prepaid items	180,781	-	-	-	180,781	-	180,781
Due from other funds	4,114,364	-	131,885	-	27,851,567	-	27,851,567
Investments	9,096,217	16,477,303	-	-	25,573,520	-	25,573,520
Total assets	\$ 22,158,494	\$ 51,922,120	\$ 145,358	\$ 540,332	\$ 74,766,304	\$ -	\$ 74,766,304
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 158,050	\$ -	\$ 136,511	\$ 35,110	\$ 329,671	\$ -	\$ 329,671
Due to other funds	23,809,985	-	-	505,222	24,315,207	-	24,315,207
Accrued wages and benefits	85,986	-	8,847	-	94,833	-	94,833
Total liabilities	24,054,021	-	145,358	540,332	24,739,711	-	24,739,711
Fund Balances:							
Reserved for:							
State statute	7,087,165	24,272,826	-	-	31,359,991	-	31,359,991
Prepaid items	180,781	-	-	-	180,781	-	180,781
Unreserved, general fund	(9,163,473)	-	-	-	(9,163,473)	-	(9,163,473)
Regional rail capital reserve fund	-	27,649,294	-	-	27,649,294	-	27,649,294
Total fund balances	(1,895,527)	51,922,120	-	-	50,026,593	-	50,026,593
Total liabilities and fund balances	\$ 22,158,494	\$ 51,922,120	\$ 145,358	\$ 540,332	\$ 74,766,304	\$ -	\$ 74,766,304

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
Governmental Funds  
June 30, 2008

---

Fund Balances - Governmental funds \$ 50,026,593

**Net Assets are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Gross capital assets at historical cost	\$ 170,038,186	
Accumulated depreciation	<u>(3,999,735)</u>	166,038,451

Some liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

(346,516)

Net assets of governmental activities

\$ 215,718,528

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
Statement of Revenue, Expenditures And Changes In Fund Balances  
Governmental Funds

For the Year Ended June 30, 2008

	General Fund	Regional Rail Capital Reserve Special Revenue Fund	Regional Rail Capital Project Fund	Regional Bus Capital Project Fund	Combined Major Funds	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Restricted intergovernmental revenues:							
State grant revenues	\$ 87,600	-	\$ -	\$ 859,546	\$ 947,146	\$ 152,114	\$ 1,099,260
Federal grant revenues	580,800	-	-	6,015,553	6,596,353	-	6,596,353
Other revenue	22,269	-	354,890	-	377,159	3,383	380,542
Vehicle registration taxes	5,402,500	-	-	-	5,402,500	-	5,402,500
Indirect cost credits	594,488	-	-	-	594,488	-	594,488
Vehicle rental tax	-	9,215,237	-	-	9,215,237	-	9,215,237
Investment income	614,558	397,709	-	-	1,012,267	-	1,012,267
Total revenues	7,302,215	9,612,946	354,890	6,875,099	24,145,150	155,497	24,300,647
<b>EXPENDITURES</b>							
Current:							
Beard	113,444	-	-	-	113,444	-	113,444
Human resources	329,622	-	-	-	329,622	-	329,622
Administration	315,318	-	-	-	315,318	-	315,318
Capital development	348,251	-	-	-	348,251	-	348,251
EO/DBE	102,033	-	-	-	102,033	-	102,033
Finance	908,110	-	-	-	908,110	-	908,110
General counsel	199,493	-	-	-	199,493	-	199,493
Communication & public affairs	465,720	-	-	-	465,720	-	465,720
Capital outlay	-	-	1,995,283	9,135,619	11,130,902	133,164	11,264,066
Total expenditures	2,781,991	-	1,995,283	9,135,619	13,912,893	133,164	14,046,057
Excess (deficiency) of revenues over expenditures	4,520,224	9,612,946	(1,640,393)	(2,260,520)	10,232,257	22,333	10,254,590
<b>Other Financing Sources (Uses)</b>							
Transfers from other funds	672,333	-	1,640,393	2,260,520	4,573,246	-	4,573,246
Transfers to other funds	(8,752,256)	(2,006,743)	-	-	(10,758,999)	(22,333)	(10,781,332)
Total other financing sources and uses	(8,079,923)	(2,006,743)	1,640,393	2,260,520	(6,185,753)	(22,333)	(6,208,086)
Net change in fund balances	(3,559,699)	7,606,203	-	-	4,046,504	-	4,046,504
Fund balances - beginning	1,664,172	44,315,917	-	-	45,980,089	-	45,980,089
Fund balances - ending	(1,895,527)	51,922,120	-	-	50,025,593	-	50,025,593

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities**  
For the Year Ended June 30, 2008

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds \$ 4,046,504

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$	11,264,066
Depreciation expense		<u>(1,281,555)</u>

9,982,511

Compensated absences reported in statement of activities and not reported in expenditures in governmental activities

(44,864)

Total changes in net assets of governmental activities

\$ 13,984,151

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**General Fund**  
**Statement of Revenue, Expenditures And Changes In Fund Balances**  
For The Year Ended June 30, 2008

	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Restricted intergovernmental revenues:				
State grant revenues	\$ 72,600	\$ 72,600	\$ 87,600	\$ 15,000
Federal grant revenues	580,800	580,800	580,800	-
Indirect cost credits	671,334	671,334	594,488	(76,846)
Vehicle registration tax	5,396,911	5,396,911	5,402,500	5,589
Other revenue	-	-	22,269	22,269
Investment income	307,500	395,000	614,558	219,558
Total revenues	<u>7,029,145</u>	<u>7,116,645</u>	<u>7,302,215</u>	<u>185,570</u>
<b>EXPENDITURES</b>				
Current:				
Board	123,625	123,625	113,444	10,181
Administration	245,010	348,949	315,318	33,631
Human resources	343,596	358,599	329,622	28,977
EEO/DBE	115,870	115,870	102,033	13,837
General counsel	233,060	233,061	199,493	33,568
Finance	933,080	964,768	908,110	56,658
Communication and public affairs	516,347	506,347	465,720	40,627
Capital development	528,071	508,071	348,251	159,820
Total expenditures	<u>3,038,659</u>	<u>3,159,290</u>	<u>2,781,991</u>	<u>377,299</u>
Revenues over (under) expenditures	<u>3,990,486</u>	<u>3,957,355</u>	<u>4,520,224</u>	<u>562,869</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	2,535,849	4,659,758	-	(4,659,758)
Operating transfers out	(6,526,335)	(8,617,113)	(8,752,256)	(135,143)
Operating transfers in	-	-	672,333	672,333
Total other financing sources (uses):	<u>(3,990,486)</u>	<u>(3,957,355)</u>	<u>(8,079,923)</u>	<u>(4,122,568)</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>(3,559,699)</u>	<u>\$ (3,559,699)</u>
Fund balance, beginning of year			1,664,172	
Fund balances, end of year			<u>\$ (1,895,527)</u>	

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



## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

## Statement of Net Assets

## Proprietary Funds

June 30, 2008

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
<b>ASSETS</b>			
Current assets:			
Investments	\$ -	\$ 1,223,080	\$ 1,223,080
Inventories	-	496,099	496,099
Intergovernmental receivables	692,941	1,211,806	1,904,747
Other receivables	562	135,266	135,828
Total current assets	<u>693,503</u>	<u>3,066,251</u>	<u>3,759,754</u>
Non-current assets:			
Capital assets:			
Building and improvements, net of depreciation	-	3,172,773	3,172,773
Equipment and vehicles, net of depreciation	2,491	1,810,925	1,813,416
Land	-	748,068	748,068
Total non-current assets	<u>2,491</u>	<u>5,731,766</u>	<u>5,734,257</u>
Total Assets	<u>695,994</u>	<u>8,798,017</u>	<u>9,494,011</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	10,195	269,613	279,808
Due to other funds	384,607	3,151,753	3,536,360
Accrued wages and benefits	22,127	122,987	145,114
Compensated absences - current	71,691	522,541	594,232
Total current liabilities	<u>488,620</u>	<u>4,066,894</u>	<u>4,555,514</u>
Non-current liabilities:			
Compensated absences - noncurrent	22,639	165,012	187,651
Total non-current liabilities	<u>22,639</u>	<u>165,012</u>	<u>187,651</u>
Total liabilities	<u>511,259</u>	<u>4,231,906</u>	<u>4,743,165</u>
<b>NET ASSETS</b>			
Net assets, invested in capital assets	2,491	5,731,766	5,734,257
Unrestricted	182,244	(1,165,655)	(983,411)
Total Net Assets	<u>\$ 184,735</u>	<u>\$ 4,566,111</u>	<u>\$ 4,750,846</u>

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Revenue, Expenditures And Changes In Fund Net Assets**  
**Proprietary Funds**  
For the Year Ended June 30, 2008

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
<b>OPERATING REVENUES</b>			
Vanpool fares	\$ -	\$ 386,464	\$ 386,464
Bus fares	-	743,071	743,071
Consignments and subsidies	12,500	613,325	625,825
Intergovernmental revenues:			
Federal grant revenues	102,274	1,178,671	1,280,945
State grant revenues	443,724	2,082,186	2,525,910
Durham TDM	201,611	-	201,611
Durham TDM fee revenues	14,700	-	14,700
Other	310,560	276,870	587,430
<b>Total operating revenues</b>	<b>1,085,369</b>	<b>5,280,587</b>	<b>6,365,956</b>
<b>OPERATING EXPENDITURES</b>			
Bus supervision	-	938,496	938,496
Bus operations	-	6,023,690	6,023,690
Bus maintenance	-	2,636,128	2,636,128
Vanpool	-	745,272	745,272
Specialized services	531,395	622,390	1,153,785
Commuter resources	615,287	-	615,287
Regional TDM	444,178	-	444,178
Unemployment claims	-	45,328	45,328
Depreciation specialized services	2,490	18,424	20,914
Depreciation bus operations	-	1,240,078	1,240,078
<b>Total operating expenses</b>	<b>1,593,350</b>	<b>12,269,806</b>	<b>13,863,156</b>
Operating loss	(507,981)	(6,989,219)	(7,497,200)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment earnings	-	31,991	31,991
Interest expense	-	-	-
<b>Total non-operating revenues</b>	<b>-</b>	<b>31,991</b>	<b>31,991</b>
Loss before contributions and transfers	(507,981)	(6,957,228)	(7,465,209)
Transfers in	519,117	5,688,969	6,208,086
Change in net assets	11,136	(1,268,259)	(1,257,123)
Total net assets - beginning	173,599	5,834,370	6,007,969
Total net assets - ending	<b>\$ 184,735</b>	<b>\$ 4,566,111</b>	<b>\$ 4,750,846</b>

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2008

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 402,228	\$ 5,101,303	\$ 5,503,531
Payments to suppliers	(1,591,786)	(10,741,091)	(12,332,877)
Payments to employees	29,923	264,083	294,006
Other receipts	325,260	249,949	575,209
Net cash used by operating activities	<u>(834,375)</u>	<u>(5,125,756)</u>	<u>(5,960,131)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Increase (decrease) in due to general fund	315,258	(516,041)	(200,783)
Operating transfers from general fund	519,117	5,688,969	6,208,086
Net cash provided by noncapital financing activities	<u>834,375</u>	<u>5,172,928</u>	<u>6,007,303</u>
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>			
Interest payments on long-term debt	-	(3,373)	(3,373)
Purchase of property and equipment	-	(10,939)	(10,939)
Net cash (used) provided by capital and financing activities	<u>-</u>	<u>(14,312)</u>	<u>(14,312)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	-	31,991	31,991
Purchase of investments	-	(64,959)	(64,959)
Net cash (used) provided by investing activities	<u>-</u>	<u>(32,968)</u>	<u>(32,968)</u>
Net decrease in cash and cash equivalents	<u>-</u>	<u>(108)</u>	<u>(108)</u>
Balances-beginning of the year	-	108	108
Balances-end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2008

	Proprietary Funds		
	<u>Ridesharing Fund</u>	<u>Regional Bus Service Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash used by operating activities			
Operating loss	\$ (507,981)	\$ (6,989,219)	\$ (7,497,200)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	2,490	1,258,502	1,260,992
Changes in assets and liabilities:			
Receivables from governmental agencies	(357,881)	97,586	(260,295)
Inventories	-	(26,211)	(26,211)
Other receivables	(562)	93,476	92,914
Accrued payroll	22,127	122,987	145,114
Accrued compensated absences	7,796	186,424	194,220
Accounts payable	(364)	130,699	130,335
Total adjustments	<u>(326,394)</u>	<u>1,863,463</u>	<u>1,537,069</u>
Net cash used by operating activities	<u>\$ (834,375)</u>	<u>\$ (5,125,756)</u>	<u>\$ (5,960,131)</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Research Triangle Regional Public Transportation Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. Reporting Entity

The 1989 Session of the North Carolina General Assembly amended Chapter 160A of the General Statutes (G.S.) by adding Article 26 enabling the creation of regional public transportation authorities. The Boards of Commissioners in Durham, Orange, and Wake Counties each held a public hearing, published articles of incorporation and passed resolutions creating the Research Triangle Regional Public Transportation Authority. The unit of local government was chartered by the Secretary of State on December 1, 1989. The Authority was created to plan, finance, organize and operate a public transportation system for the Research Triangle area. The Authority's operations began on July 1, 1990.

The Authority is governed by a thirteen member Board of Trustees, appointed as follows:

<u>Governing Body</u>	<u>Appointments</u>
Wake County	2
Durham County	1
Orange County	1
City of Raleigh	2
City of Durham	1
Town of Cary	1
Town of Chapel Hill	1
Durham County and City of Durham	1
NC Secretary of Transportation	3

The Authority has no component units and based upon current GASB pronouncements, does not qualify as a component unit of any other entity.

B. Basis of Presentation

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Authority. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Authority and for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Authority's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating from non-operating revenues and expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses include professional and other service costs, personnel, utilities and maintenance and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

The Authority reports the following major governmental funds:

- General Fund - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of revenue sources used to finance the Major Transit Investment Fund.
- Major Transit Investment Fund - The Major Transit Investment Fund is used to fund planning, capital, maintenance and operating costs for the development of a Regional Rail and Bus system
- Regional Bus Capital Project Fund – The Regional Bus Capital Project Fund is used to account for the funds used to purchase buses and related equipment.

The Authority reports the following non-major governmental fund:

- Technology Capital Project Fund – The Technology Capital Project Fund is used to account for the purchase of information technology equipment.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

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

The Authority reports the following major enterprise funds:

- Ridesharing Fund - The Ridesharing Fund is used to account for operations of Commuter Resources, Regional Call Center, and Regional TDM services. Financing is provided by intergovernmental revenues, and General fund revenues.
- Regional Bus Service Fund - The Regional Bus Service Fund is used to account for the provision of regional commuter bus service, and vanpool services. Financing is provided by vanpool fares, bus fares, consignments, subsidies, intergovernmental revenues, and General Fund revenues.

#### C. Measurement Focus and Basis of Accounting

*Government-wide and Proprietary Fund Financial Statements:* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Prepaid items are recorded on the purchases method.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. As required for periods beginning after June 15, 2000 by GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the board recognizes capital contributions as revenue, rather than as contributed capital.

The basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing or the measurements made, regardless of the measurement focus applied.

In accordance with North Carolina General Statutes, all funds of the Authority are maintained during the year using the modified accrual basis of accounting. The governmental fund types are presented in the financial statements on this basis.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

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

Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recorded when the related fund liability is incurred.

The Authority recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis of accounting when they are measurable and available. Non-exchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. The Authority considers all revenues available if they are collected within 60 days after year-end.

In applying the "susceptible to accrual" concept in intergovernmental revenues (i.e., state and local government grants), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the expenditure purpose and are generally revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt.

In the general fund, the vehicle registration tax is susceptible to accrual. In the special revenue fund, the rental vehicle tax is susceptible to accrual.

Proprietary funds are presented in the financial statements on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred. As permitted by accounting principles generally accepted in the United States of America, the Authority has elected to apply only applicable Financial Accounting Standards Board Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

#### D. Budgetary Control

In compliance with the North Carolina Budget and Fiscal Control Act (the Act), the Board of Trustees adopts an annual budget ordinance for the General and Enterprise Funds. All annual appropriations lapse at fiscal year-end. Project Ordinances are adopted for the Special Revenue and Capital Projects Funds. All budget ordinances are prepared on the modified accrual basis of accounting as required by the Act.

The appropriations ordinance is adopted at the functional level for the General Fund, at the departmental level for the Enterprise Funds and Special Revenue Fund and at the project level for the Capital Projects Funds. Expenditures may not legally exceed these levels. The general manager is authorized to transfer appropriations within a fund up to \$10,000; however, any revisions that alter total expenditures of any fund or exceed

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

\$10,000 must be approved by the Board of Trustees. The Authority does not use encumbrance accounting.

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

A budget calendar is included in the North Carolina General Statutes that prescribes the last day on which certain steps of the budget procedure are to be performed.

The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 - Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.
- June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 - The budget ordinance shall be adopted by the governing board.

#### E. Deposits and Investments

The deposits of the Authority are governed by North Carolina G.S. 159-31. The Authority may establish official depositories with any bank or savings and loan institution whose principal office is located in North Carolina. The Authority may also establish time deposits in the form of NOW, Super NOW and money market accounts, and certificates of deposit. Investments are stated at fair value. G.S. 159-30(c) authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC registered mutual (2a7) money market mutual fund. The investment with the NCCMT is valued at fair value, which is also its share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating investment earnings and investment contracts are also reported at amortized cost.

#### F. Cash and Cash Equivalents

All cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### G. Inventory

Inventory is valued at cost using the weighted-average method. The inventory in the Regional Bus Fund consists of expendable supplies. The Regional Bus Fund inventory reported on the combined balance sheet is offset by a fund balance reserve that indicates that it does not constitute a resource available for appropriation.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$5,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; furniture and equipment, \$5,000; and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20
Improvements	3
Vehicles	5-10
Furniture and equipment	3-5
Computer equipment	5

I. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities on the statement of net assets.

J. Compensated Absences

The vacation policy of the Authority advances vacation hours for the calendar year. Terminating employees will be paid for accrued vacation hours. Any advanced hours taken and not accrued will be deducted from the final paycheck. Employees must take a minimum of 10 days (two weeks) of vacation each calendar year. If 10 vacation days are not taken, the employee will be paid in lieu of for the remaining balance that equals 10.

Employees may accrue unlimited sick leave hours. Upon termination, employees will be paid, per a pre-set schedule, for a portion of their accumulated sick leave provided they have no record of sick leave abuse for at least six months prior to the date of their voluntary resignation. If the employee prefers, sick leave can be applied as a service credit towards retirement, providing it enables one to reach a milestone.

For the Authority's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Authority has assumed a first-in, first-out method of using accumulated compensated time. The portion of this time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. As of June 30, 2008, this balance is \$854,119. The General Fund is used to liquidate this liability annually.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

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

#### K. Net Assets/Fund Balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt and unrestricted net assets.

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Reserved for prepaid items - portion of fund balance that is not available for appropriation because it represents the year-end fund balance of ending pre-paid items, which are not expendable, available resources.

Unreserved:

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

#### L. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2008, current expenditures were within the authorized appropriations made by the governing board. Prior year expenditures made in the Technology Capital Project Fund exceeded authorized appropriations. Completed multi-year projects will be closed during fiscal year 2009. Expenditures made in the Regional Bus Service Fund exceeded authorized appropriations made by the governing board due to greater than expected unemployment claims. There is a fund deficit in the General Fund and appropriations exceed available fund balance. Expenditures made in the Regional Bus Capital Project Fund exceeded authorized appropriations made by the governing board. Management and the Board will continue to closely review the budget reports to ensure compliance in future years.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 2. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the foregoing financial statements in order to provide an understanding of the changes in the Authority's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the Authority's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

### 3. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Authority to concentrations of credit risk consist principally of cash and investments. The Authority places its cash with a financial institution (see Note 6) and its investments with either the NCCMT, obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States, or certain high quality issues of commercial paper and bankers' acceptances (see Note 7).

(Remainder of page left blank intentionally)

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008, was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balances</b>
<b><u>Governmental activities:</u></b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 45,543,965	\$ -	\$ -	\$ -	\$ 45,543,965
Construction in progress	108,583,634	3,519,213	-	(3,088,559)	109,014,288
Total capital assets not being depreciated	<u>154,127,599</u>	<u>3,519,213</u>	<u>-</u>	<u>(3,088,559)</u>	<u>154,558,253</u>
<b>Capital assets being depreciated:</b>					
Buildings	-	-	-	3,088,559	3,088,559
Equipment and vehicles	4,463,091	7,744,853	-	-	12,207,944
Leasehold Improvements	183,431	-	-	-	183,431
Total capital assets being depreciated	<u>4,646,522</u>	<u>7,744,853</u>	<u>-</u>	<u>3,088,559</u>	<u>15,479,934</u>
<b>Less accumulated depreciation for:</b>					
Buildings	-	60,055	-	-	60,055
Equipment and vehicles	2,608,889	1,211,133	-	-	3,820,022
Leasehold Improvements	109,292	10,367	-	-	119,659
Total accumulated depreciation	<u>2,718,181</u>	<u>\$ 1,281,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,999,736</u>
Total capital assets being depreciated, net	<u>1,928,341</u>				<u>11,480,198</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 156,055,940</u>				<u>\$ 166,038,451</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Administration	\$ 20,120
Capital Development	108,932
Communications and Public Affairs	-
General Counsel	-
Board	9,355
Finance	1,143,148
Total depreciation expense	<u>\$ 1,281,555</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**4. CAPITAL ASSETS (Continued)**

A summary of Business-type capital assets at June 30, 2008 follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
<b><u>Business-type activities:</u></b>					
<b><i>Ridesharing Fund</i></b>					
<b>Capital assets being depreciated:</b>					
Furniture, fixtures, and equipment	\$ 164,796	\$ -	\$ -	\$ -	\$ 164,796
Leasehold improvements	10,479	-	-	-	10,479
Total capital assets being depreciated	<u>175,275</u>	-	-	-	<u>175,275</u>
<b>Less accumulated depreciation for:</b>					
Furniture, fixtures, and equipment	159,813	2,492	-	-	162,304
Leasehold improvements	10,479	-	-	-	10,479
Total accumulated depreciation	<u>170,292</u>	<u>\$ 2,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>172,783</u>
<b>Ridesharing fund capital assets, net</b>	<u>\$ 4,983</u>				<u>\$ 2,491</u>
 <b><i>Regional Bus Service Fund</i></b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 748,068	\$ -	\$ -	\$ -	\$ 748,068
Total capital assets not being depreciated	<u>748,068</u>	-	-	-	<u>748,068</u>
 <b>Capital assets being depreciated:</b>					
Furniture, fixtures, and equipment	1,122,333	-	-	-	1,122,333
Vehicles	12,083,729	-	-	-	12,083,729
Leasehold improvements	173,136	-	-	-	173,136
Buildings	4,504,476	10,939	-	-	4,515,415
Total capital assets being depreciated	<u>17,883,674</u>	<u>10,939</u>	-	-	<u>17,894,613</u>
<b>Less accumulated depreciation for:</b>					
Furniture, fixtures, and equipment	1,004,416	81,814	-	-	1,086,230
Vehicles	9,282,946	1,025,958	-	-	10,308,904
Leasehold improvements	163,856	580	-	-	164,436
Buildings	1,201,195	150,150	-	-	1,351,345
Total accumulated depreciation	<u>11,652,413</u>	<u>\$ 1,258,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,910,915</u>
Total capital assets being depreciated, net	<u>6,231,261</u>				<u>4,983,698</u>
Reg. Bus Service fund capital assets, net	<u>6,979,329</u>				<u>5,731,766</u>
 <b>Business-type activities capital assets, net</b>	 <u>\$ 6,984,312</u>				 <u>\$ 5,734,257</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

The Authority has commitments of \$15,000,000 for contracts related to the regional rail system. It is expected that this commitment will ultimately be funded by federal and state grants and capital reserve fund revenues.

Commitments Under Operating Leases

The Authority leases the office space it occupies. The lease for the administrative office had monthly installments of \$46,815 and expired on July 31, 2008. Triangle Transit executed a new 5-year lease for administrative office space on March 7, 2008. The new lease has monthly installments of \$23,924 with a commencement date of July 23, 2008. The lease for the Regional Call Center office had monthly installments of \$6,236 and expired on February 28, 2008. An agreement has been made to extend the lease through November 30, 2008. The Operations Department currently located at 6 Park will relocate to a new facility in December, 2008. Monthly rent payments for the new facility in the amount of \$2,970 will began July 1, 2008. The total rent expense for the year ended June 30, 2008, was \$605,815.

The total minimum future commitment under such leases for the years ending June 30 is as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2009	\$346,746
2010	275,467
2011	282,330
2012	289,341
2013	<u>221,012</u>
Total	<u>\$1,414,896</u>

Grant Revenues

The Authority has received federal and state grants for specific purposes that are subject to review by the grantor agencies. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grants. Authority management believes such disallowance, if any, would not be significant to the financial position or operations of the Authority.

(Remainder of page left blank intentionally)

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 6. DEPOSITS

Depositories must collateralize public deposits in excess of federal depository insurance coverage by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by its agent in the Authority's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Authority under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority's deposits were maintained with financial institutions which collateralize excess deposits by the Pooling Method. On June 30, 2008, the carrying amount of the Authority's deposits was \$16,966,372 and the bank balances were \$17,192,191. Of the bank balance, \$200,050 was covered by federal depository insurance and \$16,992,141 in interest-bearing deposits was covered by collateral held under the Pooling Method.

(Remainder of page left blank intentionally)

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 7. INVESTMENTS

As of June 30, 2008, the Authority had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 6 months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
U.S Government Treasuries	\$ 6,377,653	\$ 98,000	\$ 9,785	\$ 6,269,868
U.S Government Agencies	1,576,096	575,621	-	1,000,475
Mortgage Backed Securities	1,610,047	-	-	1,610,047
Certificates of Deposit	774,609	188,596	193,996	392,017
N.C. State and Local Gov't Bonds	2,270,030	158,913	1,437,886	673,231
NCCMT	14,272,381	14,272,381	-	-
Total Fair Value	<u>\$ 26,880,816</u>	<u>\$ 15,293,511</u>	<u>\$ 1,641,667</u>	<u>\$ 9,945,638</u>

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy indicates no less than \$500,000 will mature within seven days. No less than 25% shall mature in 90 days and the average maturity shall not exceed one year.

*Credit Risk.* As a means of limiting its exposure to risk, the Authority will invest no more than 50% in any obligation that does not bear the full faith and credit of the United States of America. As of June 30, 2008, the Authority's investments in the NCCMT Cash Portfolio carried a credit rating of AAAM by Standard and Poor's. The Authority's investments in US Agencies are rated AAA by Standard and Poor's. The Authority's investments in US Treasuries are rated AAA by Standard and Poor's. The Authority's investments in NC state and local government bonds are also rated AAA by Standard and Poor's.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's formal policy indicates the Authority shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina and who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance and Administrative Services.

*Concentration of Credit Risk.* The Authority will invest no more than 50% in a single institution.

### 8. INTERFUND RECEIVABLES/PAYABLES

The following summarizes General Fund amounts due from and to other funds as of June 30, 2008:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	Enterprise – Ridesharing	\$ 384,607	\$ -
General Fund	Enterprise – Regional Bus	2,897,586	-
General Fund	Enterprise – Unemployment Fund	254,167	-
Enterprise - Rideshare	General Fund	-	384,607
Enterprise - Regional Bus	General Fund	-	2,897,586
Enterprise - Unempl Fund	General Fund	-	254,167
<b>Totals:</b>		<u>\$ 3,536,360</u>	<u>\$ 3,536,360</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**8. INTERFUND RECEIVABLES/PAYABLES (Continued)**

The purpose of the transferred monies is as follows:

The Authority's General Fund transferred monies during fiscal year 2008 to fund the Authority's match for State and Federal Grant programs in the Enterprise and Capital Project Funds. The Special Revenue Fund transferred monies to fund the Authority's match for the State and Federal Grant programs for the Major Transit Investment Fund.

**9. DUE FROM OTHER AGENCIES AND GOVERNMENTS**

The following summarizes amounts due from other agencies and governments by source as of June 30, 2008:

<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>\$2,441,526</u>	<u>\$276,705</u>	<u>\$438,671</u>	<u>\$3,156,902</u>

**10. TRANSFERS**

During the year, the General Fund and Regional Rail Capital Reserve Special Revenue Fund provided substantial support to the Enterprise and Capital Project Funds in the form of transfers, as follows:

<u>Interfund Transfers</u>	<u>From General Fund</u>	<u>From Technology Capital Fund</u>	<u>From Rail Capital Reserve Fund</u>
<b>Transfers to:</b>			
Rail Capital Project	\$ 283,650	\$ -	\$ 1,356,743
Bus Fund	5,688,969	-	-
Rideshare	519,117	-	-
Regional Bus Capital Project	2,260,520	-	-
General Fund	-	<u>22,333</u>	<u>650,000</u>
Total Transfers to:	<u>8,752,256</u>	<u>22,333</u>	<u>2,006,743</u>
<b>Transfers in:</b>			
Rail Capital Project	(283,650)	-	(1,356,743)
Bus Fund	(5,688,969)	-	-
Rideshare	(519,117)	-	-
Regional Bus Capital Project	(2,260,520)	-	-
General Fund	-	<u>(22,333)</u>	<u>(650,000)</u>
Total transfers in:	<u>(8,752,256)</u>	<u>(22,333)</u>	<u>(2,006,743)</u>
Total net transfers:	\$ -	\$ -	\$ -

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**11. CHANGES IN LONG- TERM LIABILITIES**

	<b>Balance July 1, 2007</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2008</b>	<b>Long-Term Portion</b>	<b>Current Portion of Balance</b>
<u>Governmental activities:</u>						
Compensated Absences	\$ 301,651	\$ 44,865		\$ 346,516	\$ 86,629	\$ 259,887
Notes payable	-	-	-	-	-	-
Total governmental activity long-term liabilities	<u>\$ 301,651</u>	<u>\$ 44,865</u>	<u>-</u>	<u>\$ 346,516</u>	<u>\$ 86,629</u>	<u>\$ 259,887</u>
<u>Business-type activities:</u>						
Compensated Absences	\$ 587,663	\$ 194,221	-	\$ 781,883	\$ 187,651	\$ 594,232
Notes payable	-	-	-	-	-	-
Total Business-type activity long-term liabilities	<u>\$ 587,663</u>	<u>\$ 194,221</u>	<u>\$ -</u>	<u>\$ 781,883</u>	<u>\$ 187,651</u>	<u>\$ 594,232</u>

**12. RETIREMENT PLAN**

The Authority sponsors a defined contribution pension plan covering all of its full-time employees. Contributions and costs are determined as 8% of all full-time employees' salaries. Employees are 100% vested in these benefits after 3 years of service. The Authority's total payroll for fiscal year 2008 was \$7,045,872 of which \$6,710,716 relates to employees covered under the plan. The Authority's contributions to the plan for the year ended June 30, 2008 totaled \$479,806 (7.15% of covered payroll). The assets of this plan are invested in various mutual funds, guaranteed interest contracts, and U.S. Treasury Bonds. The establishment of this plan was authorized by the Authority's Board of Trustees and may only be amended by the Authority's Board of Trustees.

**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 employees, permits them to defer a portion of their salary until future years. In addition, the Authority makes contributions of percentages of the Assistant General Manager for Planning and Engineering, General Counsel, and Director of Finance and Administrative Services' salaries to this plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Authority's total payroll, as well as payroll for employees covered under the plan, was \$6,710,716 for the fiscal year ended June 30, 2008. The Authority contributed \$146,569 (approximately 2.18% of covered payroll).

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 14. RISK MANAGEMENT

The Authority has a limited risk management program for unemployment claims. Premiums were paid at the rate of 3% of each employee's salary into the fund by all other funds until June 2001. Management has determined that an adequate fund balance existed and premium payments could be suspended. It is anticipated that investment earnings on this fund will be sufficient to pay future unemployment claims.

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority reduces its risk by obtaining insurance. All of the insurance companies from whom The Authority has purchased insurance have A.M. Best ratings of A- or better.

The insurance companies used by the Authority are:

- Darwin Select Insurance Company
- RLI Insurance Company
- Hanover Insurance
- Lexington Insurance Company
- National Union Fire Insurance Company

Not including health insurance, the Authority has the following types and limits of coverage:

- Public Officials Professional Liability
  - \$2,000,000
- Commercial General Liability
  - \$2,000,000
- Finance Officer Fidelity Bond
  - \$150,000
- Real and personal property
  - Building
    - \$8,700,000
  - Contents and EDP Equipment
    - \$4,000,000
  - Equipment Breakdown
    - \$10,200,000
  - Cranes
    - \$500,000
  - Flood Insurance - None
- Business Vehicle Liability Coverage
  - \$2,000,000
- Loss from crime
  - \$100,000-\$150,000
- Excess liability
  - \$18,000,000
- Workers compensation
  - Statutory limits
  - Provided by NC League of Municipalities
- Employee benefits liability
  - \$2,000,000

Insurance coverage for health claims in excess of \$100,000 is also carried. No settlements have exceeded insurance coverage in the past four years.

**INDIVIDUAL FUND  
STATEMENTS AND  
SCHEDULES**



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues, Expenditures And Changes In Fund Balance - Budget and Actual**  
**Special Revenue Fund - Regional Rail Capital Reserve**  
 From Inception and For the Year Ended June 30, 2008

	Actual				Variance Positive (Negative)
	Projected Authorization	Prior Years	Current Year	Total to date	
<b>REVENUES</b>					
Restricted Intergovernmental revenues:					
Vehicle rental tax	\$ 42,392,292	\$ 66,168,115	\$ 9,215,237	\$ 75,383,352	\$ 32,991,060
Unreal. Gain/Loss-Investments	3,745,000	4,364,518	397,709	4,762,227	1,017,227
<b>Total Revenues</b>	<u>46,137,292</u>	<u>70,532,633</u>	<u>9,612,946</u>	<u>80,145,579</u>	<u>34,008,287</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in: General fund	2,481,267	2,481,267	-	2,481,267	-
Transfer out	(48,618,559)	(28,697,983)	(2,006,743)	(30,704,726)	17,913,833
<b>Total other financing sources (uses):</b>	<u>(46,137,292)</u>	<u>(26,216,716)</u>	<u>(2,006,743)</u>	<u>(28,223,459)</u>	<u>17,913,833</u>
<b>Revenues, other sources and appropriated fund balances over (under) expenditures and other uses</b>	<u>\$ -</u>	<u>\$ 44,315,917</u>	<u>7,606,203</u>	<u>\$ 51,922,120</u>	<u>\$ 51,922,120</u>
Fund Balance - beginning			44,315,917		
Fund balances - ending			<u>\$ 51,922,120</u>		



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 Schedule of Revenues, Expenditures And Changes In Fund Balance - Budget and Actual  
 Regional Bus Capital Project Fund  
 From Inception and For the Year Ended June 30, 2008

	Projected Authorization	Actual			Total to date	Variance Positive (Negative)
		Prior Years	Current Year			
<b>REVENUES:</b>						
Restricted Intergovernmental revenues:						
State grant revenues	\$ 779,134	\$ 648,359	\$ 859,546	\$ 1,507,905	\$ 728,771	
State formula grants	50,625	62,416	-	62,416	11,791	
Federal grant revenues	6,552,070	5,165,935	6,015,553	11,181,488	4,629,418	
Federal formula grants	405,000	371,819	-	371,819	(33,181)	
<b>Total Revenues</b>	<b>7,786,829</b>	<b>6,248,529</b>	<b>6,875,099</b>	<b>13,123,628</b>	<b>5,336,799</b>	
<b>EXPENDITURES:</b>						
Capital outlay:						
Land	751,000	753,217	-	753,217	(2,217)	
Impact fees and permits	32,178	32,178	-	32,178	-	
Buildings	7,802,040	6,275,101	9,135,619	15,410,720	(7,608,680)	
Sales tax refund	(110,000)	-	-	-	(110,000)	
Design fee	321,615	316,035	-	316,035	5,580	
Equipment	576,250	547,569	-	547,569	28,681	
Contingency	97,255	-	-	-	97,255	
<b>Total expenditures</b>	<b>9,470,338</b>	<b>7,924,100</b>	<b>9,135,619</b>	<b>17,059,719</b>	<b>(7,589,381)</b>	
Expenditures over revenues:	(1,683,509)	(1,675,571)	(2,260,520)	(3,936,091)	(2,252,582)	
<b>OTHER FINANCING SOURCES:</b>						
Transfers from General Fund	1,683,509	1,675,571	2,260,520	3,936,091	2,252,582	
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	
Fund balance, beginning of year	-	-	-	-	-	
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues, Expenditures And Changes In Fund Balance - Budget and Actual**  
 Regional Rail Capital Project Fund  
 From Inception and For the Year Ended June 30, 2008

	Projected Authorization	Actual			Total to date	Variance Positive (Negative)
		Prior Years	Current Year			
<b>REVENUES:</b>						
Restricted intergovernmental:						
NCDOT rail grants	\$ 218,770,984	\$ 29,697,362	\$ -	\$ 29,697,362	\$ (189,073,622)	
FTA rail grants	464,230,428	83,820,262	-	83,820,262	(380,410,166)	
Other revenues	323,000	15,747,559	354,890	16,102,449	15,779,449	
Total revenues	683,324,412	129,265,183	354,890	129,620,073	(553,704,339)	
<b>EXPENDITURES:</b>						
Capital outlay:						
Design	141,032,509	97,639,631	1,995,283	99,634,914	41,397,595	
Project administration	27,577,195	8,842,228	-	8,842,228	18,734,967	
Insurance	13,076,239	-	-	-	13,076,239	
Property acquisition	91,060,997	49,766,365	-	49,766,365	41,294,632	
Systems	61,761,937	-	-	-	61,761,937	
Vehicles and equipment	129,929,406	-	-	-	129,929,406	
Trackwork	78,499,408	-	-	-	78,499,408	
Construction	5,204,691	-	-	-	5,204,691	
Yard and shop	28,678,411	-	-	-	28,678,411	
Grading	221,159,141	-	-	-	221,159,141	
Stations	75,925,281	-	-	-	75,925,281	
Total expenditures	873,905,215	156,248,224	1,995,283	158,243,507	715,661,708	
Expenditures over revenues:	(190,580,803)	(26,983,041)	(1,640,393)	(28,623,434)	161,957,369	
<b>Other financing sources:</b>						
Transfers (to) from other Funds	190,580,803	26,983,041	1,640,393	28,623,434	(161,957,369)	
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Fund balance, beginning of year</b>						
<b>Fund balance, end of year</b>						





**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**Schedule of Revenues and Expenditures**  
**Proprietary Fund - Ridesharing**  
**Budget and Actual (Non- GAAP)**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental revenues:			
NC department of transportation	\$ 480,000	\$ 443,724	\$ (36,276)
Federal transit administration	112,000	102,274	(9,726)
Durham county	12,400	201,611	189,211
Durham county TDM fees	200,000	14,700	(185,300)
Other governmental revenues	415,672	323,060	(92,612)
Total revenues	<u>1,220,072</u>	<u>1,085,369</u>	<u>(134,703)</u>
<b>EXPENDITURES</b>			
Regional call center	563,974	531,395	32,579
Commuter resources	634,620	615,287	19,333
Regional TDM	566,078	444,178	121,900
Total expenditures	<u>1,764,672</u>	<u>1,590,860</u>	<u>173,812</u>
Revenue (under) expenditures	<u>(544,600)</u>	<u>(505,491)</u>	<u>39,109</u>
Other financing sources:			
Transfers from general fund	<u>544,600</u>	519,117	<u>(25,483)</u>
Revenues and other financing sources over (under) expenditures:	<u>\$ -</u>	13,626	<u>\$ 13,626</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other financing sources (under) expenditures:		13,626	
Reconciling items:			
Depreciation		<u>(2,490)</u>	
Total reconciling items		<u>(2,490)</u>	
Change in net assets		<u>\$ 11,136</u>	



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues and Expenditures**  
**Proprietary Fund - Regional Bus Service Fund**  
**Budget and Actual (Non- GAAP)**  
**For the Year Ended June 30, 2008**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Bus fares			
Rider fares	\$ 1,470,088	\$ 1,129,535	\$ (340,553)
Employer subsidies	529,020	613,325	84,305
Other revenues	173,500	135,766	(37,734)
Specialized services	93,220	173,095	79,875
Intergovernmental revenues:			
Federal Transit Administration	1,093,120	1,178,671	85,551
NC Department of Transportation	2,169,372	2,082,186	(87,186)
Total revenues	5,528,320	5,312,578	(215,742)
<b>EXPENDITURES</b>			
Supervision	1,000,314	938,496	61,818
Operations	6,184,530	6,023,690	160,840
Vanpool	745,272	745,272	-
Specialized services	640,105	621,680	18,425
Maintenance	2,647,068	2,636,128	10,940
Unemployment claim	-	45,328	(45,328)
Total expenditures	11,217,289	11,010,594	206,695
Revenue (under) expenditures	(5,688,969)	(5,698,016)	(9,047)
Other financing sources:			
Transfers from General Fund	5,688,969	5,688,969	-
Revenues and other financing sources over (under) expenditures:	\$ -	(9,047)	\$ (9,047)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other financing sources (under) expenditures:		(9,047)	
Reconciling items:			
Depreciation		(1,259,212)	
Total reconciling items		(1,259,212)	
Change in net assets		\$ (1,268,259)	

# **STATISTICAL SECTION**

**RESEARCH TRIANGLE REGIONAL PUBLIC  
TRANSPORTATION AUTHORITY**

**YEAR ENDED JUNE 30, 2008**

This page explains the purpose of each schedule in the Statistical Section. This is intended to make the Statistical Section easier to understand.

**Net Assets by Component Last Six Fiscal Years** – Page 44 – This table helps the reader gauge the Authority's financial progress.

**Changes in Net Assets Last Six Fiscal Years** – Page 45 -- This table gives more detail as to what caused the changes in net asset amounts.

**Fund Balances, Governmental Fund, Last Ten Fiscal Years** – Page 46 – This table gives a comparative view of the governmental fund balances over the past ten fiscal years.

**Changes in Fund Balances, Governmental Funds – Last Six Fiscal Years**  
- Page 47 – This table shows the various factors which caused the changes in the fund balances.

**Governmental Fund Expenditures by Function – for the Last Ten Fiscal Years** – Page 48 – This table shows for what purposes governmental funds were expended.

**Governmental Fund Revenues by Sources – Last Ten Fiscal Years** – Page 49 – This table shows from where the Governmental Fund received its revenues.

**Ratios of Outstanding Debt Last Ten Fiscal Years** – Page 50 – This table shows the ratio of Primary Government indebtedness per capita.

**Employee Position Authorization by Department – Last Ten Fiscal Years**  
- Page 51 – This table compares positions authorized by department for comparative purposes.

**Operating Indicators by Function/Program – Last Ten Fiscal Years** – Page 52 – This table gives indicators for the activity of the Authority.

**Capital Assets by Function/Program – Last Six Fiscal Years** – Page 53 – This table shows the Authority's capital assets for the last five fiscal years.

**Insurance in Force – July 1, 2007 – June 30, 2008** – Page 54 -This table shows the Authority's insurance by type of coverage and amount.



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**Net Assets by Component**  
**Last Six Fiscal Years**

Table 1

	Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>						
Invested in Capital assets, net of related debt	\$ 40,563,210	\$ 79,731,539	\$ 112,879,862	\$ 137,066,488	\$ 156,055,939	\$ 166,038,451
Unrestricted	50,569,360	45,473,024	47,369,733	45,066,669	45,678,438	49,680,077
Total Governmental Activities Net Assets	<u>91,132,570</u>	<u>125,204,563</u>	<u>160,249,595</u>	<u>182,133,157</u>	<u>201,734,377</u>	<u>215,718,528</u>
<b>Business-type Activities</b>						
Invested in Capital assets, net of related debt	12,926,266	11,616,507	10,357,107	9,161,709	6,984,312	5,734,257
Unrestricted	1,951,279	3,270,191	2,818,228	1,838,931	(976,343)	(983,411)
Total Business-type Activities Net Assets	<u>14,877,545</u>	<u>14,886,698</u>	<u>13,175,335</u>	<u>11,000,640</u>	<u>6,007,969</u>	<u>4,750,846</u>
<b>Primary Government</b>						
Invested in Capital assets, net of related debt	53,489,476	91,348,046	123,236,969	146,228,197	163,040,251	171,772,708
Unrestricted	52,520,639	48,743,215	50,187,961	46,905,600	44,702,095	48,696,666
Total Primary Government Net Assets	<u>\$ 106,010,115</u>	<u>\$ 140,091,261</u>	<u>\$ 173,424,930</u>	<u>\$ 193,133,797</u>	<u>\$ 207,742,346</u>	<u>\$ 220,469,374</u>

**Notes:**

This table was prepared using the accrual basis of accounting.

Less than 10 years of information has been presented as GASB 34 was implemented during Fiscal Year Ended June 30, 2003.



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**CHANGE IN NET ASSETS**  
 Last Six Fiscal Years

TABLE 2

<b>Expenses</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental Activities:</b>						
Board	\$ 83,219	\$ 182,160	\$ 1,004,637	\$ 135,444	\$ 174,061	\$ 113,444
Human Resources	*	*	269,544	294,481	315,943	329,622
Administration	1,007,411	646,076	318,364	353,510	275,015	315,318
Capital Development	1,221,137	582,391	522,412	1,019,329	1,129,843	348,251
Equal Employ. Opport. /Disadv. Busin. Enter.	*	*	124,636	105,087	108,831	102,033
Finance	**	739,341	713,167	2,484,822	2,183,407	2,234,529
General Counsel	299,486	340,610	174,381	144,515	320,446	199,493
Communications and Public Affairs	195,900	663,579	635,412	812,857	836,220	465,720
<b>Total Governmental Activities Expense</b>	<b>2,807,153</b>	<b>3,154,157</b>	<b>3,762,553</b>	<b>5,350,045</b>	<b>5,343,766</b>	<b>4,108,410</b>
<b>Business-type activities:</b>						
Regional Bus Service	7,831,365	9,319,922	12,906,812	11,273,630	12,088,065	12,269,806
Ridesharing	1,438,148	1,059,480	1,062,139	1,112,901	1,375,640	1,593,350
<b>Total Business-type Activities Expense</b>	<b>9,269,513</b>	<b>10,379,402</b>	<b>13,968,951</b>	<b>12,386,531</b>	<b>13,463,705</b>	<b>13,863,156</b>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>12,076,666</b>	<b>13,533,559</b>	<b>17,731,504</b>	<b>17,736,576</b>	<b>18,807,471</b>	<b>17,971,566</b>
<b>Program Revenues:</b>						
<b>Governmental Activities:</b>						
Operating Grants and Contributions						
Capital Development	1,116,469	524,172	527,527	1,486,650	3,524,908	668,400
Capital Grants and Contributions						
Regional Rail Capital Project	28,221,842	29,274,168	25,356,114	14,620,990	6,722,695	-
Regional Bus Capital Project	64,845	3,435	123,212	187,653	1,576,641	6,875,099
Technology Capital Project	269,446	156,252	2,500,616	458,127	161,998	152,114
<b>Total Governmental Activities Revenues</b>	<b>29,672,602</b>	<b>29,958,027</b>	<b>28,507,469</b>	<b>16,753,420</b>	<b>11,986,242</b>	<b>7,695,613</b>
<b>Business-type Activities:</b>						
Regional Bus Service	770,447	1,136,307	1,492,178	4,910,923	4,095,151	5,280,587
Ridesharing	398,588	119,024	24,587	498,879	950,267	1,085,369
<b>Total Business-type Activities Revenues</b>	<b>1,169,035</b>	<b>1,255,331</b>	<b>1,516,765</b>	<b>5,409,802</b>	<b>5,045,418</b>	<b>6,365,956</b>
<b>TOTAL PRIMARY GOVERNMENT REVENUES</b>	<b>30,841,637</b>	<b>31,213,358</b>	<b>30,024,234</b>	<b>22,163,222</b>	<b>17,031,660</b>	<b>14,061,569</b>
<b>Net Revenue (Expense)</b>						
Governmental Activities	26,865,449	26,803,870	24,744,916	11,403,375	6,642,476	3,587,203
Business-type Activities	(8,100,478)	(9,124,071)	(12,452,186)	(6,976,729)	(8,418,287)	(7,497,200)
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>18,764,971</b>	<b>17,679,799</b>	<b>12,292,730</b>	<b>4,426,646</b>	<b>(1,775,811)</b>	<b>(3,909,997)</b>
<b>General revenues and Other Changes in Net Assets</b>						
<b>Governmental activities:</b>						
Vehicle Registration Taxes	4,596,355	4,711,525	4,904,780	5,113,015	5,462,145	5,402,500
Capital Contributions	(9,200)	-	-	-	-	-
Vehicle Rental Taxes	7,140,503	7,034,402	7,108,744	7,904,871	8,762,545	9,215,237
Miscellaneous Revenues	1,059,074	1,104,181	539,231	1,498,878	922,775	975,030
Unrestricted Investment Earnings	548,971	202,800	664,061	746,061	1,210,518	1,012,267
Transfers	(4,747,234)	(5,797,325)	(2,916,700)	(4,782,638)	(3,399,239)	(6,208,086)
<b>Total Governmental Activities</b>	<b>8,588,469</b>	<b>7,255,583</b>	<b>10,300,116</b>	<b>10,480,187</b>	<b>12,958,744</b>	<b>10,396,948</b>
<b>Business type activity:</b>						
Capital Contributions	9,200	-	26,508	-	-	-
Unrestricted Investment Earnings	14,918	8,732	26,508	19,396	26,377	31,991
Transfers	4,747,234	5,797,325	2,916,700	4,782,638	3,399,239	6,208,086
<b>Total Business-type Activities</b>	<b>4,770,752</b>	<b>5,806,057</b>	<b>2,969,716</b>	<b>4,802,034</b>	<b>3,425,616</b>	<b>6,240,077</b>
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>	<b>13,359,221</b>	<b>13,061,640</b>	<b>13,269,832</b>	<b>15,282,221</b>	<b>16,384,360</b>	<b>16,637,025</b>
<b>Change in Net Assets</b>						
Governmental activities	35,453,918	34,071,993	35,045,032	21,883,562	19,601,220	13,984,151
Business-type activity	297,879	9,153	(1,711,636)	(2,174,695)	(4,992,671)	(1,257,123)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS</b>	<b>\$ 35,751,797</b>	<b>\$ 34,081,146</b>	<b>\$ 33,333,396</b>	<b>\$ 19,708,867</b>	<b>\$ 14,608,549</b>	<b>\$ 12,727,028</b>

**Notes:**

GASB 34 formatted statements started in Fiscal Year 2003

\* The Human Resources and Equal Employ. Opport. /Disadv. Busin. Enter. departments were spun off of the Administration department in Fiscal Year 2005

\*\* The Finance department was spun off of the Administration department in Fiscal Year 2004.

Less than 10 years of information has been presented as GASB 34 was implemented during Fiscal Year Ended June 30, 2003.



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years

Table 3

	Year Ended June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 1,951,645	\$ 3,860,371	\$ 7,732,314	\$ 10,710,194	\$ 15,268,955	\$ 48,265,359	\$ 48,656,621	\$ 9,577,154	\$ 3,338,248	\$ 7,087,165
Designated	-	-	-	-	-	-	-	-	-	180,781
Unreserved, undesignated	9,091,230	9,547,869	8,498,923	6,712,268	1,430,206	(34,113,335)	(33,771,143)	5,428,856	(1,674,076)	(9,163,473)
Total General Fund	\$ 11,042,875	\$ 13,408,240	\$ 16,231,237	\$ 17,422,462	\$ 16,699,161	\$ 14,152,024	\$ 14,887,478	\$ 15,006,010	\$ 1,664,172	\$ (1,895,527)
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 23,865,864	\$ 41,680,433	\$ 46,872,627	\$ 16,829,289	\$ 28,781,681	\$ 24,272,826
Unreserved, reported in:										
Special revenue funds	8,063,215	15,225,973	24,286,571	30,751,923	10,033,511	(10,336,217)	(14,144,885)	14,375,060	15,534,236	27,649,294
Total all other Governmental Funds	\$ 8,063,215	\$ 15,225,973	\$ 24,286,571	\$ 30,751,923	\$ 33,899,375	\$ 31,344,216	\$ 32,727,742	\$ 31,204,349	\$ 44,315,917	\$ 51,922,120



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
Last Six Fiscal Years

Table 4

	Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
<b>REVENUES</b>						
Restricted intergovernmental revenues:						
NC Department of Transportation	\$ 2,463,336	\$ 9,980,803	\$ 10,813,446	\$ 5,193,126	\$ 3,740,524	\$ 1,099,260
Federal CMAQ grants	36,051	-	-	-	-	-
Federal Transit Administration	27,173,215	19,977,223	17,059,487	11,560,294	8,245,718	6,596,353
Other revenue	-	12,541	15,168,995	190,237	302,435	380,542
Vehicle registration tax	4,596,355	4,711,525	4,904,780	5,113,015	5,462,145	5,402,500
Indirect cost credits	1,059,074	1,104,181	1,153,280	1,308,639	620,340	594,488
Rental vehicle tax	7,140,503	7,034,402	7,108,744	7,904,871	8,762,545	9,215,237
Investment income	548,971	202,800	552,623	748,061	1,210,518	1,012,267
Total revenues	<u>43,017,505</u>	<u>43,023,475</u>	<u>56,761,355</u>	<u>32,016,243</u>	<u>28,344,225</u>	<u>24,300,647</u>
<b>EXPENDITURES</b>						
Current:						
Governing Board	83,219	182,160	152,673	128,481	167,098	113,444
Human Resources*	-	-	269,544	294,481	315,943	329,622
Administration	952,566	603,212	318,364	338,507	260,012	315,318
Capital Development	1,221,137	582,391	600,124	938,049	1,048,563	348,251
Equal Employ. Opport./Disadv. Busin. Enter.**	-	-	124,636	105,087	108,831	102,033
Finance**	-	739,341	713,167	694,405	841,878	908,110
General Counsel	299,486	340,610	174,381	144,515	320,446	199,493
Communications and Public Affairs	195,900	663,579	635,412	812,857	836,220	465,720
Capital Outlay	33,093,812	39,217,153	48,737,376	25,182,084	5,277,035	11,264,066
Debt Payments and Interest ***	-	-	-	-	15,999,230	-
Total expenditures	<u>35,846,120</u>	<u>42,328,446</u>	<u>51,725,677</u>	<u>28,638,466</u>	<u>25,175,256</u>	<u>14,046,057</u>
Excess of revenues over expenditures	<u>7,171,385</u>	<u>695,029</u>	<u>5,035,678</u>	<u>3,377,777</u>	<u>3,168,969</u>	<u>10,254,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	4,537,679	9,770,758	6,222,975	9,686,418	4,530,827	4,573,246
Transfers to other funds	(9,284,913)	(15,568,083)	(9,139,673)	(14,469,056)	(7,930,066)	(10,781,332)
Total other financing sources (uses)	<u>(4,747,234)</u>	<u>(5,797,325)</u>	<u>(2,916,698)</u>	<u>(4,782,638)</u>	<u>(3,399,239)</u>	<u>(6,208,086)</u>
Net change in fund balance	2,424,151	(5,102,296)	2,118,980	(1,404,861)	(230,270)	4,046,504
Fund balances-beginning	48,174,385	50,598,536	45,496,240	47,615,220	46,210,359	45,980,089
Fund balances-ending	<u>\$50,598,536</u>	<u>\$ 45,496,240</u>	<u>\$ 47,615,220</u>	<u>\$ 46,210,359</u>	<u>\$ 45,980,089</u>	<u>\$ 50,026,593</u>

**Notes:**

GASB 34 formatted statements started in Fiscal Year 2003

\* The Human Resources and Equal Employ. Opport./Disadv. Busin. Enter. departments were spun off of the Administration department in Fiscal Year 2005

\*\* The Finance department was spun off of the Administration department in Fiscal Year 2004.

\*\*\* Ratio of debt payments to noncapital expenditures: 4:1 in Fiscal Year 2007, all other years are 0:0.

Less than 10 years of information has been presented as GASB 34 was implemented during Fiscal Year Ended June 30, 2003.



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**GOVERNMENTAL FUND EXPENDITURES BY FUNCTION**  
 For the Last Ten Fiscal Years

Table 5

	Year Ended June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governing Board	\$ 9,776	\$ 17,354	\$ 25,871	\$ 42,932	\$ 83,219	\$ 182,160	\$ 152,673	\$ 128,481	\$ 167,098	\$ 113,444
Human Resources	-	-	-	-	-	-	269,544	105,087	315,943	329,622
Administration	601,100	852,984	926,711	835,897	952,566	603,212	318,364	694,405	260,012	315,318
Capital Development	561,829	871,708	769,126	899,383	1,221,137	582,391	600,124	812,857	1,048,563	348,251
Equal Employ. Opport. /Disadv. Busin. Enter.	-	-	-	-	-	-	124,636	144,515	108,831	102,033
Finance	-	-	-	-	-	739,341	713,167	938,049	841,878	908,110
General Counsel	-	-	-	315,570	299,486	340,610	174,381	294,481	320,446	199,493
Communications and Public Affairs	-	-	-	-	195,900	663,579	635,412	338,507	836,220	465,720
Capital Outlay and Debt Payments	7,481,429	1,791,829	6,078,031	10,053,246	33,093,812	39,217,153	48,737,376	25,182,084	21,276,265	11,264,066
<b>Totals</b>	<b>\$ 8,654,134</b>	<b>\$ 3,533,875</b>	<b>\$ 7,799,739</b>	<b>\$ 12,147,028</b>	<b>\$ 35,846,120</b>	<b>\$ 42,328,446</b>	<b>\$ 51,725,677</b>	<b>\$ 28,638,466</b>	<b>\$ 25,175,256</b>	<b>\$ 14,046,057</b>



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 GOVERNMENTAL FUND REVENUES BY SOURCE  
 Last Ten Fiscal Years

Table 6

	Year Ended June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Vehicle registration taxes	\$ 4,025,635	\$ 4,111,135	\$ 5,585,005	\$ 4,502,700	\$ 4,596,355	\$ 4,711,525	\$ 4,904,780	\$ 5,113,015	\$ 5,462,145	\$ 5,402,500
Rental vehicle taxes	6,055,457	7,086,515	7,913,095	7,161,983	7,140,503	7,034,402	7,108,744	7,904,871	8,762,545	9,215,237
Intergovernmental revenues:										
Federal Transit Administration	853,921	480,000	560,000	480,020	979,910	458,059	468,913	11,560,294	8,245,718	6,596,353
NC Department of Transportation	114,179	76,820	74,817	94,585	136,559	66,113	58,614	5,193,126	3,740,524	1,099,260
Indirect cost credits	-	785,791	775,897	878,804	1,059,074	1,104,181	1,153,280	1,308,639	620,340	594,488
Investment income	674,019	443,975	1,976,633	1,331,405	548,971	202,800	552,623	746,061	1,210,518	1,012,267
Other	-	-	10,304	229	-	-	-	190,237	302,435	380,542
Totals	\$ 11,723,211	\$ 12,984,236	\$ 16,895,751	\$ 14,449,726	\$ 14,461,372	\$ 13,577,080	\$ 14,246,954	\$ 32,016,243	\$ 28,344,225	\$ 24,300,647

Notes:

1. Includes General Fund and Regional Rail Capital Reserve Fund.



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Table 7

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Per Capita
	General Obligation Bonds	COPS & Installment Financing	Capital Leases	General Obligation Bonds	Revenue Bonds	Capital Leases	State Revolving Loan			
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2007	-	-	-	-	-	-	-	-	15,129,041	15.13
2006	-	15,000,000	-	-	-	129,041	-	-	15,344,559	15.34
2005*	-	15,000,000	-	-	-	344,559	-	-	550,735	0.55
2004	-	-	-	-	-	550,735	-	-	748,484	0.75
2003	-	-	-	-	-	748,484	-	-	949,351	0.95
2002	-	-	-	-	-	949,351	-	-	517,832	0.52
2001	-	-	-	-	-	517,832	-	-	780,852	0.78
2000	-	-	-	-	-	780,852	-	-	691,789	0.69
1999	-	-	-	-	-	691,789	-	-	-	-

\* In Fiscal Year 2005, the Authority entered into a \$15,000,000 financing package with BB&T.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT  
 Last Ten Fiscal Years

Table 8

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governing Board	-	-	-	-	-	1	1	1	-	-
General Counsel	-	-	-	-	-	4	4	4	1	1
Communications & PA	-	-	-	-	-	5	5	7	4	4
Finance	-	-	-	-	-	7	8	7	7	8
Human Resources	-	-	-	-	-	-	3	3	3	3
Administration	5	9	9	9	21	7	3	4	2	2
EEO/DBE	-	-	-	-	-	-	1	2	1	1
Capital Development	10	10	10	15	13	16	17	28	9	7
Regional Bus	86	64	71	103	99	105	130	110	109	115
Ridesharing	5	6	6	7	11	8	9	9	19	16

This shows the number of the Authority's employees by department at the end of the fiscal year.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

Table 9

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Services consumed:</b>										
Fare paid boardings	434,245	460,371	636,710	585,278	589,580	639,513	685,966	817,619	865,911	941,792
Transfers	56,452	145,380	75,140	77,084	77,651	71,664	69,720	74,403	-	-
Total passengers	490,697	605,751	711,850	662,362	667,231	711,177	755,686	892,022	865,911	941,792
<b>Services supplied:</b>										
Regular route revenue miles	1,088,779	1,270,600	1,574,089	1,776,130	2,370,693	2,386,104	1,991,444	2,573,122	1,964,512	1,997,401
Deadhead, training and maintenance miles	112,823	338,674	255,430	528,803	376,082	212,630	456,352	597,194	516,173	610,923
Total miles driven	1,201,602	1,609,274	1,829,519	2,304,933	2,746,775	2,598,734	2,447,796	3,170,316	2,480,685	2,608,324
Regular route revenue hours	47,062	61,423	70,626	80,663	97,591	92,782	90,582	92,964	92,874	92,212
Deadhead, training and maintenance hours	21,306	32,155	23,524	-	-	-	-	-	22,939	29,005
Total bus hours	68,368	93,578	94,150	80,663	97,591	92,782	90,582	92,964	115,813	121,217
Number of employer campaigns:**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A
Number of employees surveyed:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A**	N/A**
Matchlists generated from employer campaigns:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Matchlists generated from public requests:	864	753	889	815	596	567	855	14,088	10,369	3,810
Vanpools in operation at year end:	41	46	47	48	48	51	50	65	62	70
Job Fairs held:	5	4	4	5	-	-	-	-	-	-
Employers participating in job fairs:	100	110	140	135	-	-	-	-	-	-
Job Fair Attendees:	3,250	3,800	4,000	6,060	-	-	-	-	-	-

\*\*N/A Not Applicable

Operating Indicators by Function

This schedule shows various operating indicators of the Authority by function. It provides service related information including initiatives to increase ridership.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
 CAPITAL ASSETS BY FUNCTION/PROGRAM  
 Last Six Fiscal Years

Table 10

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type Activities:						
37- Passenger buses	47	48	46	46	44	67
26- Passenger buses	20	20	20	20	19	19
15- Passenger vans	75	83	77	77	79	86
12- Passenger handicap accessible van	5	5	5	5	7	7
Service Truck	1	1	1	1	1	2
Supervisor Vehicles	-	-	-	-	2	2

**Capital Assets by Function**

This schedule is a summary of capital assets for the last six fiscal years. While the requirements is the inclusion of the last 10 fiscal years the Triangle Transit Authority will only be able to present from the year of the implementation of GASB 34.

**Source: Fixed Asset Inventories**

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**INSURANCE IN FORCE**  
July 1, 2007 - June 30, 2008

Table 11

		Limits
<u>Real and Personal Property</u>		
Real and Personal Property Limits	\$	7,000,000
Computer Equipment and Medical Business Personal Property Limit		5,343,162
<u>Comprehensive General Liability:</u>		
General Liability		2,000,000
Excess Liability (umbrella)		18,000,000
<u>Automobile Liability - General Aggregate</u>		
Each occurrence - \$1,000,000		1,000,000
Owned Auto Physical Damage		
Comprehensive - \$1,000 deductible		
Collision - \$1,000 deductible		
Underinsured Motorist Liability		85,000
<u>Workers Compensation</u>		
Statutory		
<u>Employer's Liability</u>		
Each Accident		1,000,000
Each Employee for Disease		1,000,000
Specific Limit Each Employee for Disease and Bodily Injury		1,000,000
<u>Public Officials</u>		5,000,000
<u>Crime and dishonesty</u>		100,000

**RESEARCH TRIANGLE REGIONAL PUBLIC  
TRANSPORTATION AUTHORITY**

**Demographics and Economic Statistics  
For Wake County, North Carolina  
Last Ten Years**

<u>Year</u>	<u>Population Estimates (1)</u>	<u>Personal Income (2) (thousands of dollars)</u>	<u>Personal Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate (4)</u>
1998	592,534	18,993,986	32,056	89,525	1.6%
1999	612,728	20,486,325	33,435	92,023	1.4%
2000	633,313	22,767,434	35,950	95,010	2.4%
2001	657,738	23,901,757	36,339	97,691	4.0%
2002	678,426	24,024,425	35,412	101,432	5.6%
2003	698,917	24,634,866	35,247	104,461	5.2%
2004	720,170	26,508,696	36,809	108,969	4.2%
2005	750,865	28,349,805	37,756	114,068	4.0%
2006	786,522	*	*	120,504	3.5%
2007	820,522 <sup>^</sup>	*	*	128,072	3.9%
2008	*	*	*	*	*

(1) 1997-2004 U.S. Census. 2001-2006 U.S. Census GCT-Ti Population Estimates

(2) Bureau of Economic Analysis Regional Economic Accounts Data

(3) Wake County Planning Department Compilation of NC Department of Public Instruction,  
Office of Financial and Business Services 20th WCPSS Reports

(4) North Carolina Employment Security Commission. 1997-2006 Annual Average. 2007 June.

<sup>^</sup> Based on Projected Annual Estimates 2005-2006 U.S. Census Counties of North Carolina

\* Data not available

**RESEARCH TRIANGLE REGIONAL PUBLIC  
TRANSPORTATION AUTHORITY**

**For Wake County, North Carolina  
Principal Employers  
Current Year and Ten Years Ago**

Employer	2007			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	39,103	1	9.24%	23,230	1	6.72%
Wake County Public Schools	15,000	2	3.55%	9,209	3	2.67%
International Business Machines (IBM)	10,800	3	2.55%	13,000	2	3.76%
North Carolina State University	7,219	4	1.71%			
WakeMed Health and Hospitals	7,100	5	1.68%	6,123	5	1.77%
GlaxoSmithKline	5,000	6	1.18%	4,000	7	1.16%
Securitus Security	4,500	7	1.06%	3,980	8	1.15%
Rex Healthcare	4,300	8	1.02%	2,945	9	0.85%
Wake County Government	3,697	9	0.87%	2,439	10	0.71%
SAS Institute, Inc.	3,500	10	0.83%			0.00%
NORTEL/Northern Telecom, Inc.				8,500	4	2.46%
Winn-Dixie				4,300	6	1.24%
	<u>100,219</u>		<u>23.69%</u>	<u>77,726</u>		<u>22.49%</u>

Source: Greater Raleigh Chamber of Commerce

# **COMPLIANCE SECTION**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees  
Research Triangle Regional Public Transportation Authority  
Research Triangle Park, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate fund information of the Research Triangle Regional Public Transportation Authority (the "Authority") as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 13, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiencies described as findings 08-01, 08-02, 08-03, 08-04, 08-05 and 08-06 in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider findings 08-01, 08-02 and 08-03 to be material weaknesses.

#### **Compliance and Other Matters**

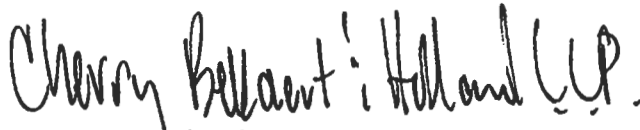
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or another matter that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 08-07.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and accordingly, we express no opinion on them.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the Authority in a separate letter dated November 13, 2008.

This report is intended solely for the information and use of the Board of Trustees, management, others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specific parties.

**CHERRY, BEKAERT & HOLLAND, L.L.P.**

A handwritten signature in cursive script that reads "Cherry Bekaert & Holland LLP".

Raleigh, North Carolina  
November 13, 2008



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

The Board of Trustees  
Research Triangle Regional Public Transportation Authority  
Research Triangle Park, North Carolina

### **Compliance**

We have audited the compliance of the **Research Triangle Regional Public Transportation Authority** (the "Authority"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2008. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying **Schedule of Findings and Questioned Costs**. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the **State Single Audit Implementation Act**. Those standards, OMB Circular A-133, and the **State Single Audit Implementation Act** require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### **Internal Control Over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance in accordance with OMB Circular A-133 and the **State Single Audit Implementation Act**.

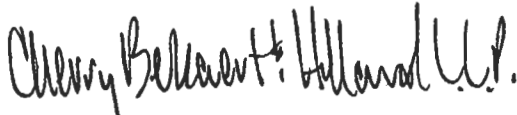
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management, others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specific parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.



Raleigh, North Carolina  
November 13, 2008



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF  
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

The Board of Trustees  
Research Triangle Regional Public Transportation Authority  
Research Triangle Park, North Carolina

**Compliance**

We have audited the compliance of the Research Triangle Regional Public Transportation Authority (the "Authority"), with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2008. The Authority's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*; and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

## Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

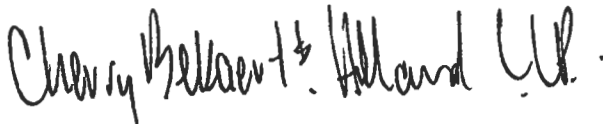
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management, others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than specific parties.

**CHERRY, BEKAERT & HOLLAND, L.L.P.**

Handwritten signature in black ink, appearing to read "Cherry Bekaert & Holland LLP".

Raleigh, North Carolina  
November 13, 2008