



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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2017

Prepared by:

Finance Department



**RESEARCH TRIANGLE REGIONAL PUBLIC  
TRANSPORTATION AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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# INTRODUCTORY SECTION





December 1, 2017

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 (GoTriangle) for the fiscal year ended June 30, 2017. The basic financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Cherry Bekaert LLP, and their unmodified opinion is included in the financial section. However, this report is presented by GoTriangle, 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 GoTriangle as measured by the financial activity of its various funds, and all disclosures necessary to enable the reader to gain the maximum understanding of GoTriangle's financial affairs have been included.

To provide a reasonable basis for making these representations, management of GoTriangle 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 GoTriangle's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, GoTriangle'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.

Management directs the reader to the Management's Discussion and Analysis (MD&A) section of the CAFR to gather a clear and in-depth understanding of its contents.



## **Profile of GoTriangle**

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 Board 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 GoTriangle, also previously known as 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 a 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 Authority's 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% tax on motor vehicle rental receipts in its multi-county service area. Following a public hearing, a tax levy of 5% 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 Authority's 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. GoTriangle began collection of the tax on January 1, 1998.

The General Assembly enacted legislation allowing for voter referendums in Durham, Orange and Wake Counties on the levy of an additional 1/2¢ Local Option Sales Tax. The proceeds of this tax may only be used for public transportation purposes. The tax provides local funding for regional transit service expansion and transit projects. GoTriangle began receiving the tax proceeds in 2014 for Durham and Orange Counties. GoTriangle received the first Wake County tax revenue in 2017.

## **Purpose**

GoTriangle was created to plan, finance, organize and operate a public transportation system for the Research Triangle area (Durham, Orange, and Wake Counties). The public transportation system may include operation of ridesharing activities, vans, buses and fixed guideways.

## **Board of Trustees**

GoTriangle 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

## **Total Full – Time Employees – 265**

Board of Trustees	1
General Counsel	6
Communications & Public Affairs	15
Finance & Administrative Services	21
Capital Development	27
Regional Bus	173
Ridesharing	22

## 2016- 2017 Economic Development Announcements

### The Triangle

The Research Triangle region is comprised of Wake, Durham, and Orange counties. The principal cities in the area include Raleigh, Durham, Chapel Hill, and Cary. The Triangle Region continues to receive accolades and is frequently ranked as one of “America’s Best Places to Live” and “Best Places for Business and Careers.”

With its success, the Triangle has the challenge of continuing to preserve and enhance the quality of life that it has come to enjoy. The region’s population grew 35% between 2000 and 2010. Current growth in the region has expanded from 1.3 million people in 2010 to 1.47 million in July 2016, as certified by the NC Office of State Budget and Management. Further, the Office of State Budget and Management predicts a population for the three counties of 1.58M by mid-2020, a ten-year growth rate of 21%.

The spread out nature of the region’s development and limited public transportation networks have affected the opportunities for upward social mobility of some low-income residents. A study called the Equality of Opportunity by Harvard University and the University of California – Berkeley released in 2015 found that Wake and Durham ranked among the lowest 6 percent of counties in the country in upward mobility among low income families (families in the 25<sup>th</sup> percentile). Improved transit and ridesharing alternatives, together with sound development practices can provide affordable access to jobs for a greater share of the population.

Toward this end, communities in the Triangle have seen a surge in interest in the housing, working, and recreation options in their downtowns. Together with the major universities, they are developing a diversity of activities that can be well served by public transit. The sales tax revenues adopted in Orange and Durham Counties in 2013 have funded expansions of transit service in both counties. GoTriangle and Wake County, together with multiple partners, are developing a long-range plan for transit expansion and improvement for the Triangle’s eastern county. In November 2016, Wake County voters agreed to an additional 1/2¢ Local Option Sales Tax to fund expanded bus service and rail transit in Wake County.

Transit can help ensure that communities in the Triangle will have a transportation network that keeps pace with growth and provides affordable mobility. 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 2017, GoTriangle provided transit services to 1.66 million passengers. Regular route revenue miles increased slightly to 2,831,146 miles.
- **Strengthens Business** – Transit increases the region’s ability to attract and retain new jobs, improving mobility for employees, employers, suppliers, customers, and tourists. More employers are demonstrating that they see this benefit by providing transit or vanpool subsidies for their employees.
- **Moves The Economy** – Transit moves people to school and training, allowing them to seek higher paying jobs and become self-sufficient. From the 2016 on-board customer survey, 30% of GoTriangle’s riders are full-time or part-time students, and 13% of all trips are for the purpose of traveling to or from college. Many customers use GoTriangle services to attend Duke University, Durham Technical Community College, Meredith College, NC Central University, NC State University, Shaw University and UNC-Chapel Hill and for travel to Duke University Medical Center and the UNC Hospitals.
- **Encourages Independence** – Transit enables elderly and disabled people 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, GoTriangle embarked on another history-making year in the fiscal year ending June 30, 2017. Listed below are the major accomplishments of each area separated by fund.

### **General Fund and Major Capital Projects Fund**

- During the Fiscal Year 2017, the Durham-Orange Light Rail Transit Project received preliminary engineering approval to include North Carolina Central University on the route, added new engineering and management consultants and received approval from the Federal Transit Administration (FTA) to move to New Starts Engineering. This move to engineering means that the Authority will work closely with FTA to completely finalize the design of the project. Over \$1 billion in federal financial assistance is expected once the design is complete and accepted.
- Through the year, GoTriangle staff continued to participate and take leadership roles with the Transit Planning Advisory Committee (TPAC). The TPAC is tasked with coordinating the planning and implementation of the Wake Transit Work Plan. GoTriangle has fiduciary responsibilities for funds generated, pursuant to the Transit Governance Interlocal Agreement (ILA). This agreement is between GoTriangle, the Capital Area Metropolitan Planning Organization (CAMPO), and Wake County.

### **Regional Bus Fund**

- Fixed Route bus ridership for FY 2017 was 1,662,758 boardings, down by 7.3% compared to the previous year.
- Paratransit ridership for FY 2017 was 41,883, up 1.0% from previous year.
- The Vanpool program ended FY 2017 with 52 vehicles on the road.

### **Ridesharing Fund**

- GoTriangle had GoPass agreements in place with sixteen (16) employers, as of June 30, 2017.
- The Go Triangle Regional Transit Information Center answered 312,054 customer phone calls in FY2017, a decrease of 13% from FY 2016. Reasons for the decline include improved on-time bus performance, increased use of the GoLive app and the 511 information system, as well as decreased ridership. Management continues to use performance metrics to ensure that all calls are handled in an efficient and effective manner.

## **Awards and Acknowledgements**

GoTriangle 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. GoTriangle's auditors, Cherry Bekaert LLP, were selected through a formal request for proposals. The auditor's report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditor's reports are required as part of a single audit and 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 GoTriangle for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. 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. 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. GoTriangle has received a Certificate of Achievement for the last twenty-two 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,

Saundra Freeman  
CFO/Director of Finance and Administrative Services

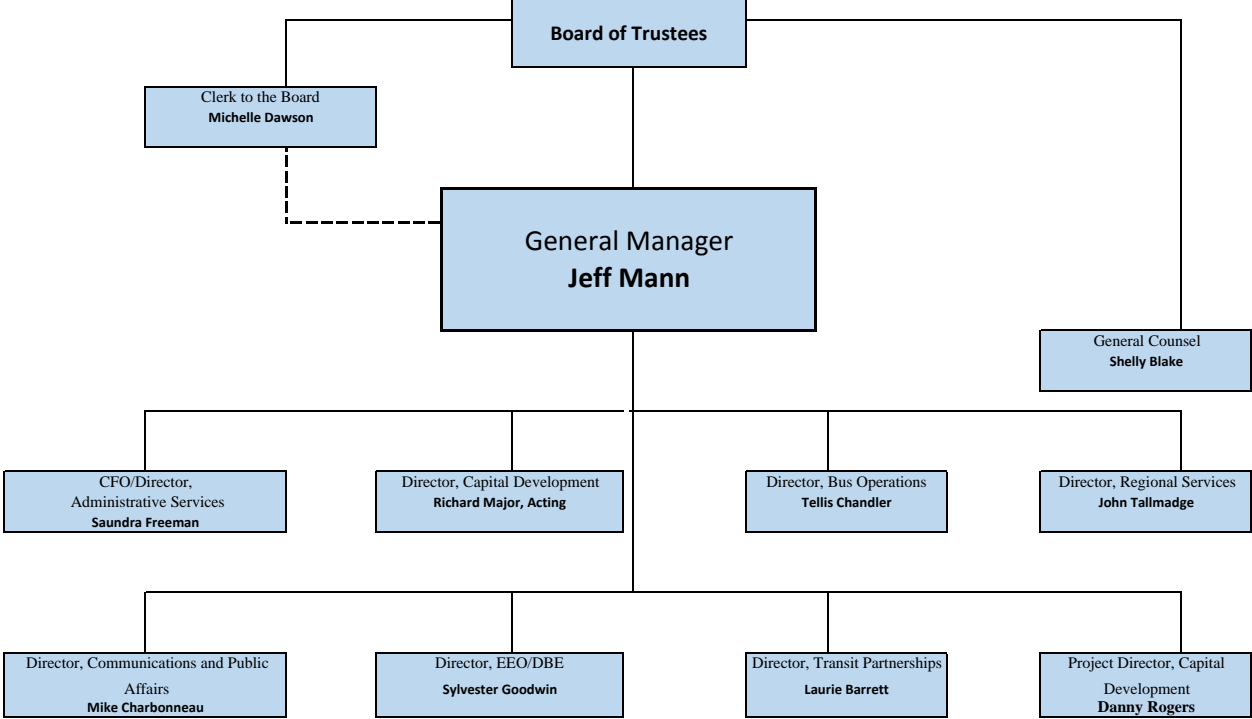
**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY BOARD OF  
TRUSTEES  
June 30, 2017**

Board Member	Appointing Body
Jennifer Robinson (Chair)	Town of Cary
Ellen Reckhow (Vice Chair)	Durham City & County
Will Allen III (Secretary)	City of Raleigh
Ed Harrison (Treasurer)	Town of Chapel Hill
Mary-Ann Baldwin	City of Raleigh
William V. "Bill" Bell	City of Durham
Sig Hutchinson	Wake County
Barry Jacobs	Orange County
Wendy Jacobs	Durham County
Vivian Jones	Wake County
Vacant	NC BOT
Vacant	NC BOT
Vacant	NC BOT

**SPECIAL TAX BOARD OF TRUSTEES**

Ellen Reckhow (Chair)	Durham County
James West (Vice-Chair)	Wake County
Mia Burroughs (Secretary)	Orange County
Mark Dorosin	Orange County
James Hill	Durham County
Sig Hutchinson	Wake County

# GoTriangle Senior Staff







Government Finance Officers Association

**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, 2016**

Executive Director/CEO

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# FINANCIAL SECTION



## Report of Independent Auditor

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the blended component units, 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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the blended component unit, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, Triangle Tax District – Durham/Orange fund, Triangle Tax District – Wake Operating Fund, and the Durham/Orange Special Tax District fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 13 to the financial statements, there were two restatements to beginning net position. The Regional Bus Fund beginning net position was restated due to an adjustment for capital assets. The Triangle Tax District – Durham/Orange fund was also restated due to change in accounting policy related to revenue accruals. The Authority adopted a 90 day accrual period for revenues received after fiscal year-end. As a result, as of June 30, 2016 net position of the governmental activities, governmental, and proprietary funds have been restated. Our opinion is not modified with respect to these matters.

### **Other Matters - Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to Management's Discussion and Analysis and the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, individual fund statements and schedules, and statistical section, as well as the accompanying schedule of expenditures of federal and state awards as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards 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.

The individual fund statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements, schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2017, on our consideration of the Authority's internal control over financial reporting and on 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* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Cherry Bokant" followed by a stylized flourish.

Raleigh, North Carolina  
November 16, 2017

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**MANAGEMENT'S  
DISCUSSION &  
ANALYSIS**



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

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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, 2017. 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**

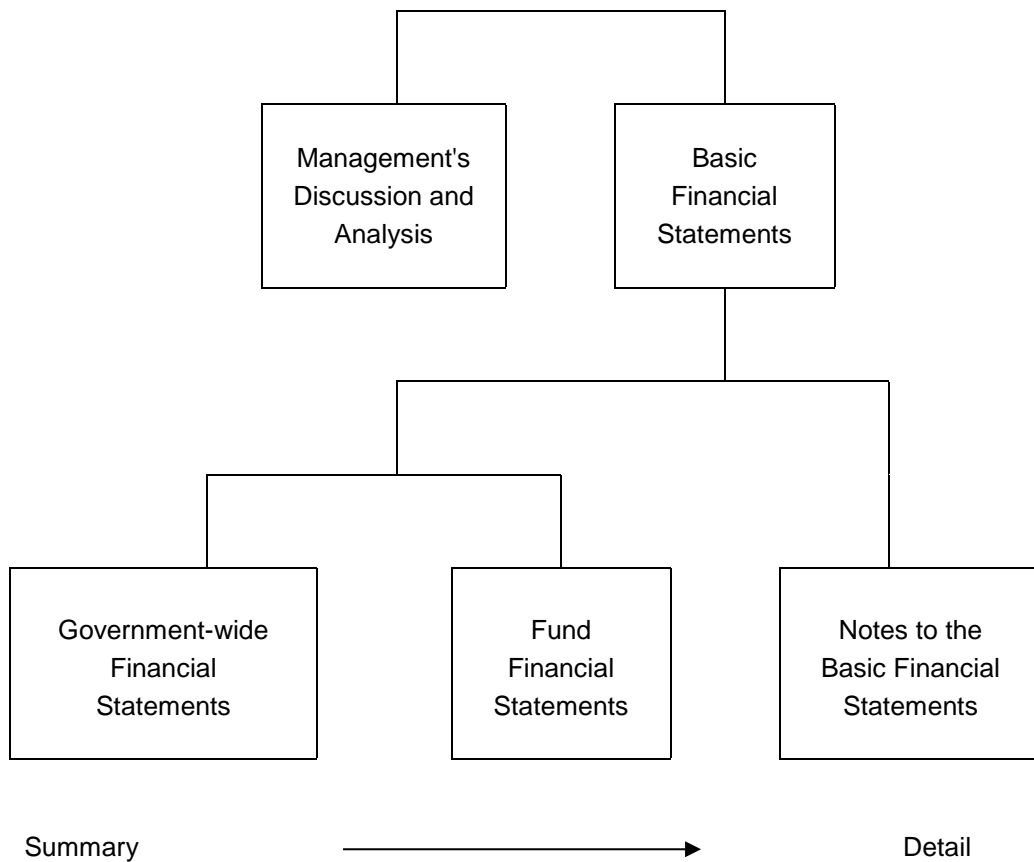
- The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$300,011,128 (*net position*).
- The Authority's total net position increased by \$52,906,422 from operations and \$3,075,881 from prior period adjustments, for a total of \$55,982,303. The new Triangle Tax District – Wake Operating Fund contributed \$20,903,638 to the Authority's net position. Local Option Sales Tax was collected on the Fund's behalf by the North Carolina Dept. of Revenue. Spending on new Wake County transit initiatives is just beginning.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$198,104,114 an increase of \$51,555,236 which includes a prior period adjustment of \$3,241,628 in revenue. The revenue adjustment was due to the Authority's decision to report more timely and useful information by changing the accrual period (from 60 days to 90 days) after fiscal year end. Note 13 of the Notes to the Financial Statements provides more information.
- Fund balances at year end, for funds fully under the control of the Authority totaled \$82,190,722; General Fund, \$1,153,119; Major Capital Project Fund, \$80,471,321, and the Non-Major Governmental Funds, \$566,282. These funds should be combined for an accurate view of the Authority's financial position. For Fiscal Year 2017, fund balance increased by \$1,714,430.
- At the end of the current fiscal year, the fund balance of the blended component units, Triangle Tax District – Durham/Orange, the Durham/Orange Special Tax District, and the Triangle Tax District – Wake Operating, had a combined amount of \$115,913,392, a \$49,840,806 increase from the prior year. The districts are legally separate entities, and the Authority has fiduciary responsibilities and limitations on how the funds may be expended. Activities in the districts are discussed in more detail below. The first-year recognition of revenue in the Triangle Tax District – Wake Operating contributed \$20.9M to the increase.

**Overview of the Financial Statements**

This discussion and analysis is 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.

***Required Components of Annual Financial Report***

***Figure 1***



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

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**Basic Financial Statements**

The first two statements (pages 31 through 33) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short-term and long-term information about the Authority's financial status.

The next statements (pages 34 through 49) are the **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 fund 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 North Carolina 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-term and long-term information about the Authority's financial status as a whole.

The two government-wide statements report the Authority's net position and how it has changed. Net position is the difference between the Authority's total assets and total liabilities. Measuring net position 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 31 and 33 of this report.

**Fund Financial Statements** – The fund financial statements (see pages 34 through 49) 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.

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

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**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 Position 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 actual resources and charges. The governmental fund financial statements with budget to actual information are on pages 42 - 45 of this report.

**Proprietary Funds** - The Authority uses Enterprise Funds to account for its 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 are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. The proprietary fund financial statements are on pages 46 – 49 of this report.

**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 50 through 76 of this report.

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

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**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Authority's progress in funding its obligation to provide other postemployment benefits to its employees. Required supplementary information can be found on pages 77 and 78 of this report.

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

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

**Government-Wide Financial Analysis**

	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 208,081,339	\$ 153,693,094	\$ (11,575,054)	\$ (11,761,525)	\$ 196,506,285	\$ 141,931,569
Capital assets	102,252,715	96,128,688	14,148,121	15,704,489	116,400,836	111,833,177
Total assets	310,334,054	249,821,782	2,573,067	3,942,964	312,907,121	253,764,746
Long term liabilities outstanding	557,689	735,627	1,190,224	1,027,268	1,747,913	1,762,895
Other liabilities	10,435,750	7,347,625	712,330	791,148	11,148,080	8,138,773
Total liabilities	10,993,439	8,083,252	1,902,554	1,818,416	12,895,993	9,901,668
Net position:						
Investment in capital assets	102,252,715	96,128,688	14,148,121	15,704,489	116,400,836	111,833,177
Restricted - Reserve by State Statute	90,247,452	57,411,660	-	-	90,247,452	57,411,660
Restricted - Enabling Legislation	127,634,993	101,046,495	-	-	127,634,993	101,046,495
Unrestricted (deficit)	(20,794,546)	(12,848,313)	(13,477,608)	(13,579,941)	(34,272,154)	(26,428,254)
Total net position	\$ 299,340,615	\$ 241,738,530	\$ 670,513	\$ 2,124,548	\$ 300,011,128	\$ 243,863,078

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Authority exceeds liabilities by \$300,011,128 as of June 30, 2017. The Authority's net position increased by \$52,906,422 through operations and an additional \$3,075,881 for prior period adjustments (total \$55,982,303) for the fiscal year ended June 30, 2017. This compares to a decrease of \$20,032,197 as of June 30, 2016. The prior year's decrease contained the effect of writing off \$49,796,737 of construction in process assets associated with the previous rail project. In Fiscal year 2017, collections began for the Triangle Tax District – Wake Operating Fund. This fund was established to account for revenues associated with the Wake Transit Plan. Local option sales tax and vehicle rental tax were received or accrued beginning April 1, 2017. Only a moderate amount of spending has occurred.

Other impacts on the Authority's financial operations greatly influenced the total unrestricted net position:

- During Fiscal Year 2017, the Authority sold three properties for a total of \$1,879,804. The properties were previously purchased for a combined total of \$1,704,123, a gain of \$175,681. The gain is reported in Miscellaneous Revenues on the Statement of Activities.
- The Authority's long-term investments value decreased as of June 30, 2017 due to the decline in fair market value. During periods of high stock market activity and rising stock prices, fixed income investments generally lose value. These losses are reported as part of conservative accounting. The Authority holds investments to maturity whenever possible, thus avoiding actual losses on investments.



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

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

	Governmental Activities		Business Type Activities		Total	Total
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,066,222	\$ -	\$ 4,953,704	\$ 2,999,553	\$ 6,019,926	\$ 2,999,553
Operating grants and contributions	360,377	2,529,679	2,662,345	2,829,882	3,022,722	5,359,561
Capital grants and contributions	3,989,226	1,649,355	693,869	755,620	4,683,095	2,404,975
General revenues:						
Vehicle registration taxes	9,671,756	9,413,400	-	-	9,671,756	9,413,400
Vehicle rental taxes	11,378,047	10,665,172	-	-	11,378,047	10,665,172
Special sales tax revenues	54,179,262	31,536,121	-	-	54,179,262	31,536,121
Miscellaneous revenues	2,155,082	3,327,995	1,427,356	2,422,362	3,582,438	5,750,357
Unrestricted investment earnings	859,364	1,427,905	(105,885)	25,100	753,479	1,453,005
<b>Total revenues</b>	<b>83,659,336</b>	<b>60,549,627</b>	<b>9,631,389</b>	<b>9,032,517</b>	<b>93,290,725</b>	<b>69,582,144</b>
<b>Expenses:</b>						
Administration	240,533	395,813	-	-	240,533	395,813
Capital Development	2,215,088	3,135,490	-	-	2,215,088	3,135,490
Communications & PA	1,572,138	792,256	-	-	1,572,138	792,256
Finance	3,537,718	3,593,377	-	-	3,537,718	3,593,377
General Counsel	757,937	206,367	-	-	757,937	206,367
Human Resources	595,683	603,459	-	-	595,683	603,459
EEO/DBE	113,956	141,040	-	-	113,956	141,040
GoDurham	795,369	934,349	-	-	795,369	934,349
Board	133,670	95,629	-	-	133,670	95,629
FORTIFY	2,195,690	2,578,066	-	-	2,195,690	2,578,066
Transit Services	5,530,960	5,710,000	-	-	5,530,960	5,710,000
Miscellaneous	614,678	-	-	-	614,678	-
Loss on disposed assets	-	49,796,737	-	-	-	49,796,737
Regional bus service	-	-	19,809,387	19,582,301	19,809,387	19,582,301
Ridesharing	89,572	-	2,181,924	2,049,457	2,271,496	2,049,457
<b>Total expenses</b>	<b>18,392,992</b>	<b>67,982,583</b>	<b>21,991,311</b>	<b>21,631,758</b>	<b>40,384,303</b>	<b>89,614,341</b>
Increase (Decrease) in net position before transfers	65,266,344	(7,432,956)	(12,359,922)	(12,599,241)	52,906,422	(20,032,197)
Transfers	(10,905,887)	(10,645,230)	10,905,887	10,645,230	-	-
Increase (Decrease) in net position	54,360,457	(18,078,186)	(1,454,035)	(1,954,011)	52,906,422	(20,032,197)
Net position, beginning as previously reported	241,738,530	259,816,716	2,290,295	4,244,306	244,028,825	264,061,022
Prior period adjustment	3,241,628	-	(165,747)	-	3,075,881	-
Net position, beginning	<u>244,980,158</u>	<u>259,816,716</u>	<u>2,124,548</u>	<u>4,244,306</u>	<u>247,104,706</u>	<u>264,061,022</u>
Net position, ending	<u>\$ 299,340,615</u>	<u>\$ 241,738,530</u>	<u>\$ 670,513</u>	<u>\$ 2,290,295</u>	<u>\$ 300,011,128</u>	<u>\$ 244,028,825</u>

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

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**Governmental Activities** – Governmental activities increased the Authority's net position by \$57,602,085, including the prior period adjustment of \$3,241,628. Key elements of this significant change are as follows:

- General revenues increased from \$56,370,593 in Fiscal Year 2016 to \$78,243,511 in Fiscal Year 2017. Wake County collections of \$21.2M accounts for the bulk of the increase.
- Revenues for Durham/Orange increased from \$38.3M to \$43.1M. The Authority received permission to enter the engineering phase for the Durham-Orange Light Rail Project in April 2017.
- Spending for the Capital Development and Communications and Public Affairs departments increased as a result of additional personnel and other expenses associated with the Durham-Orange Bus and Rail plan.

**Business-Type Activities** – Business-type activities decreased the Authority's net position by \$1,454,035. Key elements for this decrease are as follows:

- Paid boardings decreased by 121,650, or 6.8%.
- All miles driven declined by 46,461, or 1.3%.
- Management attributes these reductions to the continued low cost of fuel making personal transportation a viable option for more people.

**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.

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

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The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year the total fund balance was \$1,153,119, a decline of \$5,664,568. Investment income had a negative \$694K impact due to the decline in fair market value. Transfers into the General Fund were \$1.9M less than the prior year. Departmental expenditure increases also had an impact.

The Major Capital Projects Fund had a fund balance of \$80,471,321 at the end of the current fiscal year, an increase of \$7,342,329 from the previous year. The fund recorded \$1,879,804 in land sale proceeds and a decrease in expenses.

At June 30, 2017, the governmental funds of the Authority reported a combined fund balance of \$198,104,114, an increase of \$51,555,236 over last year. This increase includes approximately \$46.6M from the activities of the Tax Districts for Durham, Orange, and Wake Counties, presented as blended component units. The change also includes a \$3.2M prior period adjustment for the change in timing of year end accruals.

**General Fund Budgetary Highlights** – During the fiscal year, the Authority made some revisions to the budget. Generally, budget amendments fall into one of three categories: 1) amendments that are made to adjust the estimates when updated information is available, 2) amendments that are made to recognize new funding amounts from external sources, such as federal and state grants, and 3) any increases in appropriations necessary to maintain services.

**Proprietary Funds** – The Authority's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The Ridesharing Fund shows a positive net position of \$68,880 at the end of the current fiscal year. Net position for the Regional Bus Service Fund amounted to \$601,633 at the end of the current fiscal year. Key factors concerning the finances of these two funds have been addressed in the discussion of the Authority's business-type activities. Other funds have been used to support these funds as needed. This support is expected to continue in the future.

**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, 2017 totaled \$102,252,715 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, leasehold improvements, vehicles, and construction in progress (CIP).

Major capital asset transactions during the year include the following additions and disposals:

- CIP increase from the capital project and tax district funds of \$8,661,726.

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

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- Other capital assets of \$1,461,405 were acquired. \$1,289,710 of those were in the Bus Capital Project Fund and subsequently transferred to the Bus Regional Fund.

*Figure 4*

	Governmental Activities 2017	Governmental Activities 2016	Business-Type Activities 2017	Business-Type Activities 2016	Total 2017	Total 2016
Land	37,054,344	38,758,467	748,068	748,068	37,802,412	39,506,535
Buildings and Improvements	6,615,977	7,434,563	6,364,561	6,424,562	12,980,538	13,859,125
Equipment and Vehicles (see note)	559,765	574,755	7,035,492	8,531,859	7,595,257	9,106,614
Construction in Progress	58,022,629	49,360,903	-	-	58,022,629	49,360,903
Total	\$ 102,252,715	\$ 96,128,688	\$ 14,148,121	\$ 15,704,489	\$ 116,400,836	\$ 111,833,177

Note that the balance of the Business-type Activity, Equipment and Vehicles, has been reduced by \$165,747 for a prior period restatement.

Additional information regarding capital assets can be found in Note 6 of the Notes to the Basic Financial Statements.

**Budget Highlights for the Fiscal Year Ending June 30, 2018**

**Governmental Activities** – The total revenue budgeted in FY 2018 is \$160.6M. The major sources of revenue for these activities are sales taxes, \$118.4M; vehicle rental tax, \$10.8M; vehicle registration tax, \$17.3M; and federal and state grants, \$8.3M. Budgeted departmental expenditures in the General Fund are \$5.3M. Capital expenditures are budgeted at \$7.4M.

During Fiscal Year 2018, the Authority anticipates the Special Tax Revenue and Vehicle Registration Fees to be fully collected in Wake County. These revenue sources will finance two additional funds: the Triangle Tax District – Wake Capital Fund and the Wake Special Tax District Fund.

**Business - Type Activities** – The total revenue budgeted in FY 2018 is \$11.1M. The major sources of revenue for these activities are rider fares and local subsidies, \$2.9M; federal and state grants, \$2.8M; and other revenue, \$5.3M. Budgeted departmental expenditures in the Bus and Rideshare funds are \$16.7M and \$2.4M, respectively. Transfers from the General Fund of \$8.1M are budgeted to offset the difference between revenues and expenditures.

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

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**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.

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# BASIC FINANCIAL STATEMENTS





RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Net Position**  
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 29,488,798	\$ -	\$ 29,488,798
Cash and cash equivalents, restricted	5,611,515	-	5,611,515
Receivables	6,801,144	901,665	7,702,809
Due from other governments	30,088,005	1,008,116	31,096,121
Internal balances	15,846,461	(15,846,461)	-
Investments	118,574,237	1,588,583	120,162,820
Inventories	-	773,043	773,043
Prepaid items	1,671,179	-	1,671,179
Total current assets	<u>208,081,339</u>	<u>(11,575,054)</u>	<u>196,506,285</u>
Capital assets:			
Land	37,054,344	748,068	37,802,412
Construction in progress	58,022,629	-	58,022,629
Other capital assets, net of depreciation	7,175,742	13,400,053	20,575,795
Total capital assets	<u>102,252,715</u>	<u>14,148,121</u>	<u>116,400,836</u>
Total assets	<u>310,334,054</u>	<u>2,573,067</u>	<u>312,907,121</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	9,582,479	169,777	9,752,256
Accrued wages and benefits	403,857	141,453	545,310
Current portion of long-term liabilities:			
Compensated absences	449,414	401,100	850,514
Total current liabilities	<u>10,435,750</u>	<u>712,330</u>	<u>11,148,080</u>
Due in more than a year:			
Compensated absences	241,994	382,580	624,574
Other post employment benefits	315,695	807,644	1,123,339
Total long-term liabilities	<u>557,689</u>	<u>1,190,224</u>	<u>1,747,913</u>
Total liabilities	<u>10,993,439</u>	<u>1,902,554</u>	<u>12,895,993</u>
<b>NET POSITION</b>			
Investment in capital assets	102,252,715	14,148,121	116,400,836
Restricted for:			
Stabilization by State statute	90,247,453	-	90,247,453
Public transportation	127,634,993	-	127,634,993
Unrestricted (deficit)	(20,794,546)	(13,477,608)	(34,272,154)
Total net position	<u>\$ 299,340,615</u>	<u>\$ 670,513</u>	<u>\$ 300,011,128</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Program Revenue</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Primary Government</b>			
Governmental activities			
General government	\$ 18,392,992	\$ 1,066,222	\$ 360,377
Total governmental activities	<u>18,392,992</u>	<u>1,066,222</u>	<u>360,377</u>
Business-type activities			
Regional bus service	19,809,387	4,953,704	2,245,953
Ridesharing	<u>2,181,924</u>	<u>-</u>	<u>416,392</u>
Total business-type activities	<u>21,991,311</u>	<u>4,953,704</u>	<u>2,662,345</u>
Total primary government	<u>\$ 40,384,303</u>	<u>\$ 6,019,926</u>	<u>\$ 3,022,722</u>

**General revenues:**

Taxes:
Vehicle registration taxes
Vehicle rental taxes
Special tax revenues
Miscellaneous revenues
Unrestricted investment earnings
Total general revenues excluding transfers
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Prior period restatement
Net position - ending

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

<b>Net (Expenditures) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			
<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ 3,989,226	\$ (12,977,167)	\$ -	\$ (12,977,167)
<u>3,989,226</u>	<u>(12,977,167)</u>	<u>-</u>	<u>(12,977,167)</u>
684,000	-	(11,925,730)	(11,925,730)
9,869	-	(1,755,663)	(1,755,663)
<u>693,869</u>	<u>-</u>	<u>(13,681,393)</u>	<u>(13,681,393)</u>
<u>\$ 4,683,095</u>	<u>(12,977,167)</u>	<u>(13,681,393)</u>	<u>(26,658,560)</u>
	9,671,756	-	9,671,756
	11,378,047	-	11,378,047
	54,179,262	-	54,179,262
	2,155,082	1,427,356	3,582,438
	859,364	(105,885)	753,479
	<u>78,243,511</u>	<u>1,321,471</u>	<u>79,564,982</u>
	(10,905,887)	10,905,887	-
	<u>67,337,624</u>	<u>12,227,358</u>	<u>79,564,982</u>
	54,360,457	(1,454,035)	52,906,422
	241,738,530	2,290,295	244,028,825
	3,241,628	(165,747)	3,075,881
	<u>\$ 299,340,615</u>	<u>\$ 670,513</u>	<u>\$ 300,011,128</u>

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

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

**Balance Sheet**  
**Governmental Funds**

June 30, 2017

	<b>Major Funds</b>	
	<b>General Fund</b>	<b>Major Capital Projects Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,833,337	\$ 4,134,015
Cash and cash equivalents - restricted	-	5,611,515
Taxes receivable, net:		
Vehicle registration taxes	1,642,515	-
Special sales tax revenue	-	-
Refundable sales tax	160,177	-
Governmental agencies	1,452,706	-
Rental tax	-	288,757
Accrued interest	82,708	182,836
Prepaid items	1,671,179	-
Due from other funds	16,151,535	32,144,889
Other Miscellaneous	835,110	168,219
Investments	12,417,349	40,807,627
Total assets	\$ 36,246,616	\$ 83,337,858
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 450,242	\$ 2,861,893
Due to other funds	34,403,469	-
Accrued wages and benefits	239,786	4,644
Total liabilities	35,093,497	2,866,537
 <b>Fund Balances:</b>		
Nonspendable		
Prepaid items	1,671,179	-
Restricted - Reserved by State Statute	20,324,751	32,784,701
Restricted - Enabling Legislation	-	47,686,620
Unassigned	(20,842,811)	-
Total fund balances	1,153,119	80,471,321
Total liabilities and fund balances	\$ 36,246,616	\$ 83,337,858

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

<b>Major Funds</b>				
<b>Triangle Tax District - Durham/Orange</b>	<b>Durham/ Orange Special Tax District</b>	<b>Triangle Tax District - Wake Operating</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 21,035,885	\$ 2,485,252	\$ 309	\$ -	\$ 29,488,798
-	-	-	-	5,611,515
623,665	267,294	-	-	2,533,474
9,230,698	-	20,177,326	-	29,408,024
-	-	-	-	160,177
625,228	-	-	679,732	2,757,666
1,910,969	-	1,207,589	-	3,407,315
156,920	-	-	-	422,464
-	-	-	-	1,671,179
2,246,607	-	-	11,973	50,555,004
-	-	-	-	1,003,329
65,349,261	-	-	-	118,574,237
<b>\$ 101,179,233</b>	<b>\$ 2,752,546</b>	<b>\$ 21,385,224</b>	<b>\$ 691,705</b>	<b>\$ 245,593,182</b>
\$ 8,762,598	\$ -	\$ 284,871	\$ 26,423	\$ 12,386,027
-	-	196,715	99,000	34,699,184
159,427	-	-	-	403,857
<b>8,922,025</b>	<b>-</b>	<b>481,586</b>	<b>125,423</b>	<b>47,489,068</b>
-	-	-	-	1,671,179
14,794,087	267,294	21,384,915	691,705	90,247,453
77,463,121	2,485,252	-	-	127,634,993
-	-	(481,277)	(125,423)	(21,449,511)
92,257,208	2,752,546	20,903,638	566,282	198,104,114
<b>\$ 101,179,233</b>	<b>\$ 2,752,546</b>	<b>\$ 21,385,224</b>	<b>\$ 691,705</b>	<b>\$ 245,593,182</b>

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

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
June 30, 2017

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Fund Balances - Governmental Funds \$ 198,104,114

Amounts reported for governmental activities in the Statement of Net Position 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	\$ 112,569,840	
Accumulated depreciation	<u>(10,317,125)</u>	102,252,715

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences	(691,408)	
Other post-employment benefits	(315,695)	
Other long-term liabilities	<u>(9,111)</u>	
Net position of governmental activities		<u><u>\$ 299,340,615</u></u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Major Funds</b>	
	<b>General Fund</b>	<b>Major Capital Projects Fund</b>
<b>REVENUES</b>		
Restricted intergovernmental revenues:		
State grant revenues	\$ 443,768	\$ -
Federal grant revenues	1,775,072	-
Other revenue	2,009,950	163,583
Vehicle registration taxes	6,254,945	-
Special tax revenue	-	-
Indirect cost credits	1,098,951	-
Vehicle rental tax	-	8,548,245
Investment income	(693,563)	(1,610,026)
Total revenues	<u>10,889,123</u>	<u>7,101,802</u>
<b>EXPENDITURES</b>		
Current:		
Board	127,035	-
Regional services	-	-
Human resources	595,683	-
Administration	224,981	-
Capital development	144,351	375,277
EEO/DBE	113,956	-
GoDurham	795,369	-
Finance	2,280,636	-
General Counsel	206,684	-
Communication and public affairs	951,553	-
FORTIFY	2,204,191	-
Transit services	-	-
Capital outlay	171,695	-
Total expenditures	<u>7,816,134</u>	<u>375,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,072,989</u>	<u>6,726,525</u>
<b>Other Financing Sources (Uses)</b>		
Transfers from other funds	1,264,000	-
Transfers to other funds	(10,001,557)	(1,264,000)
Sale of land	-	1,879,804
Total other financing sources (uses)	<u>(8,737,557)</u>	<u>615,804</u>
Net change in fund balances	(5,664,568)	7,342,329
Fund balances - beginning	6,817,687	73,128,992
Prior period adjustment	-	-
Fund balances - ending	<u>\$ 1,153,119</u>	<u>\$ 80,471,321</u>

\* See note, page 45.

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



<u>Triangle Tax District - Durham/Orange</u>	<u>Durham/ Orange Special Tax District</u>	<u>Triangle Tax District - Wake Operating</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 163,689	\$ 607,457
723,751	-	-	997,991	3,496,814
-	-	-	-	2,173,533
2,391,774	1,025,037	-	-	9,671,756
34,001,688	-	20,177,574	-	54,179,262
-	-	-	-	1,098,951
1,818,567	-	1,011,235	-	11,378,047
3,162,953	-	-	-	859,364
<u>42,098,733</u>	<u>1,025,037</u>	<u>21,188,809</u>	<u>1,161,680</u>	<u>83,465,184</u>
-	-	-	-	127,035
89,572	-	-	-	89,572
-	-	-	-	595,683
-	-	-	-	224,981
1,998,156	-	-	220,680	2,738,464
-	-	-	-	113,956
-	-	-	-	795,369
125,915	-	-	-	2,406,551
551,253	-	-	-	757,937
755,819	-	-	-	1,707,372
-	-	-	-	2,204,191
5,245,789	-	285,171 *	-	5,530,960
8,661,726	-	-	-	8,833,421
<u>17,428,230</u>	<u>-</u>	<u>285,171</u>	<u>220,680</u>	<u>26,125,492</u>
<u>24,670,503</u>	<u>1,025,037</u>	<u>20,903,638</u>	<u>941,000</u>	<u>57,339,692</u>
-	-	-	417,905	1,681,905
-	-	-	(1,322,235)	(12,587,792)
-	-	-	-	1,879,804
<u>-</u>	<u>-</u>	<u>-</u>	<u>(904,330)</u>	<u>(9,026,083)</u>
24,670,503	1,025,037	20,903,638	36,670	48,313,609
64,345,077	1,727,509	-	529,612	146,548,877
3,241,628	-	-	-	3,241,628
<u>\$ 92,257,208</u>	<u>\$ 2,752,546</u>	<u>\$ 20,903,638</u>	<u>\$ 566,282</u>	<u>\$ 198,104,114</u>

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

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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 Fiscal Year Ended June 30, 2017

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

Net changes in fund balances - total governmental funds	\$	48,313,609
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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.

Capital outlay	\$	8,833,421	
Depreciation expense		<u>(1,005,272)</u>	
			7,828,149

Governmental funds report only the proceeds from the sale of capital assets, while the Statement of Activities reports the economic gain or loss from the sale

Sale of land	(1,704,123)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Other post-employment benefits	(29,482)
Compensated absences	(38,577)
Other expenses	<u>(9,119)</u>

Total changes in net position of governmental activities	\$	<u>54,360,457</u>
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The accompanying notes are an integral part of the financial statements.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**General Fund**  
**Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
For The Fiscal Year Ended June 30, 2017

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Restricted intergovernmental revenues:				
State grant revenues	\$ 33,747	\$ 33,747	\$ 443,768	\$ 410,021
Federal grant revenues	684,000	684,000	1,775,072	1,091,072
Indirect cost credits	1,157,860	1,157,860	1,098,951	(58,909)
Vehicle registration tax	5,966,254	5,966,254	6,254,945	288,691
Other revenue	2,134,653	2,134,653	2,009,950	(124,703)
Investment income	350,000	350,000	(693,563)	(1,043,563)
Total revenues	<u>10,326,514</u>	<u>10,326,514</u>	<u>10,889,123</u>	<u>562,609</u>
<b>EXPENDITURES</b>				
Current:				
Board	171,233	171,233	127,035	44,198
Human resources	584,855	604,855	595,683	9,172
Administration	282,811	282,811	224,981	57,830
Capital development	202,361	202,361	144,351	58,010
Equal employment/Disadvantaged businesses	130,680	130,680	113,956	16,724
GoDurham	875,955	875,955	795,369	80,586
Finance	2,930,067	2,702,267	2,452,331	249,936
General counsel	209,108	209,108	206,684	2,424
Communication and public affairs	1,248,252	1,248,252	951,553	296,699
FORTIFY	3,039,926	3,039,926	2,204,191	835,735
Total expenditures	<u>9,675,248</u>	<u>9,467,448</u>	<u>7,816,134</u>	<u>1,651,314</u>
Revenues over expenditures	<u>651,266</u>	<u>859,066</u>	<u>3,072,989</u>	<u>2,213,923</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	2,883,703	2,883,703	1,264,000	(1,619,703)
Transfers to other funds	(8,583,986)	(8,583,986)	(10,001,557)	(1,417,571)
Sale of land	-	-	-	-
Total other financing sources (uses)	<u>(5,700,283)</u>	<u>(5,700,283)</u>	<u>(8,737,557)</u>	<u>(3,037,274)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ (5,049,017)</u>	<u>\$ (4,841,217)</u>	<u>(5,664,568)</u>	<u>\$ (823,351)</u>
Fund balance, beginning			<u>6,817,687</u>	
Fund balance, ending			<u>\$ 1,153,119</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Triangle Tax District - Durham/Orange**  
**Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
For The Fiscal Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal grant revenues	\$ 1,819,276	\$ 1,819,276	\$ 723,751	\$ (1,095,525)
State/local grant revenue	153,385	153,385	-	(153,385)
Vehicle registration tax	2,428,772	2,428,772	2,391,774	(36,998)
Special sales tax revenue	31,662,200	31,662,200	34,001,688	2,339,488
Vehicle rental tax	1,471,243	1,471,243	1,818,567	347,324
Investment income	-	-	3,162,953	3,162,953
Total revenues	<u>37,534,876</u>	<u>37,534,876</u>	<u>42,098,733</u>	<u>4,563,857</u>
<b>EXPENDITURES</b>				
Current:				
Regional services	195,789	195,789	89,572	106,217
Capital development	3,086,232	3,086,232	1,998,156	1,088,076
Finance	180,891	180,891	125,915	54,976
General counsel	805,202	805,202	551,253	253,949
Communication and public affairs	922,902	922,902	755,819	167,083
Transit services	7,337,039	7,337,039	5,245,789	2,091,250
Capital outlay	<u>52,627,469</u>	<u>52,627,469</u>	<u>8,661,726</u>	<u>43,965,743</u>
Total expenditures	<u>65,155,524</u>	<u>65,155,524</u>	<u>17,428,230</u>	<u>47,727,294</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (27,620,648)</u>	<u>\$ (27,620,648)</u>	24,670,503	<u>\$ 52,291,151</u>
Fund balance, beginning			64,345,077	
Prior period adjustment			<u>3,241,628</u>	
Fund balance, ending			<u>\$ 92,257,208</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Durham/Orange Special Tax District**  
**Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
For The Fiscal Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Vehicle registration tax	\$ 1,040,902	\$ 1,040,902	\$ 1,025,037	\$ (15,865)
Total revenues	<u>1,040,902</u>	<u>1,040,902</u>	<u>1,025,037</u>	<u>(15,865)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ 1,040,902</u>	<u>\$ 1,040,902</u>	1,025,037	<u>\$ (15,865)</u>
Fund balance, beginning			<u>1,727,509</u>	
Fund balance, ending			<u>\$ 2,752,546</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Triangle Tax District -- Wake Operating**  
**Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
For The Fiscal Year Ended June 30, 2017

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Special sales tax revenue	\$ 18,893,000	\$ 18,893,000	\$ 20,177,574	\$ 1,284,574
Vehicle rental tax	877,519	877,519	1,011,235	133,716
Vehicle registration tax (\$3)	621,000	621,000	-	(621,000)
Total revenues	<u>20,391,519</u>	<u>20,391,519</u>	<u>21,188,809</u>	<u>797,290</u>
<b>EXPENDITURES</b>				
Tax District Administration	75,000	75,000	12,047	62,953
Transit Plan Administration	384,493	384,493	110,497	273,996
Systemwide Planning	700,000	700,000	88,055	611,945
Transit Operations	100,000	100,000	74,572	25,428
Total expenditures	<u>1,259,493</u>	<u>1,259,493</u>	<u>285,171</u>	<u>974,322</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 19,132,026</u>	<u>\$ 19,132,026</u>	20,903,638	<u>\$ 1,771,612</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ 20,903,638</u>	

Note: the presentation here matches the budget as adopted for the blended component unit.  
As a whole, the expenses are best classified as "Transit Services" and are presented as such on the Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2017

	<b>Proprietary Funds</b>		
	<b>Ridesharing Fund</b>	<b>Regional Bus Service Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Investments	\$ -	\$ 1,588,583	\$ 1,588,583
Inventories	-	773,043	773,043
Intergovernmental receivables	231,251	776,865	1,008,116
Other receivables	133,969	767,696	901,665
Total current assets	<u>365,220</u>	<u>3,906,187</u>	<u>4,271,407</u>
Non-current assets:			
Capital assets:			
Land	-	748,068	748,068
Other capital assets, net of depreciation	-	13,400,053	13,400,053
Total non-current assets	<u>-</u>	<u>14,148,121</u>	<u>14,148,121</u>
Total Assets	<u>365,220</u>	<u>18,054,308</u>	<u>18,419,528</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	11,371	158,406	169,777
Due to other funds	71,964	15,774,497	15,846,461
Accrued wages and benefits	19,165	122,288	141,453
Compensated absences - current	37,725	363,375	401,100
Total current liabilities	<u>140,225</u>	<u>16,418,566</u>	<u>16,558,791</u>
Non-current liabilities:			
Compensated absences - noncurrent	50,046	332,534	382,580
Other post-employment benefits	106,069	701,575	807,644
Total non-current liabilities	<u>156,115</u>	<u>1,034,109</u>	<u>1,190,224</u>
Total liabilities	<u>296,340</u>	<u>17,452,675</u>	<u>17,749,015</u>
<b>NET POSITION</b>			
Investment in capital assets	-	14,148,121	14,148,121
Unrestricted	68,880	(13,546,488)	(13,477,608)
Total net position	<u>\$ 68,880</u>	<u>\$ 601,633</u>	<u>\$ 670,513</u>

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



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Statement of Revenue, Expenses And Changes in Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2017

	<b>Proprietary Funds</b>		
	<b>Ridesharing Fund</b>	<b>Regional Bus Service Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Vanpool fares	\$ -	\$ 291,226	\$ 291,226
Bus fares	-	879,446	879,446
Consignments and subsidies	-	3,783,032	3,783,032
Intergovernmental revenues:			
Federal grant revenues	8,943	684,000	692,943
State grant revenues	926	2,164,167	2,165,093
Local grant revenues	416,392	81,786	498,178
Other	747,699	702,223	1,449,922
Total operating revenues	<u>1,173,960</u>	<u>8,585,880</u>	<u>9,759,840</u>
<b>OPERATING EXPENSES</b>			
Bus supervision	-	1,295,170	1,295,170
Bus operations	-	7,154,235	7,154,235
Bus maintenance	-	3,431,809	3,431,809
Vanpool	-	835,076	835,076
Specialized services	949,212	2,183,943	3,133,155
Regional Services	687,554	-	687,554
Regional TDM	545,158	-	545,158
Unemployment claims	-	27,036	27,036
Depreciation bus operations	-	2,855,219	2,855,219
Transit services	-	2,026,899	2,026,899
Total operating expenses	<u>2,181,924</u>	<u>19,809,387</u>	<u>21,991,311</u>
Operating loss	<u>(1,007,964)</u>	<u>(11,223,507)</u>	<u>(12,231,471)</u>
<b>NON-OPERATING REVENUES</b>			
Loss on assets	-	(22,566)	(22,566)
Investment earnings	-	(105,885)	(105,885)
Loss before contributions and transfers	<u>(1,007,964)</u>	<u>(11,351,958)</u>	<u>(12,359,922)</u>
Transfers in	<u>976,488</u>	<u>9,929,399</u>	<u>10,905,887</u>
Change in net position	(31,476)	(1,422,559)	(1,454,035)
Total net position - beginning	100,356	2,189,939	2,290,295
Prior period restatement	-	(165,747)	(165,747)
Total net position - ending	<u>\$ 68,880</u>	<u>\$ 601,633</u>	<u>\$ 670,513</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 Fiscal Year Ended June 30, 2017

	<b>Proprietary Funds</b>		
	<b>Ridesharing Fund</b>	<b>Regional Bus Service Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 747,250	\$ 2,905,348	\$ 3,652,598
Payments to suppliers	(572,070)	(12,272,234)	(12,844,304)
Payments to employees	(1,277,190)	(4,828,103)	(6,105,293)
Other receipts	627,090	5,213,828	5,840,918
Net cash used in operating activities	<u>(474,920)</u>	<u>(8,981,161)</u>	<u>(9,456,081)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Increase (decrease) in due to General Fund	(501,568)	574,916	73,348
Transfers from General Fund	976,488	8,607,164	9,583,652
Net cash provided by noncapital financing activities	<u>474,920</u>	<u>9,182,080</u>	<u>9,657,000</u>
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>			
Purchase of capital assets	-	-	-
Net cash used in capital and financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	-	33,823	33,823
Proceeds from sale/maturity of investments	-	244,207	244,207
Purchase of investments	-	(478,949)	(478,949)
Net cash provided by investing activities	<u>-</u>	<u>(200,919)</u>	<u>(200,919)</u>
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Balances beginning	<u>-</u>	<u>-</u>	<u>-</u>
Balances ending	<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 (Continued)**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2017

	<b>Proprietary Funds</b>		
	<b>Ridesharing Fund</b>	<b>Regional Bus Service Fund</b>	<b>Total</b>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (1,007,964)	\$ (11,223,507)	\$ (12,231,471)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	-	2,855,219	2,855,219
Changes in assets and liabilities:			
Receivables from governmental agencies	205,859	(93,807)	112,052
Inventories	-	(135,907)	(135,907)
Other receivables	310,422	(450,534)	(140,112)
Accrued payroll	(6,091)	(48,924)	(55,015)
Accrued compensated absences	7,952	94,928	102,880
Accounts payable & other liabilities	(2,054)	(143,151)	(145,205)
Other post employment benefits increases	16,956	164,522	181,478
Total adjustments	<u>533,044</u>	<u>2,242,346</u>	<u>2,775,390</u>
Net cash used in operating activities	<u>\$ (474,920)</u>	<u>\$ (8,981,161)</u>	<u>\$ (9,456,081)</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 FISCAL YEAR ENDED JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Research Triangle Regional Public Transportation Authority (the "Authority") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**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>
Town of Cary	1
Town of Chapel Hill	1
City of Durham	1
Durham County and City of Durham	1
Durham County	1
Orange County	1
City of Raleigh	2
Wake County	2
NC Secretary of Transportation	3

The Authority has three component units: The Triangle Tax District – Durham/Orange, the Durham/Orange Special Tax District, and the Triangle Tax District – Wake Operating. These are based upon current GASB pronouncements for the blended presentation. The component units' governing bodies are substantively the same as the governing body of the primary government, and the management of the primary government has operational responsibility for the component units.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B. Basis of Presentation

*Government-Wide Statements:* The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include 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 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.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Authority and for 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.

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. The primary revenue sources are vehicle registration taxes, state grants and various other revenues. The primary expenditures are for finance, human resources, general counsel, and communication and public affairs.
- Major Capital Projects Fund – The Major Capital Projects Fund includes the Major Transit Investment Fund and the Regional Rail Capital Project Fund and both are used to account for funds used for the development of a regional rail and bus system.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Triangle Tax District – Durham/Orange - The Triangle Tax District – Durham/Orange is shown as a major, blended component unit within the governmental financial statements. This fund collects special sales taxes in Durham and Orange Counties as well as vehicle rental and registration taxes. (This was formerly known as the Western Triangle Tax District.)
- Durham/Orange Special Tax District - The Durham/Orange Special Tax District is shown as a major, blended component unit within the governmental financial statements. This fund collects a *separate* vehicle registration tax levied in Durham and Orange Counties. (This was formerly known as the Durham/Orange Tax District.)
- Triangle Tax District – Wake Operating - The Triangle Tax District – Wake Operating is shown as a major, blended component unit within the governmental financial statements. This fund collects special sales taxes in Wake County, as well as vehicle rental and vehicle registration taxes.

The Authority reports the following non-major governmental funds:

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

- Ridesharing Fund – The Ridesharing Fund is used to account for operations of Commuter Resources, Regional Call Center, and Regional Transportation Demand Services (TDM) services. Financing is provided by intergovernmental revenues, sponsorships, employer fees, 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

In accordance with North Carolina General Statutes, all funds of the Authority are maintained during the year using the modified accrual basis of accounting.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

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.

*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 are 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.

The Authority considers all revenues available if they are collected within 90 days after year-end. Revenues collected soon after 90 days may be recognized as revenue if the amounts are to be used to pay liabilities of the current period.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intergovernmental revenues and sales and services are accrued when earned in the fiscal year. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Authority funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is the Authority's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

#### D. Budgetary Control

The Authority's budgets are adopted as required by the North Carolina General Statutes. The Board of Trustees adopts an annual budget ordinance for the General and Enterprise Funds. All annual appropriations lapse at the 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. The Appropriations Ordinance is adopted at the functional level for the General Fund, at the departmental level for the Enterprise Funds and the 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 \$10,000 must be approved by the Board of Trustees. The Authority does not use encumbrance accounting.

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 shall transmit to the budget officer the budget request 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 or an interim budget that covers this time period shall be adopted by the governing board until an annual ordinance can be adopted. |



## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Deposits and Investments

The deposits of the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate as an official depository any bank or savings and loan institution whose principal office is located in North Carolina. The Authority may also establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

The Authority's written investment policy states that the Authority shall remain 100% invested at all times with the exception of monies held for operations. State law [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 uses of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Authority's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT – Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

#### F. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under Federal Transit Administration, the sale proceeds from certain transactions are held in a separate escrow account for future use. \$5,611,515 is shown as *Restricted Cash* because the future expenditure is limited to certain uses.

#### G. Receivables

Receivables include amounts due from transportation services provided, rental income due, and certain governmental non-exchange transactions. Note 4 contains additional detail on the balance of Due From Other Governments.

#### H. Inventory and Prepaid Items

Inventory is valued at cost using the weighted-average method. The inventory in the Regional Bus Fund consists of expendable supplies.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the purchases method and expensed as the items are used.

#### I. 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 \$5,000 for all capital assets; including land, buildings, improvements, furniture and equipment, vehicles and software. 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.

The Authority evaluates capital assets for other-than-temporary impairment when events or changes in circumstances affect a capital asset. The Authority employs a systematic methodology that considers available evidence in evaluating potential impairment of its capital assets. In the event that the cost of a capital asset is determined to be impaired, the Authority evaluates, among other factors, the magnitude and duration of the decline in fair value, evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological development or evidence of obsolescence, a change in the manner or expected duration of use of a capital asset, or construction stoppage. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the capital asset is established.

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	10-30
Improvements	2-20
Vehicles	5-10
Furniture and equipment	3-10
Computer equipment and software	3-7

#### J. Long-Term Liabilities

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

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### K. 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 will be deducted from the final paycheck. Employees are encouraged to take a minimum of 10 days (two weeks) of vacation each calendar year. 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 toward 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. The fund used to liquidate this liability is the fund to which an employee's salary is normally charged.

#### L. Net Position/Fund Balances

##### **Net Position**

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

##### **Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund-types classify fund balances as follows:

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

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

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or by law.

Restricted for Stabilization by State statute – portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)].

Restricted by Enabling Legislation – portion of fund balance that is comprised of funds to be used for the specific purpose of mass transportation.

Unassigned Fund Balance - The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Authority has a revenue spending policy that provides for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, state funds, and funds generated by governmental and proprietary operations.

For purposes of fund balance classification, expenditures are to be spent from restricted funds balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Authority.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance	<u>\$ 1,153,119</u>
Less:	
Prepaid expenses	1,671,179
Restricted for Stabilization by State statute	<u>20,324,751</u>
Available for appropriation	<u>\$ (20,842,811)</u>

As noted above, Restricted for Stabilization by State statute is an amount created when complying with NC General Statute 159-8(a), limiting fund balance available for appropriation. State law does not allow the Authority to exclude inter-fund due to and due from amounts, created by one Authority

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

checking account paying expenses of all funds. If inter-fund due to and due from amounts were excluded, fund balance available for appropriation would be approximately \$13M.

#### M. Revenues and Interfund Transactions

##### (1) Grant Revenue

The Authority recognizes revenues (net of estimated uncollectible amount, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the Authority before meeting the eligibility requirements (other than time requirements) are recorded and reported as unearned revenues.

##### (2) Vehicle Registration Tax

The North Carolina Department of Motor Vehicles disperses vehicle registration tax revenue to the Authority on a quarterly basis. The Authority recognizes and records vehicle registration tax revenue quarterly in the General Fund and tax district funds.

##### (3) Vehicle Rental Tax

The Authority recognizes and records vehicle rental tax revenue upon receipt in the Major Capital Projects Fund. Revenue recognition varies according to the tax collection schedule for each vendor. Collection schedules are determined by sales volume. The Authority accrues for vehicle rental tax revenue at year end.

##### (4) Investment Income

The Authority recognizes investment income from cash and investments as revenues in the individual funds based on the fund's monthly investment in cash and investments. All investment earnings are recorded monthly in each individual fund.

##### (5) Inter-fund Transactions

Interfund transactions are services provided, reimbursements or transfers. Services that are deemed to be reasonably equivalent in value are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs the cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement, if material. All other interfund transactions are presented as transfers. Transfers within governmental activities and business-type activities are eliminated upon consolidation.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (6) Special Tax Revenues

The Triangle Tax District – Durham/Orange receives vehicle registration tax from the North Carolina Department of Motor Vehicles on a quarterly basis (\$7 per vehicle). The Tax District also receives a one-half cent sales tax (Article 43) from Durham and Orange Counties as well as a portion of vehicle rental taxes received by the General Fund and disbursed to the Tax District. Both Durham and Orange Counties share in the vehicle rental tax. The Durham/Orange Special Tax District also receives proceeds of a vehicle registration tax (\$3 per vehicle) from the NC Department of Motor Vehicles on a quarterly basis.

The Triangle Tax District – Wake Operating revenues were effective April 1, 2017. The one-half cent sales tax (Article 43) from retail sales in Wake County is the predominate revenue stream. The District also began receiving a portion of the vehicle rental taxes received by the Authority. Management expects that the NC Department of Motor Vehicles will begin disbursing vehicle registration tax revenue in Fiscal Year 2018.

#### N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### O. Consolidation of Funds

Some funds are budgeted and maintained separately through the year. They are combined for reporting purposes. Budget amounts and expenditures for the governing board, capital development, legal and community & public affairs are combined in the General Fund for year end reporting to better disclose the full cost of these general services.

#### P. Restatement

On June 20, 2016, the ownership of three (3) 2008 model buses was transferred to the City of Raleigh to facilitate Raleigh providing transit service on a contract basis. The transfer was approved by the Federal Transportation Administration (FTA) because the Authority held more

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

spare buses than allowed by FTA guidelines. The buses had an original cost of \$978,228, but a remaining book value of \$165,747. No cash was exchanged. The opening balance of the Regional Bus Fund is reduced by \$165,747.

The Authority has changed the time period for accrual of revenues from 60 days to 90 days after fiscal year end. The change will promote clearer exchange of financial information with the transit partners. As part of this change, the opening fund balance of the Triangle Tax District-Durham/Orange is restated for \$3,241,628. This is the amount that would have been recorded as a receivable at June 30, 2016, if this change had been in effect then.

#### **2. DEPOSITS**

All of the Authority's deposits are either insured or collateralized 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 the Authority's agent in the Authority's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for 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 has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Authority has no formal policy regarding custodial credit risk for deposits.

At June 30, 2017, the amount of the deposits on the Authority's books was \$35,100,313 and the bank balances were \$35,686,560. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$34,936,560 in deposits was covered by collateral held under the Pooling Method.

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## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 3. INVESTMENTS

As of June 30, 2017, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less than 1 year	1-5 years	5-10 years	10+ years
US Government Agencies	\$ 399,574	\$ 399,574	\$ -	\$ -	\$ -
Mortgage Backed Securities	13,054,610	17	5,176,851	4,996,668	2,881,074
SBA Participation Securities	41,752,551	-	1,253,592	7,064,921	33,434,038
NC Local Gov't & State Bonds	5,976,061	-	-	3,590,903	2,385,158
NCCMT Government Portfolio	3,176,165	3,176,165	-	-	-
NCCMT Term Portfolio	55,803,859	55,803,859	-	-	-
<b>Total</b>	<b>\$ 120,162,820</b>	<b>\$ 59,379,615</b>	<b>\$ 6,430,443</b>	<b>\$ 15,652,492</b>	<b>\$ 38,700,270</b>

Because the NC Capital Management Trust – Term Portfolio has a weighted average maturity of 0.10 years, it is presented as an investment with a maturity of less than 1 year.

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices, in Active Markets for Identical Assets, Level 1	Significant Other Observable Inputs, Level 2	Significant Unobservable Inputs, Level 3
US Government Agencies	\$ 399,574	\$ -	\$ 399,574	\$ -
Mortgage Backed Securities	13,054,610	-	13,054,610	-
SBA Participation Securities	41,752,551	1,110,840	40,641,711	-
NC Local Gov't & State Bonds	5,976,061	-	5,976,061	-
NCCMT Government Portfolio	3,176,165	3,176,165	-	-
NCCMT Term Portfolio	55,803,859	55,803,859	-	-
<b>Total</b>	<b>\$ 120,162,820</b>	<b>\$ 60,090,864</b>	<b>\$ 60,071,956</b>	<b>\$ -</b>

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 – Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 – Debt securities valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.



## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### INVESTMENTS (Continued)

#### 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:

- Short-Term Portfolio: No less than \$500,000 of the total investment portfolio shall mature within seven days. No less than 25% shall mature in 90 days.
- Intermediate Term Portfolio: The average maturity shall not exceed five years.
- Long-Term Portfolio: The average maturities of the portfolio shall not exceed twenty years. Any exceptions must be approved by the Chief Financial Officer. Reasons for exceptions may include anticipated higher market yields.

#### 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. The Authority limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations ("NRSROs"). As of June 30, 2017, 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 and US Treasuries is 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.

The NC Administrative Code states that all deposits shall be fully protected through deposit insurance and eligible collateral securities. The Director of Finance of the Authority shall be responsible for obtaining custody and providing safekeeping of securities and deposit certificates according to G.S. 159-30(d). Further, the Financial Reporting Manager shall ensure proper diversification of the investment portfolio in order to minimize risks brought on by economic and market changes. Diversification is managed by limiting investments by type and institution and by class of securities. Maturity schedules are monitored by the Chief Financial Officer.

#### Custodial Credit Risk

For an investment, custodial 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 Chief Financial Officer.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**INVESTMENTS** (Continued)

Concentration of Credit Risk

The Authority will invest no more than 50% in a single institution. The Authority has certain investments that exceed 5% of the Authority’s total investment portfolio. They are Small Business Administration Participation certificates (35.5%), Federal National Mortgage and Government National Mortgage (14.1%), North Carolina and local bonds (9.1%) and NC Capital Management Trust – Term Portfolio (37.7%). The remainder of the Authority’s investments are in the NC Capital Management Trust –Government Portfolio and other government securities (3.6%).

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

<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>\$ 1,239,357</u>	<u>\$ 29,660,341</u>	<u>\$ 196,423</u>	<u>\$ 31,096,121</u>

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**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Ending <u>Balances</u>
<u>Governmental activities:</u>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 38,758,467	\$ -	\$ (1,704,123)	\$ -	\$ 37,054,344
Construction in progress	<u>49,360,903</u>	<u>8,661,726</u>	<u>-</u>	<u>-</u>	<u>58,022,629</u>
Total capital assets not being depreciated:	<u>88,119,370</u>	<u>8,661,726</u>	<u>(1,704,123)</u>	<u>-</u>	<u>95,076,973</u>
<b>Capital assets being depreciated:</b>					
Buildings	6,248,870	-	-	-	6,248,870
Equipment and vehicles	7,404,315	1,452,045	-	(1,289,710)	7,566,650
Leasehold improvements	<u>3,667,986</u>	<u>-</u>	<u>-</u>	<u>9,360</u>	<u>3,677,346</u>
Total capital assets being depreciated	<u>17,321,171</u>	<u>1,452,045</u>	<u>-</u>	<u>(1,280,350)</u>	<u>17,492,866</u>
<b>Less accumulated depreciation for:</b>					
Buildings	1,359,713	295,560	-	-	1,655,273
Equipment and vehicles	6,829,560	177,325	-	-	7,006,885
Leasehold improvements	<u>1,122,580</u>	<u>532,387</u>	<u>-</u>	<u>-</u>	<u>1,654,967</u>
Total accumulated depreciation	<u>9,311,853</u>	<u>\$ 1,005,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,317,125</u>
Total capital assets being depreciated, net	<u>8,009,318</u>				<u>7,175,742</u>
<b>Government activities capital assets, net</b>	<u>\$ 96,128,688</u>				<u>\$ 102,252,715</u>

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

Administration	\$ 15,552
Capital Development	72,581
Board	6,635
Finance	<u>910,504</u>
Total Depreciation expense	<u>\$ 1,005,272</u>

The Bus Capital Project Fund is reported as governmental fund and records the purchase of capital assets for the Regional Bus Fund. The assets are recorded in the Regional Bus Fund through transfers.

Capital asset additions shown above:

Construction in progress	\$8,661,726
Depreciable assets acquired	1,452,045
Capital asset from Advanced Technology Fund	<u>9,360</u>
	<u>10,123,131</u>
Less transferred out	<u>(1,289,710)</u>
Capital asset additions as shown in governmental funds	<u>\$8,833,421</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**CAPITAL ASSETS (Continued)**

	Balances, in Prior Year CAFR	Restatement	Balances, As Restated	Increases	Decreases	Ending Balances
<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	\$ -	\$ -	\$ 164,796
Leasehold improvements	10,479	-	10,479	-	-	10,479
Total capital assets being depreciated	<u>175,275</u>	<u>-</u>	<u>175,275</u>	<u>-</u>	<u>-</u>	<u>175,275</u>
<b>Less accumulated depreciation for:</b>						
Furniture, fixtures and equipment	164,796	-	164,796	-	-	164,796
Leasehold improvements	10,479	-	10,479	-	-	10,479
Total accumulated depreciation for:	<u>175,275</u>	<u>-</u>	<u>175,275</u>	<u>-</u>	<u>-</u>	<u>175,275</u>
<b>Ridesharing fund capital assets, net</b>	<u>\$ -</u>					<u>\$ -</u>
<b><i>Regional Bus Service Fund</i></b>						
<b>Capital assets not being depreciated:</b>						
Land	\$ 748,068	\$ -	\$ -	\$ -	\$ -	\$ 748,068
<b>Capital assets being depreciated:</b>						
Furniture, fixtures, and equipment	2,329,450	-	2,329,450	418,548	-	2,747,998
Vehicles	24,534,489	(978,228)	23,556,261	575,492	(178,167)	23,953,586
Leasehold improvements	300,294	-	300,294	345,680	-	645,974
Buildings	9,620,468	-	9,620,468	-	-	9,620,468
Total capital assets being depreciated	<u>36,784,701</u>	<u>(978,228)</u>	<u>35,806,473</u>	<u>1,339,720</u>	<u>(178,167)</u>	<u>36,968,026</u>
<b>Less accumulated depreciation for:</b>						
Furniture, fixtures, and equipment	1,644,508	-	1,644,508	168,700	-	1,813,208
Vehicles	16,521,825	(812,481)	15,709,344	2,280,837	(137,297)	17,852,884
Leasehold improvements	171,257	-	171,257	21,559	-	192,816
Buildings	3,324,943	-	3,324,943	384,122	-	3,709,065
Total accumulated depreciation	<u>21,662,533</u>	<u>(812,481)</u>	<u>20,850,052</u>	<u>2,855,218</u>	<u>(137,297)</u>	<u>23,567,973</u>
Total capital assets being depreciated, net	<u>15,122,168</u>		<u>14,956,421</u>	<u>(1,515,498)</u>	<u>(40,870)</u>	<u>13,400,053</u>
Reg. Bus Service fund capital assets, net	<u>15,870,236</u>		<u>14,956,421</u>	<u>(1,515,498)</u>	<u>(40,870)</u>	<u>14,148,121</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 15,870,236</u>		<u>\$ 14,956,421</u>			<u>\$ 14,148,121</u>

Capital assets acquired through the Bus Capital Project fund, discussed previously, are included in the \$1,339,720 above.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### CAPITAL ASSETS (Continued)

#### Sale of Property

During Fiscal Year 2017, the Authority sold three parcels of land in the Town of Cary, the Town of Morrisville, and the City of Raleigh. The land was held as part of an earlier rail project and is no longer needed. The original land costs were \$966,000, \$710,000 and \$28,123, respectively.

#### Construction in Progress

Authority staff members in engineering and finance reviewed the valuation of the Construction in Progress account. Because of the large adjustment in the prior year, the Authority believes that the balance in the Construction in Progress account is fairly stated.

### **6. POST EMPLOYMENT OBLIGATIONS**

#### Other Post Employment Benefits

*Plan Description.* The Authority administers a single employer cost sharing defined benefit Healthcare Benefits Plan (the "HCB Plan"). This HCB Plan provides post employment healthcare benefits to retirees of the Authority, provided they have at least thirty years of creditable service with the Authority. The Board of Trustees may amend the HCB Plan by majority vote. A separate report was not issued for the HCB Plan.

Based on the year in which the Authority was established, the first class of retirement eligibility is the year 2019. The Authority offers full-time employees who resign at the age of retirement specified by Social Security the opportunity to continue in the group medical plan. The schedule below addresses the qualifying conditions for which retirees may receive medical benefit coverage.

- Employees who retire with more than three (3) years but less than 10 years of service may continue group health coverage at the Authority's rate, but the employee must pay the full cost of the premium.
- Employees who have more than 10 years of service but less than 20 must pay 75% of the monthly premium. The Authority will pay the remaining 25%.
- Employees who have 20 years of service but less than 30 years will pay 50% of the monthly premium. The Authority will pay the remaining 50%.
- Employees with more than 30 years of service can expect to receive 100% paid coverage.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**POST EMPLOYMENT OBLIGATIONS** (Continued)

Membership of the HCB Plan consisted of the following at December 31, 2016, the date of the latest actuarial valuation:

Retirees receiving benefits	0
Active plan members	<u>231</u>
Total	<u><u>231</u></u>

*Funding Policy.* The Board of Trustees established the contribution requirements of plan members, and they may be amended by the Board. Per an Authority resolution, the Authority is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. Because the Authority is relatively new, there are no employees who classify as retirees.

The current annual required contribution (ARC) rate is 1.74% of annual covered payroll. For the current year, the Authority contributed \$0.00 or 0.00% of annual covered payroll. The Authority obtains healthcare coverage through private insurers. There were no contributions made by employees. The Authority's obligation to contribute to HCB Plan is established and may be amended by the Board of Trustees.

*Summary of Significant Accounting Policies.* Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid when due.

*Annual OPEB Cost and Net OPEB Obligation.* The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 209,327
Interest on net OPEB obligation	36,495
Adjustment to the annual required contribution	<u>(34,864)</u>
Annual OPEB cost (expense)	210,958
Contributions made	<u>-</u>
Increase in net OPEB obligation	210,958
Net OPEB obligation, beginning of year	<u>912,381</u>
Net OPEB obligation, end of year	<u><u>\$ 1,123,339</u></u>

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### POST EMPLOYMENT OBLIGATIONS (Continued)

The information being accumulated for the Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net OPEB Obligation
2015	\$ 111,630	\$ -	0.0%	\$ 737,462
2016	174,919	-	0.0%	912,381
2017	210,958	-	0.0%	1,123,339

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and thus the unfunded actuarial accrued liability (UAAL) was \$1,440,358. The covered payroll (annual payroll of active employees covered by the plan) was \$11,328,512, and the ratio of the UAAL to the covered payroll was 12.7%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment return on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual medical cost trend increase of 5.75% to 5.00% annually.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### POST EMPLOYMENT OBLIGATIONS (Continued)

The investment rate included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015, was 30 years.

#### Retirement Plan

The Authority sponsors a defined contribution retirement plan covering all of its full-time employees as of June 30, 2017. 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. Forfeitures from employees who leave before they are 100% vested are used to reduce future contributions. The Authority's total payroll for fiscal year 2017 was \$12,529,167, of which \$11,704,893 relates to employees covered under the plan. The Authority's contributions to the plan for the year ended June 30, 2017, including forfeitures, totaled \$1,044,879 (8% of covered payroll). Total forfeitures for the year were \$124,159. The assets of the plan are invested in various mutual funds, guaranteed interest contracts, and U.S. Treasury Bonds. The establishment of the plan was authorized by the Authority's Board of Trustees and may only be amended by the Authority's Board of Trustees.

#### 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. The deferred compensation payout is not available to employees until termination, retirement, death, or unforeseeable emergency.

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**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**7. CHANGES IN LONG – TERM LIABILITIES**

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Long Term Portion	Current Portion of Balance
<u>Governmental activities:</u>						
Compensated Absences	\$ 652,831	\$ 831,372	\$ 792,795	\$ 691,408	\$ 241,994	\$ 449,414
Accrued OPEB	286,213	29,482	-	315,695	315,695	-
Total Government activity long-term liabilities	<u>\$ 939,044</u>	<u>\$ 860,854</u>	<u>\$ 792,795</u>	<u>\$ 1,007,103</u>	<u>\$ 557,689</u>	<u>\$ 449,414</u>
 <u>Business-type activities</u>						
Compensated Absences	\$ 680,800	\$ 977,454	\$ 874,574	\$ 783,680	\$ 382,580	\$ 401,100
Accrued OPEB	626,168	181,476	-	807,644	807,644	-
Total Business-type activity long-term liabilities	<u>\$ 1,306,968</u>	<u>\$ 1,158,930</u>	<u>\$ 874,574</u>	<u>\$ 1,591,324</u>	<u>\$ 1,190,224</u>	<u>\$ 401,100</u>

The General Fund and the Regional Bus Service Fund liquidate the compensated absences in the governmental activities and the business-type activities, respectively.

**8. INTERFUND BALANCES AND ACTIVITY**

The following summarizes amounts due from and to other funds as of June 30, 2017:

<u>Receivable Fund</u>	<u>Payable Proprietary Fund</u>	<u>Amount</u>
General Fund	Enterprise - Rideshare	\$ 71,964
General Fund	Enterprise - Regional Bus	15,774,497
Total Due from Proprietary Funds		<u>15,846,461</u>
	<u>Payable Governmental Fund</u>	
Regional Bus Capital	General Fund	11,973
General Fund	Technology Capital	99,000
General Fund	General Fixed Assets	9,360
General Fund	Triangle Tax District - Wake Op.	196,715
Triangle Tax District - Durham/Orange	General Fund	2,246,607
Major Capital Projects Fund	General Fund	32,144,889
Total Due from Governmental Funds		<u>34,708,544</u>
<b>Totals</b>		<u><b>\$ 50,555,004</b></u>

Interfund balances result from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

**INTERFUND BALANCES AND ACTIVITY** (Continued)

Transfers

Transfers are used to move unrestricted revenues to finance various programs that the Authority must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

	Transfers from			Total
	General Fund	Major Capital Projects Fund	Non-Major Funds	
Transfers to:				
General Fund	\$ -	\$ 1,264,000	\$ -	\$ 1,264,000
Regional Bus Fund	8,607,164	-	1,322,235	9,929,399
Bus Capital Project Fund	375,377	-	-	375,377
Ridesharing Fund	976,488	-	-	976,488
Technology Capital Project Fund	42,528	-	-	42,528
Total	<u>\$ 10,001,557</u>	<u>\$ 1,264,000</u>	<u>\$ 1,322,235</u>	<u>\$ 12,587,792</u>

The purpose of the transferred monies is as follows:

The Authority's General Fund transferred monies during fiscal year 2017 to fund the Authority's match for State and Federal Grant programs in the Enterprise and Capital Project Funds. The General Fund also transferred monies into the Proprietary Ridesharing Fund and into the Proprietary Regional Bus Fund to subsidize operations.

The Major Capital Projects Fund transferred monies during fiscal year 2017 to the General Fund. The purpose of this transfer was to support General Fund operations.

The transfer from the Regional Bus Capital Projects Fund and the Regional Bus Fund is the transfer of capital assets purchased in the Capital Projects Fund to the Regional Bus Fund.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 9. RISK MANAGEMENT

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 of loss by carrying commercial insurance coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. All of the insurance companies from whom the Authority has purchased insurance have A.M. Best ratings of A- or better. In accordance with G.S. 159-29, the Authority's employees that have access to \$100 or more at any given time of the Authority's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000.

The insurance companies used by the Authority are:

- Ace American Insurance Company
- RLI Insurance Company
- Starnet Insurance Company
- Iron Shore Specialty Insurance Company
- Endurance Risk Solution Assurance Company
- Travelers Insurance

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

- |   |                  |
|---|------------------|
| • Public Officials Professional Liability | \$ 5,000,000     |
| • Commercial General Liability            | \$10,000,000     |
| • Public Employee Bond                    | \$ 50,000        |
| • Real and personal property              |                  |
| Buildings                                 | \$ 16,686,897    |
| Contents                                  | \$ 4,819,145     |
| Equipment Breakdown                       | \$ 17,895,116    |
| Flood Insurance                           | \$ 1,000,000     |
| • Business Auto Liability                 | \$ 10,000,000    |
| • Employee Dishonesty                     | \$ 150,000       |
| • Excess liability                        | \$ 10,000,000    |
| • Workers' compensation                   | Statutory limits |
| • Employee benefits liability             | \$ 1,000,000     |
| • Catastrophic (Auto)                     | \$ 10,000,000    |
| • Inland Marine                           | \$ 4,599,963     |
| • Electronic Information                  | \$ 4,344,500     |

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

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### RISK MANAGEMENT (Continued)

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.

#### Flood Insurance

The Authority is not located inside a flood zone according to FEMA flood maps. However, in consultation with the Authority's insurance brokers, \$1,000,000 of flood insurance is in place.

### 10. COMMITMENTS AND CONTINGENCIES

#### Operating Leases

The Authority rents a parking lot for operations of its Regional Bus Transfer Center. The total rent expense for office space and parking accommodations for the year ended June 30, 2017, was \$36,709. The Authority also leases various copiers, office equipment and shop equipment. The total minimum future commitments under the parking lease and the various equipment leases are as follows:

Year ending	
<u>June 30,</u>	<u>Amount</u>
2018	\$ 44,459
2019	5,409
2020	<u>624</u>
Total	<u>\$ 50,492</u>

The Authority leases easements and parking and building spaces to various tenants. All leases of the Authority are accounted for as operating leases. Substantially all of the leases provide for a periodic re-computation of the rental amounts. In June 2012, the Authority leased space in the administrative building to Alliance Behavioral Healthcare. The schedule of future minimum rent income to be received is as follows:

Year ending	
<u>June 30,</u>	<u>Amount</u>
2018	\$989,094
2019	<u>509,383</u>
Total	<u>\$1,498,477</u>

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### **COMMITMENTS AND CONTINGENCIES** (Continued)

Just prior to the end of the fiscal year, the contractor for the replacement of the bus washing system at the Bus Operations and Maintenance Facility was given the notice to proceed. The work is expected to be concluded by December 31, 2017. The total contract value is \$414,734.

#### **Pending or Threatened Lawsuits**

During the period July 1, 2016 to June 30, 2017, the Authority was involved in the following lawsuits. Four workers' compensation claim lawsuits were made. One has been closed, with the remaining three still open. In another case, three plaintiffs brought suit against the Authority. That suit was settled after June 30<sup>th</sup>. A negligence suit has reportedly been filed against the Authority in Wake County Superior Court. However, the Authority has not been served with a complaint in such a case. In the opinion of the Authority's management and legal counsel, the ultimate effect of these legal matters will not have a material adverse effect on the Authority's financial position.

#### **Federal and State Assisted Programs**

The Authority has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant money.

### **11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The General Fund transfers to other funds exceeded the budgeted amount by \$1,417,571. The transfers were for operational support. The need for operational support will be evaluated more often, allowing time for budgetary adjustments if needed.

### **12. SUBSEQUENT EVENTS**

During the month of July 2017, the Authority purchased ten (10) new 36 passenger buses at a cost of \$4,650,720.

The Authority is forming a nonprofit organization, GoTransit Partners. The nonprofit will focus on fund raising for major transportation projects. Donations are available for such projects, but grantor restrictions require that donations be made to a nonprofit organization, rather than a public authority.

## RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

### 13. RESTATEMENT OF PRIOR YEAR

During June 2016, the titles and possession of three (3) used buses were transferred to the City of Raleigh. The transfer reduced the Authority's spare bus fleet to FTA limits and facilitated the City of Raleigh's providing service on a contractual basis. Due to the late timing of this transaction, the amount was not recorded on the Authority's capital asset records at that time. Accordingly, the beginning net position of the Regional Bus Fund is reduced by \$165,747.

To improve the coordination with the transit partners, the Authority has adopted a 90 day accrual period for revenues received after fiscal year end. This change most significantly affects the 1/2¢ Local Option Sales Tax, also known as Special Sales Tax Revenue. This change is expected to make the exchange of financial information more efficient and effective. The opening balance of the Triangle Tax District – Durham/Orange is increased by \$3,241,628. This is the amount that would have been a receivable at June 30, 2016 if this were in effect at that time. Triangle Tax District – Wake Operating is unaffected by this change.

**RESEARCH REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

Schedule 1

**Other Post-Employment Benefits  
Required Supplementary Information  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1)/(2)	Annual Covered Payroll	UAAL as of % of Covered Payroll (3)/(5)
12/31/2010	\$ -	\$ 500,721	\$ 500,721	0%	\$ 8,416,153	5.9%
12/31/2011	-	595,329	595,329	0%	8,307,090	7.2%
12/31/2012	-	595,329	595,329	0%	8,307,090	7.2%
12/31/2013	-	1,076,645	1,076,645	0%	9,385,699	11.5%
12/31/2014	-	1,076,645	1,076,645	0%	10,344,534	10.4%
12/31/2015	-	1,440,358	1,440,358	0%	11,328,512	12.7%

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**

Schedule 2

**Healthcare Benefits Plan  
Required Supplementary Information  
Schedule of Employer Contributions**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2011	\$ 99,388	-0-%
2012	108,019	-0-%
2013	108,019	-0-%
2014	111,630	-0-%
2015	111,630	-0-%
2016	173,601	-0-%
2017	209,327	-0-%

NOTES TO THE REQUIRED SCHEDULES:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate*	5.75% - 5.00%
Year of ultimate trend rate	2022

\*Includes inflation at 3.00%



**INDIVIDUAL FUND  
STATEMENTS AND  
SCHEDULES**



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
**Major Capital Projects Fund**  
From Inception and for the Fiscal Year Ended June 30, 2017

	Projected Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to date	
<b>REVENUES:</b>					
Restricted intergovernmental:					
NCDOT rail grants	\$ 218,770,984	\$ 29,831,355	\$ -	\$ 29,831,355	\$ (188,939,629)
FTA rail grants	464,230,428	87,121,313	-	87,121,313	(377,109,115)
Vehicle rental tax	42,392,292	142,243,119	8,548,245	150,791,364	108,399,072
Investment income	3,745,000	9,046,216	(1,610,026)	7,436,190	3,691,190
Other revenues	323,000	18,023,328	163,583	18,186,911	17,863,911
<b>Total revenues</b>	<b>729,461,704</b>	<b>286,265,331</b>	<b>7,101,802</b>	<b>293,367,133</b>	<b>(436,094,571)</b>
<b>EXPENDITURES:</b>					
Capital outlay:					
Design	141,032,509	125,367,880	-	125,367,880	15,664,629
Project administration	27,577,195	9,755,584	375,277	10,130,861	17,446,334
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
Vehicle 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
<b>Total expenditures</b>	<b>873,905,215</b>	<b>184,889,829</b>	<b>375,277</b>	<b>185,265,106</b>	<b>688,640,109</b>
Revenues over (under) expenditures	(144,443,511)	101,375,502	6,726,525	108,102,027	252,545,538
<b>OTHER FINANCING SOURCES:</b>					
Sale of land	-	6,351,172	1,879,804	8,230,976	8,230,976
Transfers (to) from other funds	144,443,511	(34,597,682)	(1,264,000)	(35,861,682)	(180,305,193)
<b>Change in fund balance</b>	<b>\$ -</b>	<b>\$ 73,128,992</b>	<b>7,342,329</b>	<b>\$ 80,471,321</b>	<b>\$ 80,471,321</b>
<b>Fund balance, beginning</b>			<b>73,128,992</b>		
<b>Fund balance, ending</b>			<b>\$ 80,471,321</b>		

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
June 30, 2017

	<u>Bus Capital Project Fund</u>	<u>Advanced Technology Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Grant funds receivable	\$ 580,732	\$ 99,000	\$ 679,732
Due from other funds	11,973	-	11,973
Total assets	<u>592,705</u>	<u>99,000</u>	<u>691,705</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	26,423	-	26,423
Due to other funds	-	99,000	99,000
Total liabilities	<u>26,423</u>	<u>99,000</u>	<u>125,423</u>
<b>FUND BALANCE</b>			
Restricted - Reserved by State Statute	592,705	99,000	691,705
Unrestricted	<u>(26,423)</u>	<u>(99,000)</u>	<u>(125,423)</u>
Total fund balance	<u>566,282</u>	<u>-</u>	<u>566,282</u>
Total liabilities and fund balances	<u>\$ 592,705</u>	<u>\$ 99,000</u>	<u>\$ 691,705</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Fiscal Year Ended June 30, 2017

	<u>Regional Bus Capital Project Fund</u>	<u>Technology Capital Project Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES</b>			
Restricted intergovernmental revenues:			
State grant revenues	\$ 64,689	\$ 99,000	\$ 163,689
Federal grant revenues	997,991	-	997,991
	<u>1,062,680</u>	<u>99,000</u>	<u>1,161,680</u>
Total revenues			
<b>EXPENDITURES</b>			
Buildings and transit amenities	148,347	-	148,347
Capital outlay	-	72,334	72,334
Total expenditures	<u>148,347</u>	<u>72,334</u>	<u>220,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>914,333</u>	<u>26,666</u>	<u>940,999</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	375,377	42,528	417,905
Transfers to other funds	(1,289,710)	(32,525)	(1,322,235)
Sale of land	-	-	-
Total other financing sources (uses)	<u>(914,333)</u>	<u>10,003</u>	<u>(904,330)</u>
Net change in fund balances	-	36,669	36,669
Fund balances - beginning	566,282	(36,669)	529,613
Fund balances - ending	<u>\$ 566,282</u>	<u>\$ -</u>	<u>\$ 566,282</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
**Regional Bus Capital Project Fund**  
From Inception and For the Fiscal Year Ended June 30, 2017

	Projected Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to date	
<b>REVENUES:</b>					
Restricted intergovernmental revenues:					
State grant revenues	\$ 1,975,789	\$ 2,895,202	\$ 64,689	\$ 2,959,891	\$ 984,102
Federal grant revenues	13,549,061	21,294,888	997,991	22,292,879	8,743,818
Other revenue	110,000	545	-	545	(109,455)
Total revenues	<u>15,634,850</u>	<u>24,190,635</u>	<u>1,062,680</u>	<u>25,253,315</u>	<u>9,618,465</u>
<b>EXPENDITURES:</b>					
Capital outlay:					
Buildings & Transit Amenities	<u>20,525,076</u>	<u>12,060,270</u>	<u>148,347</u>	<u>12,208,617</u>	<u>8,316,459</u>
Revenues over (under) expenditures	<u>(4,890,226)</u>	<u>12,130,365</u>	<u>914,333</u>	<u>13,044,698</u>	<u>17,934,924</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers from other funds	4,890,226	498,839	375,377	874,216	(4,016,010)
Transfers to other funds	-	(11,842,220)	(1,289,710)	(13,131,930)	(13,131,930)
<b>Change in fund balance</b>	<u>\$ -</u>	<u>\$ 786,984</u>	<u>-</u>	<u>\$ 786,984</u>	<u>\$ 786,984</u>
<b>Fund balance, beginning</b>			<u>566,282</u>		
<b>Fund balance, ending</b>			<u>\$ 566,282</u>		

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual**  
**Technology Capital Project Fund**  
From Inception and for the Fiscal Year Ended June 30, 2017

	Projected Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental revenues:					
Federal grants	\$ 613,735	\$ 577,017	\$ -	\$ 577,017	\$ (36,718)
State grant revenues	1,988,725	1,937,842	99,000	2,036,842	48,117
Local grant revenues	149,505	48,064	-	48,064	(101,441)
Total revenues	<u>2,751,965</u>	<u>2,562,923</u>	<u>99,000</u>	<u>2,661,923</u>	<u>(90,042)</u>
<b>EXPENDITURES:</b>					
Capital outlay:					
Equipment	<u>3,132,720</u>	<u>2,914,558</u>	<u>72,334</u>	<u>2,986,892</u>	<u>145,828</u>
Revenues over (under) expenditures	<u>(380,755)</u>	<u>(351,635)</u>	<u>26,666</u>	<u>(324,969)</u>	<u>55,786</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	380,755	351,635	42,528	394,163	
Transfers (to) other funds	-	-	(32,525)	(32,525)	(32,525)
<b>Change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>36,669</u>	<u>\$ 36,669</u>	<u>\$ -</u>
<b>Fund balance, beginning</b>			<u>(36,669)</u>		
<b>Fund balance, ending</b>			<u>\$ -</u>		

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
**Schedule of Revenues and Expenditures**  
**Proprietary Fund - Ridesharing**  
**Budget and Actual (Non-GAAP)**  
For the Fiscal Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental revenues:			
NC Department of Transportation	\$ -	\$ 926	\$ 926
Federal Transit Administration	-	8,943	8,943
Durham County	509,776	747,699	237,923
Other governmental revenues	<u>799,000</u>	<u>416,392</u>	<u>(382,608)</u>
Total revenues	<u>1,308,776</u>	<u>1,173,960</u>	<u>(134,816)</u>
<b>EXPENDITURES</b>			
Regional call center	955,946	949,212	6,734
Regional services	699,320	687,554	11,766
Regional TDM	<u>550,784</u>	<u>545,158</u>	<u>5,626</u>
Total expenditures	<u>2,206,050</u>	<u>2,181,924</u>	<u>24,126</u>
Revenue under expenditures	<u>(897,274)</u>	<u>(1,007,964)</u>	<u>(110,690)</u>
Other financing sources:			
Transfers from general fund	<u>897,274</u>	<u>976,488</u>	<u>79,214</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ (31,476)</u>	<u>\$ (31,476)</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 Fiscal Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Bus fares			
Rider fares	\$ 1,350,000	\$ 1,170,672	\$ (179,328)
Employer subsidies	275,000	248,625	(26,375)
Other revenues	3,496,437	3,594,634	98,197
Specialized services	384,000	641,996	257,996
Intergovernmental revenues:			
Federal Transit Administration	684,000	684,000	-
NC Department of Transportation	2,000,000	2,164,167	164,167
Local governments	101,154	81,786	(19,368)
Total revenues	<u>8,290,591</u>	<u>8,585,880</u>	<u>295,289</u>
<b>EXPENDITURES</b>			
Supervision	1,443,159	1,295,170	147,989
Operations	7,156,089	7,154,235	1,854
Vanpool	966,959	835,076	131,883
Specialized services	2,200,394	2,183,943	16,451
Maintenance	3,436,351	3,431,809	4,542
Unemployment claims	80,000	27,036	52,964
Total expenditures	<u>15,282,952</u>	<u>14,927,269</u>	<u>355,683</u>
Revenue under expenditures	<u>(6,992,361)</u>	<u>(6,341,389)</u>	<u>650,972</u>
Other financing sources:			
Transfers from other fund(s)	6,912,361	9,929,399	3,017,038
Investment interest	-	(105,885)	(105,885)
Total other financing sources	<u>6,912,361</u>	<u>9,823,514</u>	<u>2,911,153</u>
Revenues and other financing sources over expenditures	<u>\$ (80,000)</u>	<u>3,482,125</u>	<u>\$ 3,562,125</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(2,855,219)	
Loss on fixed assets		(22,566)	
Transit services		(2,026,899)	
Change in net position		<u>\$ (1,422,559)</u>	

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# STATISTICAL SECTION



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
YEAR ENDED JUNE 30, 2017**

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

**Net Position by Component Last Ten Fiscal Years (p.90-91)**

This table helps the reader gauge the Authority's financial progress.

**Change in Net Position (p.92-93)**

This schedule is a summary of the changes in net position for the last ten fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

**Fund Balances, Governmental Fund (p.94-95)**

This table gives a comparative view of the governmental fund balances over the past ten fiscal years.

**Changes in Fund Balances, Governmental Fund (p.96-97)**

This table shows the various factors which caused the changes in fund balances for the last ten years.

**Changes in Governmental Fund Expenditures by Function (p.98-99)**

This schedule is a summary of the governmental fund expenditures by function for the last ten fiscal years. Information can be obtained from the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds sheet in the financial statements for each of the fiscal years.

**Governmental Fund Revenues by Source (p.100-101)**

This schedule is a summary of the governmental fund revenues by source for the last ten fiscal years. Information can be obtained from the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds sheet in the financial statements for each of the fiscal years.

**Ratios of Outstanding Debt by Type Last Ten Fiscal Years (p.102)**

This table shows the ratio of primary government indebtedness per capita.

**Employee Position Authorization by Department (p.103)**

This table compares positions authorized by department for comparative purposes.

**Operating Indicators by Function/Program (p.104-105)**

This schedule shows various operating indicators of the district by function. It includes service information including initiatives to increase ridership.

**Capital Assets by Function/Program (p.104-105)**

This schedule is a summary of capital assets for the last ten fiscal years.

**Insurance in Force- July 1, 2017 - June 30, 2018 (p.107)**

This table shows the Authority's insurance by type of coverage and amount.

**Demographics and Economic Statistics for Durham County (p.108)**

This schedule shows U.S. Census data for the past 10 years.

**Principal Employers for Durham County (p.109)**

This schedule ranks top employers in Durham County comparatively for 2017 and 2008. Both Durham County tables provided by the Durham County Finance Department

**Demographics and Economic Statistics for Orange County (p.110)**

This schedule shows U.S. Census data for the past 10 years.

**Principal Taxpayers for Orange County (p.111)**

This schedule ranks top taxpayers in Orange County comparatively for 2017 and 2008. This table was provided by the Orange County Finance Department.

**Principal Auto Rental Agencies (p.112)**

This schedule ranks top auto rental agencies by rental taxes generated for 2016 and 2014. 2014 is the earliest year with available information.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
Net Position by Component  
Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>				
Invested in capital assets	\$ 166,038,451	\$ 160,334,524	\$ 114,168,704	\$ 121,465,478
Restricted	-	-	-	58,971,931
Unrestricted	<u>49,680,077</u>	<u>62,691,475</u>	<u>65,744,404</u>	<u>6,056,397</u>
Total governmental activities net position	<u>215,718,528</u>	<u>223,025,999</u>	<u>179,913,108</u>	<u>186,493,806</u>
<b>Business-Type Activities</b>				
Invested in capital assets, net of related debt	5,734,257	18,118,640	19,357,218	17,589,361
Unrestricted	<u>(983,411)</u>	<u>(10,524,894)</u>	<u>(10,469,112)</u>	<u>(10,788,961)</u>
Total business-type activities net position	<u>4,750,846</u>	<u>7,593,746</u>	<u>8,888,106</u>	<u>6,800,400</u>
<b>Primary Government</b>				
Invested in capital assets	171,772,708	178,453,164	133,525,922	139,054,839
Restricted	-	-	-	26,470,150
Unrestricted	<u>48,696,666</u>	<u>52,166,581</u>	<u>55,275,292</u>	<u>27,769,217</u>
Total primary government net position	<u>\$ 220,469,374</u>	<u>\$ 230,619,745</u>	<u>\$ 188,801,214</u>	<u>\$ 193,294,206</u>

Notes:

This table was prepared using the accrual basis of accounting



Table 1

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 129,369,729	\$ 128,918,272	\$ 138,677,090	\$ 139,651,572	\$ 96,128,688	\$ 102,252,715
65,986,106	79,168,752	108,138,826	138,340,712	158,458,155	217,882,446
<u>(687,606)</u>	<u>(4,031,859)</u>	<u>(10,866,442)</u>	<u>(18,175,568)</u>	<u>(12,848,313)</u>	<u>(20,794,546)</u>
<u>194,668,229</u>	<u>204,055,165</u>	<u>235,949,474</u>	<u>259,816,716</u>	<u>241,738,530</u>	<u>299,340,615</u>
21,179,942	19,584,746	17,637,793	17,983,482	15,870,236	14,148,121
<u>(10,748,802)</u>	<u>(12,387,471)</u>	<u>(12,757,822)</u>	<u>(13,739,176)</u>	<u>(13,579,941)</u>	<u>(13,477,608)</u>
<u>10,431,140</u>	<u>7,197,275</u>	<u>4,879,971</u>	<u>4,244,306</u>	<u>2,290,295</u>	<u>670,513</u>
150,549,671	148,503,018	156,314,883	157,635,054	111,998,924	116,400,836
65,986,106	79,168,752	108,138,826	138,340,712	158,458,155	217,882,446
<u>(11,436,408)</u>	<u>(16,419,330)</u>	<u>(23,624,264)</u>	<u>(31,914,744)</u>	<u>(26,428,254)</u>	<u>(34,272,154)</u>
<u>\$ 205,099,369</u>	<u>\$ 211,252,440</u>	<u>\$ 240,829,445</u>	<u>\$ 264,061,022</u>	<u>\$ 244,028,825</u>	<u>\$ 300,011,128</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**CHANGE IN NET POSITION**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012
<b>Expenses</b>					
Governmental activities:					
Administration	\$ 315,318	\$ 829,800	\$ 235,326	\$ 243,282	\$ 238,928
Capital Development	348,251	236,893	129,934	176,607	367,052
Communications and Public Affairs	465,720	595,361	393,570	358,988	586,431
Finance	2,234,529	2,012,750	1,530,934	1,728,565	2,187,530
General Counsel	199,493	223,030	332,001	301,688	360,723
Human Resources	329,622	396,942	513,955	391,536	423,936
EEO/DBE	102,033	110,653	108,596	116,928	120,676
GoDurham	-	-	-	135,446	345,619
Board	113,444	117,698	92,158	90,319	95,254
FORTIFY	-	-	-	-	-
Transit services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Ridesharing	-	-	-	-	-
Loss on disposed or impaired assets	-	-	49,540,516	-	-
Total governmental activities expense	<u>4,108,410</u>	<u>4,523,127</u>	<u>52,876,990</u>	<u>3,543,359</u>	<u>4,726,149</u>
Business-type activities:					
Regional bus service	12,269,806	12,488,392	13,101,407	15,279,164	16,563,748
Ridesharing	1,593,350	2,176,232	2,311,215	2,263,733	2,300,277
Total business-type activities expense	<u>13,863,156</u>	<u>14,664,624</u>	<u>15,412,622</u>	<u>17,542,897</u>	<u>18,864,025</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>17,971,566</u>	<u>19,187,751</u>	<u>68,289,612</u>	<u>21,086,256</u>	<u>23,590,174</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for service	-	-	-	-	-
Operating grants and contributions:					
Capital development	668,400	781,628	729,999	525,022	1,248,868
Capital grants and contributions:					
Regional rail capital project	-	-	-	-	548,939
Regional bus capital project	6,875,099	5,333,009	3,339,498	442,775	5,924,422
Technology capital project	152,114	513,871	390,124	391,445	575,381
Total governmental activities revenue	<u>7,695,613</u>	<u>6,628,508</u>	<u>4,459,621</u>	<u>1,359,242</u>	<u>8,297,610</u>
Business-type activities:					
Regional bus service					
Charges for services	1,742,860	2,076,728	2,163,990	2,306,033	2,552,723
Grant revenue	3,260,857	2,936,168	3,335,158	3,810,893	4,776,360
Ridesharing					
Charges for services	12,500	3,801	1,000	-	-
Grant revenue	762,309	1,088,217	1,077,018	1,108,536	1,201,353
Total business-type activities revenues	<u>5,778,526</u>	<u>6,104,914</u>	<u>6,577,166</u>	<u>7,225,462</u>	<u>8,530,436</u>
<b>TOTAL PRIMARY GOVERNMENT REVENUES</b>	<u>13,474,139</u>	<u>12,733,422</u>	<u>11,036,787</u>	<u>8,584,704</u>	<u>16,828,046</u>
Net revenue (Expense)					
Governmental activities	3,587,203	2,105,361	(48,417,369)	(2,184,117)	3,571,461
Business-type activities	(8,084,630)	(7,731,528)	(8,835,456)	(10,317,435)	(10,333,589)
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<u>(4,497,427)</u>	<u>(5,626,167)</u>	<u>(57,252,825)</u>	<u>(12,501,552)</u>	<u>(6,762,128)</u>
General revenues and other changes in net position					
Governmental activities:					
Vehicle registration taxes	5,402,500	5,394,065	5,185,675	5,487,720	5,526,485
Special tax revenue	-	-	-	-	-
Vehicle rental taxes	9,215,237	8,167,689	7,429,882	8,386,658	8,682,107
Miscellaneous revenues	975,030	1,128,756	1,008,831	1,215,183	1,485,056
Unrestricted investment earnings	1,012,267	1,024,037	661,170	864,930	1,602,445
Transfers	(6,208,086)	(10,512,457)	(8,981,080)	(7,189,676)	(12,693,131)
Total governmental activities	<u>10,396,948</u>	<u>5,202,090</u>	<u>5,304,478</u>	<u>8,764,815</u>	<u>4,602,962</u>
Business-type activity:					
Miscellaneous	587,430	828,182	1,123,510	1,005,081	1,203,920
Unrestricted investment earnings	31,991	61,971	25,226	34,972	67,278
Transfers	6,208,086	10,512,457	8,981,080	7,189,676	12,693,131
Total business-type activities	<u>6,827,507</u>	<u>11,402,610</u>	<u>10,129,816</u>	<u>8,229,729</u>	<u>13,964,329</u>
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>	<u>17,224,455</u>	<u>16,604,700</u>	<u>15,434,294</u>	<u>16,994,544</u>	<u>18,567,291</u>
Change in net position					
Governmental activities	13,984,151	7,307,471	(43,112,891)	6,580,698	8,174,423
Business-type activity	(1,257,123)	2,842,900	1,294,360	(2,087,706)	3,630,740
Prior period adjustments	-	-	-	-	-
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<u>\$ 12,727,028</u>	<u>\$ 10,150,371</u>	<u>\$ (41,818,531)</u>	<u>\$ 4,492,992</u>	<u>\$ 11,805,163</u>

TABLE 2

	2013	2014	2015	2016	2017
\$	224,474	\$ 230,773	\$ 445,968	\$ 395,813	\$ 240,533
	80,869	206,471	4,378,573	3,135,490	2,215,088
	882,207	1,058,663	2,128,808	792,256	1,572,138
	3,320,881	4,633,963	2,742,430	3,593,377	3,537,718
	291,030	428,521	1,307,863	206,367	757,937
	418,166	428,364	487,517	603,459	595,683
	114,567	116,539	130,349	141,040	113,956
	484,200	669,303	695,624	934,349	795,369
	95,339	84,522	84,306	95,629	133,670
	-	662,597	2,010,101	2,578,066	2,195,690
	-	-	-	5,710,000	5,530,960
	-	-	-	-	614,678
	-	-	-	-	89,572
	-	-	9,513,160	49,796,737	-
	<u>5,911,733</u>	<u>8,519,716</u>	<u>23,924,699</u>	<u>67,982,583</u>	<u>18,392,992</u>
	17,196,139	18,084,542	19,629,795	19,582,301	19,809,386
	1,836,275	1,935,617	1,991,903	2,049,457	2,181,925
	<u>19,032,414</u>	<u>20,020,159</u>	<u>21,621,698</u>	<u>21,631,758</u>	<u>21,991,311</u>
	<u>24,944,147</u>	<u>28,539,875</u>	<u>45,546,397</u>	<u>89,614,341</u>	<u>40,384,302</u>
	-	-	-	-	1,066,222
	554,148	980,983	3,446,914	2,529,679	2,475,198
	927,651	1,071,944	751,906	1,023,625	723,751
	930,908	81,585	788,806	490,726	1,051,654
	86,452	66,474	203,994	135,004	99,000
	<u>2,499,159</u>	<u>2,200,986</u>	<u>5,191,620</u>	<u>4,179,034</u>	<u>5,415,825</u>
	2,682,390	2,714,489	2,790,366	2,479,761	4,953,704
	3,670,323	3,638,927	3,290,514	2,925,107	2,929,953
	-	1,000	-	-	-
	641,835	569,369	670,787	660,395	426,261
	<u>6,994,548</u>	<u>6,923,785</u>	<u>6,751,667</u>	<u>6,065,263</u>	<u>8,309,918</u>
	<u>9,493,707</u>	<u>9,124,771</u>	<u>11,943,287</u>	<u>10,244,297</u>	<u>13,725,743</u>
	(3,412,574)	(6,318,730)	(18,733,079)	(63,803,549)	(12,977,167)
	<u>(12,037,866)</u>	<u>(13,096,374)</u>	<u>(14,870,031)</u>	<u>(15,566,495)</u>	<u>(13,681,393)</u>
	<u>(15,450,440)</u>	<u>(19,415,104)</u>	<u>(33,603,110)</u>	<u>(79,370,044)</u>	<u>(26,658,560)</u>
	5,607,530	5,737,329	10,662,625	9,413,400	9,671,756
	4,700,299	28,516,774	30,561,753	31,536,121	54,179,262
	9,016,305	9,586,666	9,924,456	10,665,172	11,378,047
	2,959,061	3,232,682	2,625,210	3,327,995	2,155,082
	300,381	333,698	422,560	1,427,905	859,364
	<u>(9,102,995)</u>	<u>(9,194,110)</u>	<u>(11,596,283)</u>	<u>(10,645,230)</u>	<u>(10,905,887)</u>
	<u>13,480,581</u>	<u>38,213,039</u>	<u>42,600,321</u>	<u>45,725,363</u>	<u>67,337,624</u>
	1,389,271	1,572,129	2,577,715	2,942,154	1,427,356
	11,686	12,831	63,014	25,100	(105,885)
	9,102,995	9,194,110	11,596,283	10,645,230	10,905,887
	<u>10,503,952</u>	<u>10,779,070</u>	<u>14,237,012</u>	<u>13,612,484</u>	<u>12,227,358</u>
	<u>23,984,533</u>	<u>48,992,109</u>	<u>56,837,333</u>	<u>59,337,847</u>	<u>79,564,982</u>
	10,068,007	31,894,309	23,867,242	(18,078,186)	54,360,457
	<u>(1,533,914)</u>	<u>(2,317,304)</u>	<u>(633,019)</u>	<u>(1,954,011)</u>	<u>(1,454,035)</u>
	-	-	-	-	3,075,881
\$	<u>8,534,093</u>	<u>\$ 29,577,005</u>	<u>\$ 23,234,223</u>	<u>\$ (20,032,197)</u>	<u>\$ 55,982,303</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Nonspendable	\$ 180,781	\$ 917,874	\$ 861,341	\$ 1,608,794
Restricted	7,087,165	16,890,520	15,825,773	16,388,898
Unassigned	(9,163,473)	4,244,776	5,812,264	5,272,677
Total General Fund	<u>\$ (1,895,527)</u>	<u>\$ 22,053,170</u>	<u>\$ 22,499,378</u>	<u>\$ 23,270,369</u>
All other governmental funds				
Restricted - reserve by state statute	\$ 24,272,826	\$ 7,961,270	\$ 10,664,518	9,739,495
Restricted - enabling legislation	-	-	-	32,501,781
Unassigned	-	-	-	-
Capital projects fund	27,649,294	33,166,102	33,083,075	-
Total all other governmental funds	<u>\$ 51,922,120</u>	<u>\$ 41,127,372</u>	<u>\$ 43,747,593</u>	<u>\$ 42,241,276</u>

**Table 3**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,541,560	\$ 1,578,729	\$ 1,672,481	\$ 1,549,072	\$ 1,800,234	\$ 1,671,179
19,954,423	18,626,014	21,650,712	25,972,080	18,681,070	20,324,751
(1,092,077)	(4,880,300)	(11,658,559)	(18,482,290)	(13,663,617)	(20,842,811)
<u>\$ 20,403,906</u>	<u>\$ 15,324,443</u>	<u>\$ 11,664,634</u>	<u>\$ 9,038,862</u>	<u>\$ 6,817,687</u>	<u>\$ 1,153,119</u>
13,904,766	19,329,379	26,634,089	\$ 41,094,919	\$ -	\$ 69,922,702
31,630,153	41,098,509	59,854,025	71,273,713	139,777,085	127,634,993
-	-	(32,624)	(356,728)	(45,885)	(606,700)
-	-	-	-	-	-
<u>\$ 45,534,919</u>	<u>\$ 60,427,888</u>	<u>\$ 86,455,490</u>	<u>\$ 112,011,904</u>	<u>\$ 139,731,200</u>	<u>\$ 196,950,995</u>

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

<b>REVENUES</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Restricted intergovernmental revenues:				
NC Department of Transportation	\$ 1,099,260	\$ 1,798,021	\$ 577,331	\$ 201,738
Federal Transit Administration	6,596,353	4,830,487	3,865,552	1,157,504
Other revenue	380,542	432,442	217,414	386,569
Vehicle registration tax	5,402,500	5,394,065	5,185,675	5,487,720
Special tax revenue	-	-	-	-
Indirect cost credits	594,488	696,314	808,155	828,614
Rental vehicle tax	9,215,237	8,167,689	7,429,882	8,386,658
Investment income	1,012,267	1,024,037	661,170	864,930
Total revenues	<u>24,300,647</u>	<u>22,343,055</u>	<u>18,745,179</u>	<u>17,313,733</u>
<b>EXPENDITURES</b>				
Current:				
Governing board	113,444	117,698	92,158	90,319
Regional services	-	-	-	-
Human resources	329,622	396,942	418,567	391,536
Administration	315,318	829,800	241,372	243,282
Capital development	348,251	236,893	179,610	176,607
Equal employ. opport./disadv. busi. Enter	102,033	110,653	113,586	116,928
Finance	908,110	970,425	1,056,848	1,244,476
General counsel	199,493	223,030	336,943	301,688
Communications and public affairs	465,720	595,361	399,118	358,988
DATA/GoDurham	-	-	-	135,446
FORTIFY	-	-	-	-
Transit services	-	-	-	-
Capital outlay	11,264,066	5,011,941	3,859,468	7,800,113
Total expenditures	<u>14,046,057</u>	<u>8,492,743</u>	<u>6,697,670</u>	<u>10,859,383</u>
Excess of revenues over expenditure:	<u>10,254,590</u>	<u>13,850,312</u>	<u>12,047,509</u>	<u>6,454,350</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of land	-	-	-	-
Transfers from other funds	4,573,246	31,173,272	5,383,991	10,800,590
Transfers to other funds	(10,781,332)	(31,869,635)	(14,365,071)	(17,990,266)
Total other financing sources (uses)	<u>(6,208,086)</u>	<u>(696,363)</u>	<u>(8,981,080)</u>	<u>(7,189,676)</u>
Net change in fund balance	4,046,504	13,153,949	3,066,429	(735,326)
Fund balances-beginning	45,980,089	50,026,593	63,180,542	66,246,971
Prior period adjustment	-	-	-	-
Fund balances-ending	<u>\$ 50,026,593</u>	<u>\$ 63,180,542</u>	<u>\$ 66,246,971</u>	<u>\$ 65,511,645</u>

Table 4

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	1,081,999	\$ 273,562	\$ 297,032	\$ 748,813	\$ 605,838	\$ 607,457
	7,215,611	1,962,812	1,585,087	4,304,010	3,292,902	3,496,814
	488,633	2,290,074	2,495,399	1,770,486	2,904,313	2,173,533
	5,526,485	5,607,530	5,737,329	10,662,625	9,413,400	9,671,756
	-	4,700,299	28,516,774	30,561,753	31,536,121	54,179,262
	996,423	931,772	1,056,150	993,524	1,072,250	1,098,951
	8,682,107	9,016,305	9,586,666	9,924,456	10,665,172	11,378,047
	1,602,445	300,381	333,698	422,560	1,427,905	859,364
	<u>25,593,703</u>	<u>25,082,735</u>	<u>49,608,135</u>	<u>59,388,227</u>	<u>60,917,901</u>	<u>83,465,184</u>
	95,254	95,339	84,522	79,376	76,289	127,035
	-	-	-	-	-	89,572
	417,090	414,168	420,839	481,672	532,354	595,683
	227,160	212,179	207,070	431,683	455,097	224,981
	325,567	148,599	119,210	882,981	2,138,408	2,738,465
	116,490	113,083	103,090	125,894	124,459	113,956
	1,633,541	1,836,632	2,782,260	2,064,382	2,137,074	2,406,551
	344,592	285,655	454,961	1,314,534	482,388	757,937
	561,363	485,016	657,384	2,219,011	2,513,220	1,707,372
	311,070	876,172	958,996	691,853	820,649	795,369
	-	-	662,597	2,010,101	2,226,520	2,204,191
	-	-	1,236,447	3,325,255	5,710,000	5,530,960
	8,441,265	4,292,866	10,358,856	17,112,045	7,558,101	8,833,421
	<u>12,473,392</u>	<u>8,759,709</u>	<u>18,046,232</u>	<u>30,738,787</u>	<u>24,774,559</u>	<u>26,125,493</u>
	<u>13,120,311</u>	<u>16,323,026</u>	<u>31,561,903</u>	<u>28,649,440</u>	<u>36,143,342</u>	<u>57,339,691</u>
	-	3,274,548	-	3,076,624	-	1,879,804
	7,025,418	503,942	3,484,105	1,370,688	3,626,565	1,681,905
	(19,718,549)	(9,606,939)	(12,678,215)	(10,166,110)	(14,271,795)	(12,587,792)
	<u>(12,693,131)</u>	<u>(5,828,449)</u>	<u>(9,194,110)</u>	<u>(5,718,798)</u>	<u>(10,645,230)</u>	<u>(9,026,083)</u>
	427,180	10,494,577	22,367,793	22,930,642	25,498,112	48,313,608
	65,511,645	65,257,754	75,752,331	98,120,124	121,050,766	146,548,878
	-	-	-	-	-	3,241,628
\$	<u>65,938,825</u>	<u>\$ 75,752,331</u>	<u>\$ 98,120,124</u>	<u>\$ 121,050,766</u>	<u>\$ 146,548,878</u>	<u>\$ 198,104,114</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governing board	\$ 113,444	\$ 117,698	\$ 92,158	\$ 90,319
Regional Services	-	-	-	-
Human resources	329,622	396,942	418,567	391,536
Administration	315,318	829,800	241,372	243,282
Capital development	348,251	236,893	179,610	176,607
Equal employ. opport./disadv. bus. enter.	102,033	110,653	113,586	116,928
Finance	908,110	970,425	1,056,848	1,244,476
General counsel	199,493	223,030	336,943	301,688
Communications and public affairs	465,720	595,361	399,118	358,988
DATA/GoDurham	-	-	-	135,446
FORTIFY	-	-	-	-
Transit services	-	-	-	-
Capital outlay and debt payments	<u>11,264,066</u>	<u>5,011,941</u>	<u>3,859,468</u>	<u>7,800,113</u>
Totals	<u>\$ 14,046,057</u>	<u>\$ 8,492,743</u>	<u>\$ 6,697,670</u>	<u>\$ 10,859,383</u>



**Table 5**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 95,254	\$ 95,339	\$ 84,522	\$ 79,376	\$ 76,289	\$ 127,035
-	-	-	-	-	89,572
417,090	414,168	420,839	481,672	532,354	595,683
227,160	212,179	207,070	431,683	453,265	224,981
325,567	148,599	119,210	882,981	2,141,315	2,738,465
116,490	113,083	103,090	125,894	124,459	113,956
1,633,541	1,836,632	2,782,260	2,064,382	2,137,074	2,406,551
344,592	285,655	454,961	1,314,534	479,762	757,937
561,363	485,016	657,384	2,219,011	2,514,771	1,707,372
311,070	876,172	958,996	691,853	820,649	795,369
-	-	662,597	2,010,101	2,226,520	2,204,191
-	-	1,236,447	3,325,255	5,710,000	5,530,960
<u>8,441,265</u>	<u>4,292,866</u>	<u>10,358,856</u>	<u>17,112,045</u>	<u>7,558,101</u>	<u>8,833,421</u>
<u>\$ 12,473,392</u>	<u>\$ 8,759,709</u>	<u>\$ 18,046,232</u>	<u>\$ 30,738,787</u>	<u>\$ 24,774,559</u>	<u>\$ 26,125,493</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Vehicle registration taxes	\$ 5,402,500	\$ 5,394,065	\$ 5,185,675	\$ 5,487,720
Rental vehicle taxes	9,215,237	8,167,689	7,429,882	8,386,658
Special revenue taxes	-	-	-	-
Intergovernmental revenues:				
Federal Transit Administration	6,596,353	4,830,487	3,865,552	1,157,504
NC Department of Transportation	1,099,260	1,798,021	577,331	201,738
Indirect cost credits	594,488	696,314	808,155	828,614
Investment income	1,012,267	1,024,037	661,170	864,930
Other	380,542	432,442	217,414	386,569
Totals	<u>\$ 24,300,647</u>	<u>\$ 22,343,055</u>	<u>\$ 18,745,179</u>	<u>\$ 17,313,733</u>

**Table 6**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 5,526,485	\$ 5,607,530	\$ 5,737,329	\$ 10,662,625	\$ 9,413,400	\$ 9,671,756
8,682,107	9,016,305	9,586,666	9,924,456	10,665,172	11,378,047
-	4,700,299	28,516,774	30,561,753	31,536,121	54,179,262
7,215,611	1,962,812	1,585,087	4,304,010	3,292,902	3,496,814
1,081,999	273,562	297,032	748,813	605,838	607,457
996,423	931,772	1,056,150	993,524	1,072,250	1,098,951
1,602,445	300,381	333,698	422,560	1,427,905	859,364
488,633	2,290,074	2,495,399	1,770,486	2,904,313	2,173,533
<u>\$ 25,593,703</u>	<u>\$ 25,082,735</u>	<u>\$ 49,608,135</u>	<u>\$ 59,388,227</u>	<u>\$ 60,917,901</u>	<u>\$ 83,465,184</u>

**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		
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-

Note:  
The table is included for full and complete disclosure.  
See Management's Discussion and Analysis and the Letter of Transmittal for progress information on projects which are expected to require debt issuance.

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

**Table 8**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governing board	-	-	-	-	-	-	-	-	1	1
General counsel	1	2	2	2	2	2	3	4	3	6
Communications and public affairs	4	4	4	4	8	9	10	11	11	15
Finance	8	8	9	10	10	16	13	14	13	14
Human resources	3	3	3	4	4	3	4	4	4	4
Administration	2	2	2	2	2	2	2	2	2	2
EEO/DBE	1	1	1	1	1	1	1	1	1	1
Capital development	7	8	8	8	8	9	13	13	20	27
Regional bus	115	130	114	125	126	152	167	177	174	173
Ridesharing	16	23	18	22	22	25	23	34	33	22
<b>Totals</b>	<u>157</u>	<u>181</u>	<u>161</u>	<u>178</u>	<u>183</u>	<u>219</u>	<u>236</u>	<u>260</u>	<u>262</u>	<u>265</u>

**This table indicates the number of the Authority's authorized positions by department at the end of the fiscal year.**

**Source: Authority Human Resources**

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

	2008	2009	2010	2011	2012
Services consumed:					
Fare paid boardings	941,792	1,124,665	1,091,626	1,287,157	1,578,598
Transfers	-	-	-	-	-
Total passengers	<u>941,792</u>	<u>1,124,665</u>	<u>1,091,626</u>	<u>1,287,157</u>	<u>1,578,598</u>
Services supplied:					
Regular route revenue miles	1,997,401	2,212,783	2,289,150	2,286,433	2,205,018
Paratransit miles	-	-	-	-	-
Deadhead, training and maintenance miles	610,923	569,922	382,393	395,714	520,888
Total miles driven	<u>2,608,324</u>	<u>2,782,705</u>	<u>2,671,543</u>	<u>2,682,147</u>	<u>2,725,906</u>
Regular route revenue hours	92,212	100,532	102,882	109,103	107,738
Paratransit miles	-	-	-	-	-
Deadhead, training and maintenance hours	29,005	na	na	20,151	21,793
Total bus hours	<u>121,217</u>	<u>100,532</u>	<u>102,882</u>	<u>129,254</u>	<u>129,531</u>
Vanpools in operation at year end:	<u>70</u>	<u>78</u>	<u>72</u>	<u>68</u>	<u>66</u>

CAPITAL ASSETS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

FUNCTION/PROGRAM	2008	2009	2010	2011	2012
Business-type activities:					
39 - Passenger buses	-	-	-	-	-
37 - Passenger buses	67	19	12	12	-
36 - Passenger buses	-	12	20	20	36
30 - Passenger buses	-	23	23	23	23
26 - Passenger buses	19	-	-	-	-
16 - Passenger buses	-	5	5	5	5
15 - Passenger vans	86	49	43	53	28
12 - Passenger handicap accessible van	7	23	34	10	40
7 - Passenger vans	-	7	10	4	16
7 - Passenger handicap accessible van	-	-	-	-	-
8 - Passenger vans	-	-	-	-	-
10 - Passenger handicap accessible van	-	6	9	-	7
8 - Passenger accessible vans	-	-	-	-	6
16 - Passenger handicap accessible vans	-	-	-	-	-
Service truck	2	2	3	3	4
Supervisor vehicles	2	2	2	2	2
Total Vehicles	<u>183</u>	<u>148</u>	<u>161</u>	<u>132</u>	<u>167</u>

Source: Information provided by Authority Bus Operations.

**Table 9**

2013	2014	2015	2016	2017
1,769,200	1,822,853	1,843,735	1,784,408	1,662,758
-	-	-	-	-
<u>1,769,200</u>	<u>1,822,853</u>	<u>1,843,735</u>	<u>1,784,408</u>	<u>1,662,758</u>
2,242,560	2,383,071	2,630,942	2,819,804	2,831,146
680,659	719,696	805,479	868,384	505,190
<u>2,923,219</u>	<u>3,102,767</u>	<u>3,436,421</u>	<u>3,688,188</u>	<u>3,641,727</u>
109,576	115,369	128,510	137,348	140,448
21,860	22,912	25,791	27,811	23,686
<u>131,436</u>	<u>138,281</u>	<u>154,301</u>	<u>165,159</u>	<u>28,131</u>
<u>66</u>	<u>66</u>	<u>60</u>	<u>54</u>	<u>52</u>

**Table 10**

2013	2014	2015	2016	2017
-	-	-	-	-
-	-	-	6	6
36	36	42	36	36
23	23	30	20	20
-	-	-	-	-
5	5	5	5	5
12	3	2	2	2
47	47	58	55	55
14	14	16	14	14
-	-	-	3	3
-	-	-	2	2
14	16	15	7	12
2	2	-	1	1
-	-	-	6	6
4	4	4	4	4
3	2	2	4	4
<u>160</u>	<u>152</u>	<u>174</u>	<u>165</u>	<u>170</u>

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**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
INSURANCE IN FORCE  
JULY 1, 2017 - JUNE 30, 2018**

**Table 11**

	Limits
<u>Real and Personal Property</u>	
Real Property limits	\$ 17,895,116
Personal Property	4,819,146
Inland Marine	4,599,963
 <u>Commercial General Liability</u>	
General Liability Each Occurrence/General Aggregate	5,000,000
 <u>Automobile Liability</u>	
Each Occurrence	5,000,000
Owned & Nonowned Auto Physical Damage	
Comprehensive - \$10,000 Deductible for Buses/\$1,000 All Others	
Collision - \$10,000 Deductible for Buses/\$1,000 All Others	
Uninsured Motorist Liability	85,000
 Excess Liability (over General Liability and Auto Liability)	
Each Occurrence	5,000,000
Aggregate	5,000,000
 <u>Excess Liability (over General Liability and Auto Liability &amp; Employer's Liability)</u>	
Each Occurrence	10,000,000
Aggregate	10,000,000
 <u>Workers' Compensation</u>	Statutory
 <u>Employer's Liability</u>	
Bodily Injury by Each Accident	1,000,000
Bodily Injury by Disease/Each Employee	1,000,000
Bodily Injury by Disease/Aggregate Limit	1,000,000
 <u>Public Officials</u>	5,000,000
 <u>Employee Dishonesty</u>	50,000

# DURHAM COUNTY, NORTH CAROLINA

Table 12-Durham

## Demographic and Economic Statistics Last Ten Years

Year	Population Estimates <sup>1</sup>	Personal Income <sup>2</sup> (thousands of dollars)	Per Capita Personal Income <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2008	261,206	\$ 10,204,867	\$ 38,923	32,749	5.5%
2009	265,670	10,435,368	39,383	32,854	8.0%
2010	267,849	10,190,008	38,795	32,551	7.8%
2011	271,238	10,567,605	38,654	32,566	8.4%
2012	275,960	11,454,941	40,963	32,671	8.2%
2013	277,588	11,921,155	41,376	32,484	7.6%
2014	284,437	12,611,613	42,830	33,296	5.3%
2015	290,874	13,394,612	44,507	33,626	5.4%
2016	293,647	*	*	33,144	4.7%
2017	301,243	*	*	32,907	3.8%

\* Information not yet available

- (1) The 2009-2017 estimates are from the Durham City/County Planning Department. 2005-2008 estimates are provided by the North Carolina Department of Administration, Division of Management and Budget, Research and Planning Service.
- (2) All personal income data is estimates for the calendar year ended in each fiscal year are provided by Bureau of Analysis.
- (3) All per capita income data is for the calendar year ended in each fiscal year. 2008-2015 is actual per capita income provided by Bureau of Economic Analysis, last update November 17, 2016.
- (4) Durham County Public Schools, 2008-2017 Final Average Daily Membership.
- (5) North Carolina Employment Security Commission.

Information provided by the Durham County Finance Department

**DURHAM COUNTY, NORTH CAROLINA**

**Principal Employers  
Current Year and Nine Years Ago**

Table 13-Durham

Employer	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	35,998	1	18.24%	26,324	1	19.38%
International Business Machines (IBM)	7,000	2	3.55%	11,527	2	8.48%
Durham Public Schools	4,600	3	2.33%	5,076	4	3.74%
GlaxoSmithKline	2,400	9	1.22%	5,179	3	3.81%
Blue Cross Blue Shield of North Carolina	4,000	4	2.03%			
Durham City Government	2,466	8	1.25%	2,202	7	1.62%
Cree, Inc.	2,600	7	1.32%			
Fidelity Investments	3,700	5	1.88%			
Quintiles Transnational Corp.	3,000	6	1.52%			
Lenovo Group, Ltd.				2,300	6	1.69%
Veterans Affairs (VA) Medical Center				2,086	8	1.54%
NORTEL Networks				2,600	5	1.91%
Research Triangle Institute(RTI)	2,200	10	1.11%	2,003	9	1.47%
Durham County Government				1,774	10	1.31%
	<u>67,964</u>		<u>34.45%</u>	<u>61,071</u>		<u>44.96%</u>

Source: Durham Chamber of Commerce and Bureau of Labor Statistics

Information provided by the Durham County Finance Department

ORANGE COUNTY, NORTH CAROLINA

Table 12-Orange

Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)

Year	Population (1)	Personal Income (2) (Thousands of Dollars)	Per Capita Personal Income (2)	Median Age	Public Schools Enrollment (3)	Unemployment Rate (4)	Number of Building Permits Performed (5)
2008	127,344	\$ 5,450,187	35,229	32.15	18,530	3.2%	1,965
2009	131,123	5,976,341	35,084	33.20	18,898	6.3%	1,573
2010	132,386	6,186,351	47,063	33.00	18,696	6.6%	1,215
2011	133,801	6,268,886	47,925	33.10	18,990	6.5%	1,962
2012	138,550	6,608,945	46,713	33.00	19,549	6.5%	1,640
2013	138,330	7,131,776	48,683	33.49	19,757	6.2%	1,769
2014	139,694	7,345,876	51,702	33.49	20,051	5.7%	1,791
2015	141,596	7,557,466	52,339	34.57	20,202	4.8%	1,852
2016	141,704	7,822,229	52,989	35.05	20,040	4.4%	3,026
2017	<b>143,264 *</b>		<b>55,338</b>	<b>35.05</b>	<b>19,959</b>	<b>0.46%</b>	

\*Information not yet available.

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year.
- (3) Orange County Finance and Administrative Services budget student numbers
- (4) N.C. Employment Security Commission, Annual Average for prior calendar year.
- (5) Total number of building permits issued Orange County Inspections Department.  
Includes inspections by municipalities.

Information provided by the Orange County Finance Department

**ORANGE COUNTY, NORTH CAROLINA**

**Table 13-Orange**

**Principal Employers  
Current Year and Ten Years Ago  
(Unaudited)**

<b>Employer</b>	<b>2017</b>			<b>2008</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
UNC-Health Care	13,175	1	18.24%	7,644	2	11.29%
UNC Chapel Hill	12,411	2	17.18%	17,243	1	25.46%
Chapel Hill-Carrboro City Schools	2,043	3	2.82%	2,311	3	3.41%
Orange County Schools	1,311	4	1.82%	1,031	5	1.53%
Orange County Government	1,115	5	1.54%	970	6	1.43%
Town of Chapel Hill	903	6	1.25%	884	7	1.31%
General Electric	521	7	0.72%	501	10	0.74%
UNC Physicians Network LLC	475	8	0.65%			
Sports Endeavors INC DBA Eurosport	416	9	0.57%			
Aramark Services	379	10	0.52%			
Blue Cross Blue Shield				1,596	4	2.36%
HRR Prime LLC				662	8	0.98%
Harris Teeter, Inc				543	9	0.80%

Source: Orange County Economic Development Commission, Employment Security Commission

Information provided by the Orange County Finance Department

**RESEARCH TRIANGLE REGIONAL PUBLIC  
TRANSPORTATION AUTHORITY**

**For Wake, Durham and Orange Counties  
Principal Auto Rental Agencies  
For the Current Fiscal Year and Earliest Available Fiscal Year**

Table 14

Vendors	2017			2014		
	Vehicle Rental Tax	Rank	Percentage of Total Sales	Vehicle Rental Tax	Rank	Percentage of Total Sales
Enterprise Rent a Car	\$ 6,144,540	1	54.03%	\$ 4,548,059	1	47.44%
Hertz Corporation	1,913,588	2	16.83%	1,826,887	2	19.06%
Avis Rent a Car System	1,067,957	3	9.39%	1,056,760	3	11.02%
Budget Rent a Car	761,956	4	6.70%	739,793	4	7.72%
DTG Operations, Inc.	539,524	5	4.74%	548,735	5	5.72%
U-Haul	310,221	6	2.73%	216,800	7	2.26%
Payless Car Rental, Inc.	111,789	7	0.98%	-	-	0.00%
Advantage Rent A Car	103,435	8	0.91%	11,591	12	0.12%
E-Z Rent A Car LLC	50,714	9	0.45%	-	-	0.00%
Capital Ford	40,945	10	0.36%	-	-	0.00%
University Ford Isuzu	27,545	11	0.24%	23,913	9	0.25%
Fred Anderson Toyota	21,917	12	0.19%	12,045	11	0.13%
Simply Wheelz. LLC	-	-	0.00%	91,672	8	0.96%
ZipCar, Inc	-	-	0.00%	13,338	10	0.14%
Triangle Rent a Car	-	-	0.00%	272,433	6	2.84%
Other	<u>277,886</u>	N/A	<u>2.45%</u>	<u>224,640</u>	N/A	<u>2.34%</u>
<b>Total</b>	<b><u>\$ 11,372,017</u></b>		<b><u>100.00%</u></b>	<b><u>\$ 9,586,666</u></b>		<b><u>100.00%</u></b>

Notes: The 1997 session of the General Assembly enacted legislation permitting a regional public transportation authority to levy a 5% tax on motor vehicle rental receipts in its multi-county service area. Following a public hearing, a tax levy of 5% 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. Triangle Transit began collection of the tax on January 1, 1998.

Information by agency for nine years ago not available.

# COMPLIANCE SECTION





**Report of Independent Auditor 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***

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

We have audited, 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, the 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, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 16, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that are less than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a significant deficiency and item 2017-002 to be a material weakness.

**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, grant agreements, and 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Authority's Response to Findings**

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Raleigh, North Carolina  
November 16, 2017

## **Report of Independent Auditor on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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

### **Report on Compliance for Each Major Federal Program**

We have audited the Research Triangle Regional Public Transportation Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2017. 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.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Raleigh, North Carolina  
November 16, 2017

**Report of Independent Auditor on Compliance with Requirements Applicable to each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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

**Report on Compliance for Each Major State Program**

We have audited the Research Triangle Regional Public Transportation Authority's (the "Authority"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major state programs based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion on Each Major State Program**

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

## Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Raleigh, North Carolina  
November 16, 2017

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to federal awards?  yes  no

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with *Title 2 U.S. Code of Federal Regulations 200.515(d)(2)* of the Uniform Guidance?  yes  no

Identification of major federal programs:

**CFDA Number**  
20.205-CL

**Name of Federal Program or Cluster**  
Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000

Auditee qualified as low-risk auditee?  yes  no

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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**Section I – Summary of Auditor’s Results (continued)**

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to state awards? \_\_\_\_\_ yes  X  no

Type of auditor’s report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? \_\_\_\_\_ yes  X  no

Identification of major state programs:

**Names of State Program or Cluster**

State Maintenance Assistance Program

**Section II – Findings Related to the Audit of the Basic  
Financial Statements of the Authority**

**Financial Statement Findings**

**Finding 2017-001**

Significant Deficiency:

Criteria: The Finance Department is responsible for accurately recording journal entries, estimating accruals, and reconciling subledger accounts and supporting schedules to the general ledger.

Condition: Through our auditing procedures, instances were identified where subledgers and supporting schedules did not agree to the general ledger, proper cutoff of accounting period was not adhered to, and accruals were not properly recorded.

Context: Accounts receivable subledger did not agree to the general ledger, payroll accrual was not calculated correctly, and various revenue amounts were recorded in the incorrect period.

Effect: Several subledgers did not agree to the general ledger and accruals were not recorded correctly.

Cause: Lack of oversight and review.

Recommendation: We recommend the Authority (i) review their policies and internal control structure as it relates to financial reporting and (ii) review written guidelines and procedures for monthly, quarterly, and year-end tasks.

View of responsible officials: Management agrees with finding.



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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**Section III – Findings Related to the Audit of the Federal  
Programs of the Authority**

**Finding 2017-002**

Material Weakness

Criteria: The Finance Department is responsible for properly recorded disposals to capital assets in the correct period.

Condition: Through our auditing procedures, it was noted that a business-type disposal of 3 buses was incorrectly recorded in fiscal year 2017 instead of fiscal year 2016.

Context: Disposal was incorrectly recorded in the current year when it should have been posted in the prior year.

Effect: Capital assets were incorrectly recorded during 2017.

Cause: As disposal happened near year-end, proper cutoff was not adhered to and the transaction was recorded in the incorrect period.

Recommendation: We recommend the Authority perform proper cutoff procedures over capital assets activity.

View of responsible officials: Management agrees with finding.

**Federal Award Findings and Questioned Costs**

None noted.

**Section IV – Findings Related to the Audit of the State  
Programs of the Authority**

**State Award Findings and Questioned Costs**

None noted.

## SCHEDULE OF CORRECTIVE ACTION PLANS

### Section I – Financial Statement Finding

#### Finding 2017-001

Name of contact person: Sandra Freeman, Director of Finance and Administrative Services.

Corrective Action: The Senior Accountant will work with the Assistant Finance Director to ensure the proper monthly accounting and closing of monthly activity. The Assistant Finance Director will sign upon completion of all applicable tasks. The emphasis for the monthly Finance Department meeting will be on task status and what may remain undone.

Proposed completion date: November 30, 2017.

#### Finding 2017-002

Name of contact person: Sandra Freeman, Director of Finance and Administrative Services.

Corrective Action: The Senior Accountant will work with the Assistant Finance Director to ensure the proper monthly accounting and closing of monthly activity. The Assistant Finance Director will sign upon completion of all applicable tasks. The emphasis for the monthly Finance Department meeting will be on task status and what may remain undone.

Proposed completion date: November 30, 2017.

### Section II – Federal Award Findings and Questioned Costs

There are no findings that require action.

### Section III – State Award Findings and Questioned Costs

There are no findings that require action.



**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2017*

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**Section I – Schedule of Prior Year Audit Findings**

**Finding 2016-001**

Status: Uncorrected. See Finding 2017-001.

Research Triangle Regional Public Transportation Authority  
Schedule of Expenditures of Federal and State Awards  
For the Fiscal Year Ended  
June 30, 2017  
Final

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Grant Number	Current Year Expenditures			
				Total	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Grants:</b>							
<u>Direct Programs:</u>							
<u>U.S. Department of Transportation</u>							
<u>Federal Transit Cluster</u>							
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2017-064	\$ 1,359,607	\$ 1,087,686	\$ -	\$ 271,921
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507/DOT-19	36231.5.11.4	NC-2017-028	269,000	215,200	26,900	26,900
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2016-027	155,988	124,789	-	31,199
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-90-X589	1,900	1,520	-	380
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-90-X566	2,220	1,776	-	444
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-95-X056	42,635	34,108	-	8,527
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-95-X027	191,050	152,840	-	38,210
Federal Transit-Capital Investment Grants	20.500		NC-2016-008	811,608	608,706	-	202,902
Total Federal Transit Cluster				2,834,008	2,226,625	26,900	580,483
<u>Passed through the City of Raleigh:</u>							
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513/DOT-19	51001.21.2.3	NC-16-X013	44,896	35,917	4,490	4,489
Total Transit Services Program Cluster				44,896	35,917	4,490	4,489
Bus and Bus Facilities Formula Program	20.526		NC-34-0005	138,063	110,450	11,582	16,031
<u>Passed through the City of Durham:</u>							
Bus and Bus Facilities Formula Program	20.526		NC-34-0006	50,379	34,270	10,691	5,418
<u>Passed through the North Carolina Department of Transportation:</u>							
<u>Highway Planning and Construction Cluster</u>							
National Highway Performance Program	20.205/DOT-18	46157.3.FS3	1-5338CA	2,076,084	1,660,867	415,217	-
National Highway Performance Program	20.205/DOT-18	46157.3.FS4	1-5338CB	142,756	114,205	28,551	-
CMAQ (FHWA) -Implementation Program	20.205	50061.3.4	17-CQ-118	9,280	7,423	926	931
Total Highway Planning and Construction Cluster				2,228,120	1,782,495	444,694	931
<b>Total Federal assistance:</b>				<u>5,295,466</u>	<u>4,189,757</u>	<u>498,357</u>	<u>607,352</u>
<b>State Grants:</b>							
<u>Direct Programs:</u>							
<u>North Carolina Department of Transportation</u>							
State Maintenance Assistance Program	DOT-9	36234.73.15.2	17-SM-016	18,438,392	-	2,164,167	16,274,225
Technology Program	DOT-10	36235.7.9.8	17-AT-118	110,000	-	99,000	11,000
<u>Passed through the Triangle J Council of Governments:</u>							
Transit Development Program	DOT-11		TDMTTA17	999,364	-	743,508	255,856
<b>Total State assistance:</b>				<u>19,547,756</u>	<u>-</u>	<u>3,006,675</u>	<u>16,541,081</u>
<b>Total Assistance:</b>				<b>\$ 24,843,222</b>	<b>\$ 4,189,757</b>	<b>\$ 3,505,032</b>	<b>\$ 17,148,433</b>

**Note 1 -- Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Research Triangle Regional Public Transportation Authority under the programs of the federal government and the State of North Carolina for the fiscal year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Research Triangle Regional Public Transportation Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Research Triangle Regional Public Transportation Authority.

**Note 2 -- Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Research Triangle Regional Public Transportation Authority has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.