

HILLSBOROUGH TRANSIT AUTHORITY

TAMPA, FLORIDA

FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION

SEPTEMBER 30, 1982

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Board of Directors  
Hillsborough Transit Authority  
Tampa, Florida

We have examined the combined financial statements of the Hillsborough Transit Authority and its combining and individual fund statements as of and for the year ended September 30, 1982, as listed in the table of contents, including Federal operating funds of \$2,079,432 and \$8,000 awarded under sections five and eight, respectively, of the Urban Mass Transportation Act of 1964, as amended. Our examination was made in accordance with the General Accounting Office Standards for Audits of Governmental Organizations, Programs, Activities, & Functions, the Guidelines for Financial and Compliance Audits of Federally Assisted Programs, as supplemented, and generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combining and individual fund financial statements referred to above present fairly the financial position of the individual funds of the Hillsborough Transit Authority as of September 30, 1982, and the results of its operations and changes in its fund balances for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

The column on the accompanying financial statements captioned "Totals -- Memorandum Only" is not necessary for a fair presentation of the financial statements, but is presented as additional analytical data.

*Pender, McNulty & Newkirk*

Certified Public Accountants  
November 15, 1982

HILLSBOROUGH TRANSIT AUTHORITY  
COMBINED BALANCE SHEETS  
SEPTEMBER 30, 1982

	Governmental Fund Types		Account Groups		Totals	
	General Fund	Capital Project Funds	General Fixed Assets	General Long-Term Debt	(Memorandum Only) September 30,	
					1982	1981
<u>ASSETS</u>						
Cash	\$ 558,295	\$160,944			\$ 719,239	\$ 202,213
Accounts receivable:						
Trade	90,651				90,651	62,446
United States Government	188,681	33,949			222,630	19,201
State of Florida		22,143			22,143	2,767
Ad valorem taxes	35,665				35,665	
Employee	250				250	285
Due from Capital Projects Fund						1,836
Inventory	242,583				242,583	179,744
Prepaid expenses	8,474				8,474	45,730
Investment in property and equipment			\$10,667,854		10,667,854	3,183,604
Amount to be provided for repayment of City of Tampa debt				\$1,219,062	1,219,062	1,227,194
	<u>\$1,124,599</u>	<u>\$217,036</u>	<u>\$10,667,854</u>	<u>\$1,219,062</u>	<u>\$13,228,551</u>	<u>\$4,925,020</u>
<u>LIABILITIES AND FUND EQUITY</u>						
<u>LIABILITIES</u>						
Accounts payable:						
Trade	\$ 200,412	\$ 34,961			\$ 235,373	\$ 92,344
United States Government	12,173				12,173	931
Accrued expenses and other current liabilities:						
Salaries and wages	197,731				197,731	130,631
Payroll taxes and amounts withheld from employees	50,987				50,987	32,616
Pension and retirement	54,178				54,178	31,498
Other	32,479				32,479	40,459
Due to General Fund						1,836
Note payable						348,619
Due to City of Tampa				\$1,219,062	1,219,062	1,227,194
Total liabilities	<u>547,960</u>	<u>34,961</u>		<u>1,219,062</u>	<u>1,801,983</u>	<u>1,906,128</u>
<u>FUND EQUITY</u>						
Investment in general fixed assets:						
General Fund revenues			\$ 47,365		47,365	37,631
City grants			3,106,653		3,106,653	3,120,077
County grants			997		997	997
Federal grants			6,009,155		6,009,155	22,132
State grants			751,145		751,145	2,767
Ad valorem taxes			752,539		752,539	
Fund balances:						
Reserved for inventory	242,583				242,583	179,744
Undesignated	334,056	182,075			516,131	(344,456)
Total fund equity	<u>576,639</u>	<u>182,075</u>	<u>10,667,854</u>		<u>11,426,568</u>	<u>3,018,892</u>
	<u>\$1,124,599</u>	<u>\$217,036</u>	<u>\$10,667,854</u>	<u>\$1,219,062</u>	<u>\$13,228,551</u>	<u>\$4,925,020</u>

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

HILLSBOROUGH TRANSIT AUTHORITY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE -- GENERAL AND CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1982

	General Fund	Capital Project Funds	Totals (Memorandum Only)	
			September 30, 1982	1981
<b>REVENUES</b>				
Passenger fares	\$1,999,425		\$ 1,999,425	\$1,773,208
Charter services	133,388		133,388	133,863
Intergovernmental:				
United States Government	2,095,602	\$6,009,155	8,104,757	1,425,110
State of Florida	35,926	751,144	787,070	11,604
Hillsborough County, Florida				407,000
City of Tampa, Florida				687,000
Ad valorem taxes	3,842,223		3,842,223	
Other	197,832	1,395	199,227	88,946
	<u>8,304,396</u>	<u>6,761,694</u>	<u>15,066,090</u>	<u>4,526,731</u>
<b>EXPENDITURES</b>				
Wages	3,227,416		3,227,416	2,416,264
Payroll taxes and employee benefits	911,342		911,342	688,605
Materials and supplies	569,458		569,458	304,094
Fuel and lubricants	1,099,073		1,099,073	901,175
General insurance	342,511		342,511	212,870
Professional services	209,793		209,793	132,036
Utilities	40,170		40,170	32,569
Taxes and licenses	53,572		53,572	38,503
Rentals	28,003		28,003	11,732
Interest	31,423		31,423	16,709
Capital expenditures		7,512,839	7,512,839	
Other	138,665		138,665	72,875
	<u>6,651,426</u>	<u>7,512,839</u>	<u>14,164,265</u>	<u>4,827,432</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,652,970</u>	<u>(751,145)</u>	<u>901,825</u>	<u>(300,701)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,767	933,220	935,987	2,767
Transfers out	(965,052)		(965,052)	(2,767)
Adjustment to prior year grant revenues	(12,173)		(12,173)	
Proceeds (repayment) of note payable	(348,619)		(348,619)	348,619
	<u>(1,323,077)</u>	<u>933,220</u>	<u>(389,857)</u>	<u>348,619</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>329,893</u>	<u>182,075</u>	<u>511,968</u>	<u>47,918</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>(164,712)</u>		<u>(164,712)</u>	<u>142,910</u>
<b>INCREASE (DECREASE) IN RESERVE FOR INVENTORY</b>	<u>62,839</u>		<u>62,839</u>	<u>(6,921)</u>
<b>TRANSFER FROM (TO) NOTE PAYABLE</b>	<u>348,619</u>		<u>348,619</u>	<u>(348,619)</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 576,639</u>	<u>\$ 182,075</u>	<u>\$ 758,714</u>	<u>\$ (164,712)</u>

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

HILLSBOROUGH TRANSIT AUTHORITY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE -- BUDGET AND ACTUAL -- GENERAL AND  
 CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1982

	General Fund			Capital Project Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Passenger fares	\$2,187,108	\$1,999,425	\$(187,683)			
Charter services	159,000	133,388	(25,612)			
Intergovernmental:						
United States Government	2,062,239	2,095,602	33,363	\$7,585,760	\$6,009,155	\$(1,576,605)
State of Florida	43,200	35,926	(7,274)	948,220	751,144	(197,076)
Ad valorem taxes	3,931,201	3,842,223	(88,978)			
Other	173,750	197,832	24,082	1,395	1,395	
	<u>8,556,498</u>	<u>8,304,396</u>	<u>(252,102)</u>	<u>8,535,375</u>	<u>6,761,694</u>	<u>(1,773,681)</u>
<b>EXPENDITURES</b>						
Wages	3,253,597	3,227,416	26,181			
Payroll taxes and employee benefits	928,958	911,342	17,616			
Materials and supplies	523,855	569,458	(45,603)			
Fuel and lubricants	1,225,584	1,099,073	126,511			
General insurance	366,845	342,511	24,334			
Professional services	213,920	209,793	4,127			
Utilities	42,227	40,170	2,057			
Taxes and licenses	57,663	53,572	4,091			
Rentals	32,010	28,003	4,007			
Interest	31,700	31,423	277			
Capital reserve	420,771		420,771			
Capital expenditures				9,468,595	7,512,839	1,955,756
Other	177,529	138,665	38,864			
	<u>7,274,659</u>	<u>6,651,426</u>	<u>623,233</u>	<u>9,468,595</u>	<u>7,512,839</u>	<u>1,955,756</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,281,839</u>	<u>1,652,970</u>	<u>371,131</u>	<u>(933,220)</u>	<u>(751,145)</u>	<u>182,075</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in		2,767	2,767	933,220	933,220	
Transfers out	(933,220)	(965,052)	(31,832)			
Adjustment to prior year grant revenues		(12,173)	(12,173)			
Repayment of note payable	(348,619)	(348,619)				
	<u>(1,281,839)</u>	<u>(1,323,077)</u>	<u>(41,238)</u>	<u>933,220</u>	<u>933,220</u>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>		329,893	329,893		182,075	182,075
<b>FUND BALANCE, BEGINNING OF YEAR</b>		(164,712)				
<b>INCREASE IN RESERVE FOR INVENTORY</b>		62,839				
<b>TRANSFER FROM SHORT-TERM DEBT</b>		348,619				
<b>FUND BALANCE, END OF YEAR</b>	<u>\$</u>	<u>\$ 576,639</u>	<u>\$ 329,893</u>	<u>\$</u>	<u>\$ 182,075</u>	<u>\$ 182,075</u>

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

HILLSBOROUGH TRANSIT AUTHORITY  
COMBINING BALANCE SHEETS -- CAPITAL PROJECT FUNDS  
SEPTEMBER 30, 1982

	<u>Bus</u>	<u>Maintenance Facility</u>	<u>Totals</u>	
			<u>September 30, 1982</u>	<u>1981</u>
<u>ASSETS</u>				
Cash	\$ 6,610	\$154,334	\$160,944	
Accounts receivable:				
United States Government	6,335	27,614	33,949	
State of Florida	<u>2,212</u>	<u>19,431</u>	<u>22,143</u>	<u>\$2,767</u>
	<u>\$15,157</u>	<u>\$201,379</u>	<u>\$217,036</u>	<u>\$2,767</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable:				
Trade	\$ 3,660	\$ 31,301	\$ 34,961	
United States Government				\$ 931
Due to General Fund	_____	_____	_____	<u>1,836</u>
Total liabilities	<u>3,660</u>	<u>31,301</u>	<u>34,961</u>	<u>2,767</u>
<u>FUND EQUITY</u>				
Fund balance, undesignated	<u>11,497</u>	<u>170,578</u>	<u>182,075</u>	_____
Total fund equity	<u>11,497</u>	<u>170,578</u>	<u>182,075</u>	_____
	<u>\$15,157</u>	<u>\$201,879</u>	<u>\$217,036</u>	<u>\$2,767</u>

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

HILLSBOROUGH TRANSIT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE -- CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 1982

	<u>Bus</u>	<u>Maintenance Facility</u>	<u>Totals</u>	
			<u>September 30, 1982</u>	<u>1981</u>
 <u>REVENUES</u>				
Intergovernmental:				
United States				
Government	\$5,317,707	\$691,448	\$6,009,155	\$22,132
State of Florida	664,713	86,431	751,144	2,767
Other	<u>1,395</u>	<u>          </u>	<u>1,395</u>	<u>1,394</u>
	<u>5,983,815</u>	<u>777,879</u>	<u>6,761,694</u>	<u>26,293</u>
 <u>EXPENDITURES</u>				
Capital expenditures	<u>6,648,528</u>	<u>864,311</u>	<u>7,512,839</u>	<u>29,060</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>				
	(664,713)	(86,432)	(751,145)	(2,767)
 <u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>676,210</u>	<u>257,010</u>	<u>933,220</u>	<u>2,767</u>
 <u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</u>				
	11,497	170,578	182,075	
 <u>FUND BALANCE, BEGINNING OF YEAR</u>				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
 <u>FUND BALANCE, END OF YEAR</u>				
	<u>\$ 11,497</u>	<u>\$170,578</u>	<u>\$ 182,075</u>	<u>\$          </u>

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

HILLSBOROUGH TRANSIT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE -- BUDGET AND ACTUAL -- BUS CAPITAL PROJECT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 1982

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental:			
United States			
Government	\$5,529,680	\$5,317,707	\$(211,973)
State of Florida	691,210	664,713	(26,497)
Other	1,395	1,395	
	<u>6,222,285</u>	<u>5,983,815</u>	<u>(238,470)</u>
 <u>EXPENDITURES</u>			
Capital			
expenditures	<u>6,898,495</u>	<u>6,648,528</u>	<u>249,967</u>
 <u>EXCESS (DEFICIENCY) OF</u>			
<u>REVENUES OVER</u>			
<u>EXPENDITURES</u>	(676,210)	(664,713)	11,497
 <u>OTHER FINANCING SOURCES</u>			
Transfers in	<u>676,210</u>	<u>676,210</u>	
 <u>EXCESS OF REVENUES AND</u>			
<u>OTHER SOURCES OVER</u>			
<u>EXPENDITURES</u>		11,497	11,497
 <u>FUND BALANCE, BEGINNING</u>			
<u>OF YEAR</u>	_____	_____	_____
 <u>FUND BALANCE, END OF</u>			
<u>YEAR</u>	<u>\$ _____</u>	<u>\$ 11,497</u>	<u>\$ 11,497</u>

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



HILLSBOROUGH TRANSIT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE -- BUDGET AND ACTUAL -- MAINTENANCE FACILITY  
CAPITAL PROJECT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 1982

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental:			
United States			
Government	\$2,056,080	\$691,448	\$(1,364,632)
State of Florida	<u>257,010</u>	<u>86,431</u>	<u>(170,579)</u>
	<u>2,313,090</u>	<u>777,879</u>	<u>(1,535,211)</u>
<u>EXPENDITURES</u>			
Capital expenditures	<u>2,570,100</u>	<u>864,311</u>	<u>1,705,789</u>
<u>EXCESS (DEFICIENCY) OF</u>			
<u>REVENUES OVER</u>			
<u>EXPENDITURES</u>	(257,010)	(86,432)	170,578
<u>OTHER FINANCING SOURCES</u>			
Transfers in	<u>257,010</u>	<u>257,010</u>	<u>                    </u>
<u>EXCESS OF REVENUES AND</u>			
<u>OTHER SOURCES OVER</u>			
<u>EXPENDITURES</u>		170,578	170,578
<u>FUND BALANCE, BEGINNING</u>			
<u>OF YEAR</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>FUND BALANCE, END OF</u>			
<u>YEAR</u>	<u>\$                    </u>	<u>\$170,578</u>	<u>\$ 170,578</u>

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

HILLSBOROUGH TRANSIT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1982

Note 1 -- Nature of Operations

The purpose of the Hillsborough Transit Authority (operating as the "Hillsborough Area Regional Transit Authority" and referred to below as the "Authority") is to provide mass transit service to the City of Tampa and the unincorporated areas of Hillsborough County.

The Authority is deemed a special tax district and has been authorized to levy an ad valorem tax based on the value of real property within its jurisdiction up to one-half mil.

Note 2 -- Significant Accounting Policies

The Authority uses the modified accrual basis of accounting whereby revenues are recorded when they become both measurable and available to finance expenditures and expenditures are recorded when the related liability is incurred.

Inventory is stated at the lower of cost (first-in, first-out basis) or market.

General fixed assets are recorded at cost or fair market value at date of acquisition. In accordance with generally accepted accounting principles, depreciation is not provided on property and equipment.

Note 3 -- Retirement Plans

The Authority contributes to retirement plans of the City of Tampa and of the State of Florida on the behalf of its employees. Those employees who were formerly employed by the Transit Division of the City of Tampa had the option at the inception of the Authority to continue in the retirement plan of the City of Tampa or participate in the retirement plan of the State of Florida. Employees hired after the creation of the Authority participate only in the State of Florida's retirement plan.

The Authority contributes 14% of eligible employees' wages to the City of Tampa's plan and 10.93% of eligible employees' wages to the State of Florida's plan. An employee must contribute 7% of wages to the City of Tampa's plan. No employee contributions are required under the State of Florida's plan. Contributions to the retirement plans of the City of Tampa and the State of Florida by the Authority for the year ended September 30, 1982, were \$40,713 and \$320,130, respectively. Pension costs on these employees are funded as incurred.

HILLSBOROUGH TRANSIT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1982

Note 3 -- Retirement Plans (continued)

In addition, upon its creation, the Authority agreed to assume an unfunded past service liability on certain Authority employees (not included above) who elected to remain in the City of Tampa's pension plan. The original amount of \$1,242,000 was computed by actuaries and represents the discounted value of the expected future pension benefits on these employees. Included in the actuarial assumptions was a valuation investment rate assumption of 6.5%. In order to fund the plan, the Authority agreed to pay the City of Tampa \$87,900 for forty years. Included in payroll taxes and employee benefits in the accompanying financial statements is \$87,900 paid to the City of Tampa in accordance with this agreement. A summary of future payments under this agreement follows:

Year(s) Ending September 30,	Amortization Of Original Amount	Investment Rate Of Return	Total Payment
1983	\$ 8,661	\$ 79,239	\$ 87,900
1984	9,224	78,676	87,900
1985	9,824	78,076	87,900
1986	10,462	77,438	87,900
1987	11,142	76,758	87,900
	<u>49,313</u>	<u>390,187</u>	<u>439,500</u>
1988 -- 1992	67,563	371,937	439,500
1993 -- 1997	92,567	346,933	439,500
1998 -- 2002	126,826	312,674	439,500
2003 -- 2007	173,761	265,739	439,500
2008 -- 2012	238,068	201,432	439,500
2013 -- 2017	326,205	113,295	439,500
2018 -- 2019	144,759	31,041	175,800
	<u>1,169,749</u>	<u>1,643,051</u>	<u>2,812,800</u>
	<u>\$1,219,062</u>	<u>\$2,033,238</u>	<u>\$3,252,300</u>

Note 4 -- Accumulated Unpaid Vacation and Sick Pay

In accordance with generally accepted accounting principles, accumulated unpaid vacation and sick pay are not accrued but are expensed when paid. During the year ended September 30, 1982, sick pay and vacation leave time of \$74,125 and \$112,308, respectively were paid to employees of the Authority. At September 30, 1982, approximately \$76,000 of sick pay and \$140,000 of vacation leave had been accumulated and is unpaid.

HILLSBOROUGH TRANSIT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1982

Note 5 -- Federal and State Grants

The Federal Government and the State of Florida have provided grants to the Authority to meet operating expenses and to make capital acquisitions. Assistance from the Federal Government is made available under the Urban Mass Transportation Act of 1964, as amended. The amount of Federal assistance is dependent upon the level of local matching funds and other criteria. A summary of grant activity for the year ended September 30, 1982, follows:

<u>Grant Description</u>	<u>Matching Requirement</u>	<u>Original Amount</u>	<u>Current Year Expenditures</u>	<u>Unexpended Balance</u>
General Fund:				
Planning funds --				
U. S. Government		\$ 11,600	\$ 11,600	
Operating assistance --				
U. S. Government		2,084,002	2,084,002	
State of Florida		35,926	35,926	
Total		<u>2,131,528</u>	<u>2,131,528</u>	
Capital Project Funds:				
Maintenance				
Facility Fund --				
Capital acquisition --				
U. S. Government		509,520	509,520	
(section 5)	20%			
U. S. Government		2,742,896	181,928	\$2,560,968
(section 3)	20%			
State of Florida		406,552	86,431	320,121
		<u>3,658,968</u>	<u>777,879</u>	<u>2,881,089</u>
Bus Fund --				
Capital acquisition --				
U. S. Government	20%	5,530,480	5,317,707	212,773
State of Florida		691,300	664,713	26,587
		<u>6,221,780</u>	<u>5,982,420</u>	<u>239,360</u>
Total Capital Project Funds		<u>9,880,748</u>	<u>6,760,299</u>	<u>3,120,449</u>
		<u>\$12,012,276</u>	<u>\$8,891,827</u>	<u>\$3,120,449</u>

HILLSBOROUGH TRANSIT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1982

Note 6 -- Investment in Property and Equipment

Activity in the property and equipment group of accounts for the year ended September 30, 1982, consisted of the following:

<u>Description</u>	<u>Balance, September 30, 1981</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance, September 30, 1982</u>
Land	\$ 7,500	\$ 285,500		\$ 293,000
Buildings and improvements		455,983 ✓		455,983
Revenue and administrative vehicles	2,783,541	6,428,538		9,212,079
Machinery and equipment	317,066	179,601		496,667
Data processing equipment	63,604	99,650	\$47,654	115,600
Office furniture and fixtures	11,893	2,134		14,027
Signs		80,498		80,498
	<u>\$3,183,604</u>	<u>\$7,531,904</u>	<u>\$47,654</u>	<u>\$10,667,854</u>

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS  
ON ADDITIONAL INFORMATION

Our examination was made for the purpose of forming an opinion on the financial statements taken as a whole. The calculation of maintenance of effort is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ryder, McHultry & Newkirk*

Certified Public Accountants  
November 15, 1982

HILLSBOROUGH TRANSIT AUTHORITY  
CALCULATION OF MAINTENANCE OF EFFORT  
SEPTEMBER 30, 1982

Level of effort, fiscal year ended September 30, 1980	\$1,092,837
Level of effort, fiscal year ended September 30, 1981	<u>1,285,897</u>
Total	<u>\$2,378,734</u>
Required maintenance of effort, fiscal year ended September 30, 1982	<u>\$1,189,367</u>
Level of effort, fiscal year ended September 30, 1982	<u>\$2,016,510</u>

Read certified public accountants' report on additional information.



Nicholas A. Pender, Jr.  
James A. McNulty  
Thomas R. Newkirk  
Thomas J. Bellante  
A. Frank Smith  
Charles C. Blake, III  
Richard F. Cardiff  
E. Ray Charles  
Rafael Garcia Jr.  
Katherine S. Green  
Lynn A. Langer  
James A. Laughlin  
Sue M. Melendi  
R. Michael O'Brien  
Thomas M. Schenck  
John Semago, Jr.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS  
ON COMPLIANCE AND INTERNAL CONTROL

We have examined the financial statements of the Hillsborough Transit Authority for the year ended September 30, 1982, and have issued our report thereon dated November 15, 1982. As part of our examination, we made a study and evaluation of the Authority's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and by the General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, & Functions and Guidelines for Financial and Compliance Audits of Federally Assisted Programs, as supplemented. This study and evaluation included tests of compliance with internal control procedures utilized by the Authority and procedures prescribed by the General Accounting Office. The purposes of an evaluation under generally accepted auditing standards are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expression of an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements. Under guidelines established by the General Accounting Office, the purposes of such an evaluation are to assess the extent this system of internal accounting control can be relied upon to insure accurate information, to insure compliance with law and regulations, and to provide for efficient and effective operations.



The management of the Hillsborough Transit Authority is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purposes described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Hillsborough Transit Authority taken as a whole. However, our study, evaluation, and tests disclosed no condition that we believed to be a material weakness.

During the course of our examination we examined financial reports and claims for advances or reimbursement submitted to the Department of Transportation and found them to be accurate and complete in all material aspects in relation to the operations of the Authority, taken as a whole.

This report is intended for use in connection with Urban Mass Transportation Act grants FL-03-0068, FL-05-0039, FL-05-0044, and FL-05-4101 and is not intended for any other purpose.

*Ryder, McNulty & Newkirk*

Certified Public Accountants  
November 15, 1982