

HILLSBOROUGH TRANSIT AUTHORITY

TAMPA, FLORIDA

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 1984

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Thomas M. Schenck
John Semago, Jr.

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, 1984 as listed in the table of contents, including federal funds of \$7,279,340, \$10,446,274, and \$2,532,104 awarded under sections three, five, and nine, 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 financial statements referred to above present fairly the financial position of the individual funds of the Hillsborough Transit Authority as of September 30, 1984 and the results of their operations and changes in 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.

Certified Public Accountants
December 6, 1984

HILLSBOROUGH TRANSIT AUTHORITY
COMBINED BALANCE SHEETS
SEPTEMBER 30, 1984

	<u>Governmental Fund Types</u>		<u>Account Groups</u>		<u>Totals</u>	
	<u>General Fund</u>	<u>Capital Project Funds</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u> <u>September 30,</u> <u>1984</u> <u>1983</u>	
<u>ASSETS</u>						
Cash	\$ 680,674	\$1,100,555			\$ 1,781,229	\$ 1,624,240
Accounts receivable:						
Trade and other	283,013				283,013	121,035
United States Government	114,063	7,803			121,866	522,306
State of Florida	54,850	21,047			75,897	139,801
Inventory	518,918				518,918	321,886
Prepaid expenses	59,489				59,489	1,900
Investment in property and equipment			\$23,339,823		23,339,823	13,975,332
Amount to be provided for repayment of City of Tampa debt				\$1,201,177	1,201,177	1,210,401
	<u>\$1,711,007</u>	<u>\$1,129,405</u>	<u>\$23,339,823</u>	<u>\$1,201,177</u>	<u>\$27,381,412</u>	<u>\$17,916,901</u>
<u>LIABILITIES AND FUND EQUITY</u>						
<u>LIABILITIES</u>						
Accounts payable, trade	\$ 279,032	\$ 34,671			\$ 313,703	\$ 720,420
Accrued expenses and other current liabilities:						
Salaries and wages	111,705				111,705	80,246
Payroll taxes and amounts withheld from employees	64,458				64,458	72,760
Pension and retirement	58,467				58,467	63,174
Other	32,948				32,948	37,554
Due to City of Tampa				\$1,201,177	1,201,177	1,210,401
Total liabilities	<u>546,610</u>	<u>34,671</u>		<u>1,201,177</u>	<u>1,782,458</u>	<u>2,184,555</u>
<u>FUND EQUITY</u>						
Investment in general fixed assets:						
General Fund revenue			\$ 49,513		49,513	48,758
City and county grants			3,099,327		3,099,327	3,099,327
Federal grants			13,554,648		13,554,648	8,636,682
State grants			4,864,915		4,864,915	1,079,585
Ad valorem taxes			1,771,420		1,771,420	1,110,980
Fund balances:						
Reserved for inventory	518,918				518,918	321,886
Undesignated	645,479	1,094,734			1,740,213	1,435,128
Total fund equity	<u>1,164,397</u>	<u>1,094,734</u>	<u>23,339,823</u>		<u>25,598,954</u>	<u>15,732,346</u>
	<u>\$1,711,007</u>	<u>\$1,129,405</u>	<u>\$23,339,823</u>	<u>\$1,201,177</u>	<u>\$27,381,412</u>	<u>\$17,916,901</u>

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

HILLSBOROUGH TRANSIT AUTHORITY
COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE -- GENERAL AND CAPITAL PROJECT FUNDS
YEAR ENDED SEPTEMBER 30, 1984

	General Fund	Capital Project Funds	Totals (Memorandum Only)	
			September 30, 1984	1983
<u>REVENUE</u>				
Passenger fares	\$ 2,972,869		\$ 2,972,869	\$ 2,305,786
Charter services	226,314		226,314	108,455
Intergovernmental:				
United States Government	3,618,187	\$4,917,966	8,536,153	5,462,167
State of Florida	161,979	3,720,803	3,882,782	328,440
Ad valorem taxes	4,700,242		4,700,242	4,211,961
Other	171,821		171,821	223,047
	<u>11,851,412</u>	<u>8,638,769</u>	<u>20,490,181</u>	<u>12,639,856</u>
<u>EXPENDITURES</u>				
Wages	4,871,925		4,871,925	3,758,389
Payroll taxes and employee benefits	2,192,532		2,192,532	1,656,135
Materials and supplies	1,247,801		1,247,801	854,522
Fuel and lubricants	1,520,793		1,520,793	1,312,886
General insurance	196,170		196,170	159,792
Professional services	288,104		288,104	262,738
Utilities	104,991		104,991	44,307
Taxes and licenses	75,518		75,518	70,533
Rentals	8,792		8,792	11,592
Interest	21,740		21,740	
Capital expenditures	65,282	9,299,209	9,364,491	3,314,408
Other	292,239		292,239	275,557
	<u>10,885,887</u>	<u>9,299,209</u>	<u>20,185,096</u>	<u>11,720,859</u>
<u>EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES</u>	<u>965,525</u>	<u>(660,440)</u>	<u>305,085</u>	<u>918,997</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in:				
From current revenue		447,225	447,225	878,619
Appropriations of general fund balance		602,275	602,275	(878,619)
Transfers out:				
From current revenue	(447,225)		(447,225)	
Appropriations of general fund balance	(602,275)		(602,275)	
Proceeds from note payable	1,500,000		1,500,000	
Repayment of note payable	(1,500,000)		(1,500,000)	
	<u>(1,049,500)</u>	<u>1,049,500</u>	<u>0</u>	<u>0</u>
<u>EXCESS (DEFICIT) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>(83,975)</u>	<u>389,060</u>	<u>305,085</u>	<u>918,997</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>1,051,340</u>	<u>705,674</u>	<u>1,757,014</u>	<u>758,714</u>
<u>INCREASE IN RESERVE FOR INVENTORY</u>	<u>197,032</u>		<u>197,032</u>	<u>79,303</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 1,164,397</u>	<u>\$1,094,734</u>	<u>\$ 2,259,131</u>	<u>\$ 1,757,014</u>

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

HILLSBOROUGH TRANSIT AUTHORITY
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
 IN FUND BALANCE -- BUDGET AND ACTUAL -- GENERAL FUND
 YEAR ENDED SEPTEMBER 30, 1984

	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUE</u>			
Passenger fares	\$ 2,837,500	\$ 2,972,869	\$ 135,369
Charter services	215,000	226,314	11,314
Intergovernmental:			
United States Government	4,127,000	3,618,187	(508,813)
State of Florida	221,202	161,979	(59,223)
Ad valorem taxes	4,686,054	4,700,242	14,188
Other	239,500	171,821	(67,679)
	<u>12,326,256</u>	<u>11,851,412</u>	<u>(474,844)</u>
 <u>EXPENDITURES</u>			
Wages	4,940,131	4,871,925	68,206
Payroll taxes and employee benefits	2,124,005	2,192,532	(68,527)
Materials and supplies	1,066,780	1,247,801	(181,021)
Fuel and lubricants	2,031,422	1,520,793	510,629
General insurance	275,370	196,170	79,200
Professional services	348,353	288,104	60,249
Utilities	165,485	104,991	60,494
Taxes and licenses	98,709	75,518	23,191
Rentals	10,110	8,792	1,318
Interest	22,000	21,740	260
Capital expenditures	65,282	65,282	
Other	476,828	292,239	184,589
	<u>11,624,475</u>	<u>10,885,887</u>	<u>738,588</u>
 <u>EXCESS OF REVENUE OVER EXPENDITURES</u>	<u>701,781</u>	<u>965,525</u>	<u>263,744</u>
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in:			
From current revenue			
Appropriations of general fund balance			
Transfers out:			
From current revenue	(447,225)	(447,225)	
Appropriations of general fund balance	(254,556)	(602,275)	(347,719)
Proceeds from note payable		1,500,000	1,500,000
Repayment of note payable		(1,500,000)	(1,500,000)
	<u>(701,781)</u>	<u>(1,049,500)</u>	<u>(347,719)</u>
 <u>EXCESS (DEFICIT) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>\$ 0</u>	<u>(83,975)</u>	<u>\$ (83,975)</u>
 <u>FUND BALANCE, BEGINNING OF YEAR</u>		1,051,340	
 <u>INCREASE IN RESERVE FOR INVENTORY</u>		197,032	
 <u>FUND BALANCE, END OF YEAR</u>		<u>\$ 1,164,397</u>	

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

HILLSBOROUGH TRANSIT AUTHORITY
 COMBINING BALANCE SHEETS -- CAPITAL PROJECT FUNDS
 SEPTEMBER 30, 1984

	<u>40 Bus Fund</u>	<u>30 Bus Fund</u>	<u>Maintenance Facility</u>	<u>Central Business District Terminal</u>	<u>6 Bus Fund</u>	<u>Dale Mabry Project Fund</u>	<u>27 Bus Replacement Fund</u>	<u>Total</u>
<u>ASSETS</u>								
Cash	\$17,403	\$38,373	\$17,554	\$400,000	\$120,125		\$507,100	\$1,100,555
Accounts receivable:								
United States Government		7,803						7,803
State of Florida		<u>3,930</u>	<u>1,016</u>			<u>\$16,101</u>		<u>21,047</u>
	<u>\$17,403</u>	<u>\$50,106</u>	<u>\$18,570</u>	<u>\$400,000</u>	<u>\$120,125</u>	<u>\$16,101</u>	<u>\$507,100</u>	<u>\$1,129,405</u>
<u>LIABILITIES AND FUND EQUITY</u>								
<u>LIABILITIES</u>								
Accounts payable			\$18,570			\$16,101		\$ 34,671
<u>FUND EQUITY</u>								
Fund balance	<u>\$17,403</u>	<u>\$50,106</u>		<u>\$400,000</u>	<u>\$120,125</u>		<u>\$507,100</u>	<u>1,094,734</u>
	<u>\$17,403</u>	<u>\$50,106</u>	<u>\$18,570</u>	<u>\$400,000</u>	<u>\$120,125</u>	<u>\$16,101</u>	<u>\$507,100</u>	<u>\$1,129,405</u>

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

HILLSBOROUGH TRANSIT AUTHORITY
 COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE -- CAPITAL PROJECT FUNDS
 YEAR ENDED SEPTEMBER 30, 1984

	40 Bus Fund	30 Bus Fund	Maintenance Facility	Central Business District Terminal	6 Bus Fund	Dale Mabry Project Fund	27 Bus Replacement Fund	Total
<u>REVENUE</u>								
Intergovernmental:								
United States Government		\$3,975,670	\$ 942,296					\$4,917,966
State of Florida		496,959	117,788			\$3,106,056		3,720,803
		<u>4,472,629</u>	<u>1,060,084</u>			<u>3,106,056</u>		<u>8,638,769</u>
<u>EXPENDITURES</u>								
Capital expenditures		4,973,008	1,220,145			3,106,056		9,299,209
<u>DEFICIT OF REVENUE OVER EXPENDITURES</u>		(500,379)	(160,061)					(660,440)
<u>OTHER FINANCING SOURCES (USES)</u>								
Transfers in (out):								
From current revenue	\$ 6,600	(6,600)		\$400,000	\$ 47,225			447,225
Appropriations of general fund balance			22,275		72,900	\$507,100		602,275
	<u>6,600</u>	<u>(6,600)</u>	<u>22,275</u>	<u>400,000</u>	<u>120,125</u>	<u>507,100</u>		<u>1,049,500</u>
<u>EXCESS (DEFICIT) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES</u>	6,600	(506,979)	(137,786)	400,000	120,125	507,100		389,060
<u>FUND BALANCE, BEGINNING OF YEAR</u>	10,803	557,085	137,786					705,674
<u>FUND BALANCE, END OF YEAR</u>	<u>\$17,403</u>	<u>\$ 50,106</u>	<u>\$ 0</u>	<u>\$400,000</u>	<u>\$120,125</u>	<u>\$ 0</u>	<u>\$507,100</u>	<u>\$1,094,734</u>

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

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1984

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 cities of Tampa and Temple Terrace 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 of up to one-half mil based on the value of real property within its jurisdiction.

Note 2 -- Significant Accounting Policies

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into two fund types and two account groups as follows:

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.

Capital Projects Funds -- Capital Projects Funds are used to account for financial resources to be used for the acquisition of equipment or construction of major capital facilities.

General Fixed Assets Account Group -- The General Fixed Assets Account Group is used to report property and equipment recorded at cost (or fair market value for donated assets) at date of acquisition. Depreciation is not provided on general fixed assets.

General Long-Term Debt Account Group -- Long-term liabilities to be financed from Authority funds are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are involved only in the measurement of financial position and not in the measurement of results of operations.

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1984

Note 2 -- Significant Accounting Policies (continued)

The Authority uses the modified accrual basis of accounting whereby revenue is recorded when it becomes 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 and consists principally of replacement parts and supplies for transit vehicles.

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 14.0% 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 7.0% 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, 1984 were \$49,150 and \$556,734, respectively. Pension costs on these employees are funded as incurred.

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 annually for forty years.

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1984

Note 3 -- Retirement Plans (continued)

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
1985	\$ 9,824	\$ 78,076	\$ 87,900
1986	10,462	77,438	87,900
1987	11,142	76,758	87,900
1988	11,866	76,034	87,900
1989	12,638	75,262	87,900
	<u>55,932</u>	<u>383,568</u>	<u>439,500</u>
1990 -- 1994	76,632	362,868	439,500
1995 -- 1999	104,992	334,508	439,500
2000 -- 2004	143,848	295,652	439,500
2005 -- 2009	197,085	242,415	439,500
2010 -- 2014	270,022	169,478	439,500
2015 -- 2019	352,666	69,509	422,175
	<u>\$1,201,177</u>	<u>\$1,857,998</u>	<u>\$3,059,175</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, 1984, sick pay and vacation leave time of \$104,847 and \$233,188, respectively, were paid to employees of the Authority. At September 30, 1984, approximately \$107,000 of sick pay and \$209,000 of vacation leave has been accumulated and is unpaid.

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 through the year ended September 30, 1984, follows:

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1984

Note 5 -- Federal and State Grants (continued)

<u>Grant Description</u>	<u>Required Match</u>	<u>Original Amount</u>	<u>Cumulative Expenditures</u>	<u>Unexpended Balance</u>
General Fund:				
Operating assistance, U.S. Government		\$ 4,127,000	\$ 3,618,187	\$ 508,813
Capital Project Funds:				
Facilities:				
Maintenance Facility				
Fund:				
Capital acquisition:				
-U.S. Government (section 5)	20%	973,020	973,020	
-U.S. Government (section 3)	20%	3,252,416	3,252,416	
-State of Florida		528,180	528,180	
		<u>4,753,616</u>	<u>4,753,616</u>	
Dale Mabry Project Fund:				
Capital acquisition, State of Florida		<u>3,307,717</u>	<u>3,106,056</u>	<u>201,661</u>
Bus Funds:				
40 Bus Fund, capital acquisition:				
-U.S. Government	20%	5,529,680	5,323,258	206,422
-State of Florida		691,210	665,407	25,803
		<u>6,220,890</u>	<u>5,988,665</u>	<u>232,225</u>

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1984

Note 5 -- Federal and State Grants (continued)

<u>Grant Description</u>	<u>Required Match</u>	<u>Original Amount</u>	<u>Cumulative Expenditures</u>	<u>Unexpended Balance</u>
30 Bus Fund, capital acquisition:				
-U.S. Government (section 5)	20%	432,676	432,676	
-U.S. Government (section 3)	20%	4,026,924	3,573,278	453,646
-State of Florida		557,450	500,744	56,706
		<u>5,017,050</u>	<u>4,506,698</u>	<u>510,352</u>
27 Bus Replacement Fund, capital acquisition:				
-U. S. Government (section 5)	20%	122,544		122,544
-U. S. Government (section 9)	20%	3,934,256		3,934,256
-State of Florida		507,100		507,100
		<u>4,563,900</u>		<u>4,563,900</u>
Total Capital Project Funds		<u>23,863,173</u>	<u>18,355,035</u>	<u>5,508,138</u>
		<u>\$27,990,173</u>	<u>\$21,973,222</u>	<u>\$6,016,951</u>

Federal grants for the 6 Bus Fund and the Central Business District Terminal Fund have not yet been applied for and are not presented. It is expected that the matching requirement for both grants will be 25% and that the grants will total \$720,750 and \$2,400,000, respectively.

HILLSBOROUGH TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1984

Note 6 -- Investment in Property and Equipment

Activity in the property and equipment group of accounts for the year ended September 30, 1984 consisted of the following:

<u>Description</u>	<u>Balance, September 30, 1983</u>	<u>Acquisitions</u>	<u>Transfers</u>	<u>Balance, September 30, 1984</u>
Land	\$ 881,711	\$ 189,542	\$ (358,070)	\$ 713,183
Building and improvements	442,577	1,271,863	2,496,207	4,210,647
Construction in progress	2,138,137		(2,138,137)	
Revenue and administrative vehicles	9,233,011	7,189,930		16,422,941
Machinery and equipment	972,904	682,396		1,655,300
Data processing equipment	115,600	11,346		126,946
Office furniture and fixtures	95,370	14,644		110,014
Signs	96,022	4,770		100,792
	<u>\$13,975,332</u>	<u>\$9,364,491</u>	<u>\$ 0</u>	<u>\$23,339,823</u>



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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTARY INFORMATION

Our examination was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information presented on pages 14 through 17 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.

Pender, McNulty & Newkirk

Certified Public Accountants
December 6, 1984

HILLSBOROUGH TRANSIT AUTHORITY
CUMULATIVE STATEMENT OF REVENUE AND EXPENDITURES -- BUDGET
AND ACTUAL -- CAPITAL PROJECT FUND -- BUSES
AS OF SEPTEMBER 30, 1984

	<u>40 Bus Fund</u>		<u>30 Bus Fund</u>		<u>27 Bus Replacement Fund</u>		<u>6 Bus Fund</u>	
	<u>Total Budget</u>	<u>Actual To Date</u>	<u>Total Budget</u>	<u>Actual To Date</u>	<u>Total Budget</u>	<u>Actual To Date</u>	<u>Total Budget</u>	<u>Actual To Date</u>
<u>REVENUE</u>								
Intergovernmental:								
United States Government	\$5,529,680	\$5,323,258	\$4,459,600	\$4,005,954			\$720,750	
State of Florida	691,210	665,407	557,450	500,744	\$4,056,800		120,125	
Other	1,395	1,395	1,500	3,420	507,100			
	<u>6,222,285</u>	<u>5,990,060</u>	<u>5,018,550</u>	<u>4,510,118</u>	<u>4,563,900</u>		<u>840,875</u>	
<u>EXPENDITURES</u>								
Capital expenditures	<u>6,905,095</u>	<u>6,655,467</u>	<u>5,569,400</u>	<u>5,010,862</u>	<u>5,071,000</u>		<u>961,000</u>	
<u>DEFICIT OF REVENUE OVER EXPENDITURES</u>	<u>(682,810)</u>	<u>(665,407)</u>	<u>(550,850)</u>	<u>(500,744)</u>	<u>(507,100)</u>		<u>(120,125)</u>	
<u>OTHER FINANCING SOURCES</u>								
Transfers in:								
From current revenue	682,810	682,810	550,850	550,850			47,225	\$ 47,225
Appropriations of general fund balance					507,100	\$507,100	72,900	72,900
	<u>682,810</u>	<u>682,810</u>	<u>550,850</u>	<u>550,850</u>	<u>507,100</u>	<u>507,100</u>	<u>120,125</u>	<u>120,125</u>
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES</u>	<u>\$ 0</u>	<u>\$ 17,403</u>	<u>\$ 0</u>	<u>\$ 50,106</u>	<u>\$ 0</u>	<u>\$507,100</u>	<u>\$ 0</u>	<u>\$120,125</u>

Read certified public accountants' report on supplementary information.

HILLSBOROUGH TRANSIT AUTHORITY
CUMULATIVE STATEMENT OF REVENUE AND EXPENDITURES -- BUDGET
AND ACTUAL -- CAPITAL PROJECT FUND -- FACILITIES
AS OF SEPTEMBER 30, 1984

	<u>Maintenance</u>	<u>Facility</u>	<u>Central Business</u>		<u>Dale Mabry</u>	
	<u>Total</u>	<u>Actual</u>	<u>District</u>	<u>Terminal</u>	<u>Project</u>	<u>Fund</u>
	<u>Budget</u>	<u>To Date</u>	<u>Total</u>	<u>Actual</u>	<u>Total</u>	<u>Actual</u>
	<u>Budget</u>	<u>To Date</u>	<u>Budget</u>	<u>To Date</u>	<u>Budget</u>	<u>To Date</u>
<u>REVENUE</u>						
Intergovernmental:						
United States Government	\$4,225,436	\$4,225,436	\$2,400,000			
State of Florida	<u>528,180</u>	<u>528,180</u>	<u>400,000</u>		<u>\$3,307,717</u>	<u>\$3,106,056</u>
	4,753,616	4,753,616	2,800,000		3,307,717	3,106,056
<u>EXPENDITURES</u>						
Capital expenditures	<u>5,354,295</u>	<u>5,354,070</u>	<u>3,200,000</u>		<u>3,307,717</u>	<u>3,106,056</u>
<u>DEFICIT OF REVENUE OVER EXPENDITURES</u>	<u>(600,679)</u>	<u>(600,454)</u>	<u>(400,000)</u>			
<u>OTHER FINANCING SOURCES</u>						
Transfers in:						
From current revenue	578,404	578,179	400,000	\$400,000		
Appropriations of general fund balance	<u>22,275</u>	<u>22,275</u>	<u> </u>	<u> </u>		
	<u>600,679</u>	<u>600,454</u>	<u>400,000</u>	<u>400,000</u>		
<u>EXCESS OF REVENUE AND OTHER SOURCES</u> <u>OVER EXPENDITURES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$400,000</u>	<u>\$ 0</u>	<u>\$ 0</u>

Read certified public accountants' report on supplementary information.

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, 1984 and have issued our report thereon dated December 6, 1984. 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, 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, and by the Urban Mass Transportation Act, as amended. This study and evaluation included tests of compliance with internal control procedures utilized by the Authority and procedures prescribed by the General Accounting Office and by the Urban Mass Transportation Act. 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 laws and regulations, and to provide for efficient and effective operations. Under guidelines established by the Urban Mass Transportation Act, as amended, the purposes of such an evaluation are to determine that this system records and maintains accurate nonfinancial data on a continuous basis in accordance with Section 15 definitions, that the data collection methods meet Urban Mass Transportation Act standards, and that data produced by this system appears accurate.

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.

Also during the course of our examination, we examined nonfinancial data submitted to Urban Mass Transportation Authority and the system used to produce that data. We find the data submitted to Urban Mass Transportation Authority to be accurate in all material aspects, and we conclude that the system used to record, maintain, and store transactions supporting the data does so accurately in all material aspects and is in conformity with Urban Mass Transportation Authority specifications.

This report is intended for use in connection with Urban Mass Transportation Act grants FL-03-0068, FL-03-0071, FL-05-0039, FL-05-0044, FL-05-3001, FL-05-4139, FL-05-4184, and FL-90-X023 and is not intended for any other purpose.

Pender, McQuitty & Newkirk

Certified Public Accountants
December 6, 1984