

GREATER HARTFORD TRANSIT DISTRICT
HARTFORD, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

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FOR THE YEAR ENDED JUNE 30, 2012

Prepared by:
Accounting Department

INTRODUCTORY SECTION

GREATER HARTFORD TRANSIT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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November 15, 2012

Members of the Board of Directors
Greater Hartford Transit District
Hartford, Connecticut

The State of Connecticut statutes require that the Greater Hartford Transit District (the District) publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unqualified (clean) opinion on the District's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the District

The District is a regional governmental unit formed under the provisions of Chapter 103a of the Connecticut General Statutes. There are currently sixteen member towns: Bloomfield, East Hartford, East Windsor, Enfield, Farmington, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Vernon, West Hartford, Wethersfield and Windsor. Each member town appoints one to four Directors according to population, who collectively form the Board of Directors, which is the policy-making body of the District. The day-to-day affairs of the District are managed by the Executive Director and her staff.

The District has broad powers to acquire, operate, finance, plan, develop, maintain and otherwise provide all forms of land transportation and related services including the development or renewal of transportation centers and parking facilities. It has the power to issue revenue and general obligation bonds. The agency also serves a pass-through function

for federal, state and private grants for the purpose of acquiring transportation equipment or providing transportation services.

The District adopts an annual budget which serves as a foundation for the District's financial planning and control. Activities of the General Fund, Special Revenue Fund and Enterprise Funds are included in the annual appropriated budget. Project-length financial budgets are required by the Federal Transit Administration (FTA) in the District's management of its grants.

Economic Impact

The economic condition of the District is dependent on available federal and state funding, the real estate market and the diverse communities and population that the agency serves. Rental income, parking lot fees, vending machine concession and advertising income support Union Station Transportation Center operations. State funding levels are expected to increase slightly for the ADA Paratransit program, the status of the municipal Dial-A-Ride grants is undetermined at this time due to state budget issues, New Freedom and CT Clean Fuel funding will be utilized, and all other contracts are expected to remain consistent with prior year activity. FTA grant funding programs are expected to increase for the District this upcoming fiscal year due to additional Section 5307 – Formula Program and Section 5309 – Bus and Bus Facilities funding that has become available. The agency will also seek funding from the Environmental Protection Agency in partnership with Peter Pan Bus Lines.

Improvements and upgrades to Union Station will continue as part of the District's ongoing effort to improve the facility for its tenants, passengers, and visitors to the area. These improvements will have a significant impact on making public transportation a more attractive alternative to commuters and to the general population for trips in and out of the city. It is anticipated that the economic impact of the District's actions will have a positive effect on the city and on the region.

Long-Term Financial and Capital Planning Approach

The staff has the expertise necessary to carry out grant management activities successfully and in accordance with all federal regulations. The District staff is also effective in financial oversight and management practices regarding state funded programs that include the ADA Paratransit Program, Insurance Consortium, and Drug and Alcohol Consortium.

Strategically planned cost containment and revenue generation strategies continue to occur at a consistent level. These include, but are not limited to, seeking alternative funding sources, innovative leasing efforts, maximization of interest earnings, and seeking major capital project initiatives.

The District is a Federal Transit Administration (FTA) grantee that has demonstrated through various Triennial Reviews that it has the technical, legal and financial capacity to implement and manage critical projects and procurements.

Successful Initiatives:

- Total Program Funding secured for 5307 for FY '11 was \$4,435,000 (Federal and Local shares).
- Awarded a total of \$2,700,000 for an ADA Paratransit facility acquisition (Federal and State shares).
- Secured additional 5307 funding for FY '11 for vehicle procurement of \$535,000 (Federal and State shares).
- Secured additional 5307 funding for FY '11 for Union Station improvement for \$1.2 million (Federal and State shares).
- Federal subsidy of Union Station operating costs is projected to be approximately \$150,000 for FY'12. The federal subsidy has been reduced by almost 70% over the past six (6) years. This number remains a significant key indicator of performance.
- Procured the services of an independent appraiser to provide assistance in re-negotiating Union Station's real estate taxes. Savings for the upcoming fiscal year will total \$20,000 (based on revaluation and renegotiation efforts).
- Chosen as the grantee for the City of Hartford to oversee \$1.6 million in 5309 Livability Grant funds for the "Union Station Pedestrian Neighborhood Connectivity Project". This undertaking will significantly improve pedestrian connectivity in the Asylum Avenue/Farmington Avenue area, cohesively linking this area with the transportation hub of Union Station. Included in the project will be; extensive streetscape improvements, new sidewalk treatments that eliminate current impediments, decorative streetlights, refuse/recycling receptacles, landscaping, tree plantings, and several other improvements to the area.
- Awarded oversight for the Regional Bus Shelter Program. The Grant is worth approximately \$1.0 million over the course of the project. The scope of the work is to improve bus transit passenger amenities through the use of signage and the installation and upgrade of bus shelters in 7-8 towns.
- Worked closely with the City of Hartford and key stakeholders to assist in their application for TIGER IV grant funds. Planning included: bus circulation patterns, changing the direction of several city streets (including Union Place), improving traffic signalization, and creating transit priority streets. A critical element of the submission was proposing a conversion of the District's offices into a Bus Transit Center. The District has been selected as the "Limited Agent" for the grant.
- Awarded the Statewide Drug & Alcohol Consortium contract once again.
- Awarded the Statewide Insurance Consortium contract once again.
- Increase in overall leasehold activity of +\$26,500 over previous year due to renegotiation of some leases.
- Leasehold activity included the execution of a five (5) year license agreement with FYC Entertainment for hosting events in the Great Hall.
- Exhibited a significant cost savings in our natural gas usage due to a tax credit and a full season of use with the new high efficiency boiler.

- Additional capital improvements to Union Station's Transportation Center were completed, and some of the upgrades this year included:
 - HVAC project where six (6) chillers, thirty-eight (38) fan coils plus the associated piping was replaced, and a digital control system for the newly installed coils was integrated for remote access by District staff and the HVAC maintenance contractor.
 - Installed a separate AC system in the District's server room to maintain the room's temperature for equipment reliability.
 - Seventeen (17) additional security cameras were installed around Union Station for a more comprehensive observation of activities in and around the building.
 - Bird netting was installed under the canopies at platform level and on Union Place to limit the number of birds nesting at the facility.
 - Stairs leading up to the Amtrak platform were re-tiled and tied into the theme of the stairwell and the transportation center as a whole.
 - Large clock on the Spruce Street side of the building at platform level was repaired after several years of not working. The clock is visible from I-84.
 - Lights were installed under the Spruce Street canopy to better illuminate the crosswalk.
 - Elevator modernization project at Union Station was completed. The building's three elevators were upgraded with minimal inconvenience to tenants, visitors, or passengers.
 - Lighting throughout the Union Station Transportation Center was improved with more energy efficient illumination.
 - Installed a fire suppression system in the District's server room to protect all communication and electronic equipment in case of fire.
- Deployed the Interactive Voice Response (IVR) technology providing inbound and outbound automated trip information. Including, but not limited to; confirmations, cancellations, and arrival alerts. This technology promotes better operational responsiveness to our passengers.
- Municipal Dial-A-Ride grants were reinstated and assistance was provided to all member towns.
- Overhead costs for utilities were under budget in regard to electricity and natural gas due in large part to energy efficiency initiatives and 3rd party supplier activities.
- Peter Pan Bus Lines rented additional space adjacent to the bus berthing area for its new Express service.
- Scheduled rent escalations and the two new leases will yield nearly \$38,000 in additional rent in FY2012.
- Finalized details to work with the town of Glastonbury for the replacement of passenger bus shelters using the balance of the funds from previous transit enhancement projects.
- Awarded funding through the Environmental Protection Agency's (EPA) National Clean Diesel Funding Assistance Program. The grant will cover 75% of the cost to repower six Peter Pan coaches. The total amount of the grant is \$300,000 and the project will reduce greenhouse gases and diesel emissions by replacing old engines.
- Awarded funding through the CT Clean Fuel Program for (4) replacement vehicles. Two of the vehicles will use the hybrid electric technology and the other two will be CNG powered. This pilot program will help to determine which technology is best suited for the ADA Paratransit operation.
- Awarded an additional (8) CNG powered body on chassis vehicles through the CT Clean Fuels Program.
- Installed an Electrical Charging Station (EV) in the Spruce Street Parking Lot. This was one of the first charging stations for electric powered vehicles in the capitol area.

- Completing the process to roll out the New Freedom Accessible Taxi Cab program with Yellow Cab for the disabled community. This program will be the first in the Greater Hartford area to benefit eligible individuals who require on-demand accessible transportation.
- Obligated the balance of the earmarked funds for the construction of the Intermodal Center and the transit pathway in Mansfield.
- Initiated an "Environment Incentive Program" (named GreenPath by the staff) allowing them to work in teams prompting long and short term energy saving ideas that would benefit the environment and the employees.
- Removed the 20,000 gallon underground oil tank at Union Station to avert any issues that may occur in the future. The tank was no longer needed due to the new boilers that were installed last year.
- The accounting department successfully implemented an electronic payment system through MAS90 streamlining the accounts payable process.
- The District issued a contract for repair and replacement of all exterior windows at Union Station, the work was completed this fiscal year.
- Upgrades were made to the ADA paratransit telephone system that allowed recording of calls and it now provides better key performance indicator reports.
- Received FTA approval on our Disadvantaged Business Enterprise Program submission through 2013.

Future Initiatives:

- Seek additional funds for the newly acquired ADA Paratransit property in East Hartford, and move forward with the design and construction for the new ADA Paratransit center at 148 Roberts Street. The District's basic operational proposal for the site includes; renovation of the main building to house a variety of office uses such as administrative offices, large meeting room, areas for dispatch, reservations, scheduling, training, drivers lounge, etc... The secondary building will function as a preventive maintenance and repair facility for the District's fleet of vehicles. The plan also includes relocating the above ground diesel fuel storage tank that exists at the current Wawarme location, and pursuing the opportunity to install a compressed natural gas (CNG) tank for alternative fuel vehicles.
- Seek investment opportunities that will increase interest income while maintaining liquidity and protecting assets.
- Progress on the Enfield Intermodal Center continues as the routing and scheduling initiatives are completed. The balance of the 5309 funds of \$974,000 will be obligated for the project once the Enfield Transit Center Study is complete.
- Public Outreach Objectives for the Clean Fuels pilot program will be undertaken. For the upcoming three years the District is also obligated under this pilot program to compare the characteristics of the alternate fuel vehicles in regard to performance, energy efficiency, and reliability.
- The roof and canopy project is underway. The new concept will provide protection from the elements and be designed to be attractive in appearance as we continue to modernize the Union Station.
- Upgrade current outdated exterior overhead signage (Transportation Center) with new electronic LED illuminated signs for passengers.


- Move forward on a conceptual design for the Spruce Street Parking Lot. The “Green Walkway” project is expected to include; flex pave tree surround with native shrubs and/or saplings, air inflation station, flexi-pave stalls, recycled plastic railroad tie-style short retaining wall, park bench, recycling bin, bike locker, and more.
- Replace current Spruce Street Parking Lot Lights with energy saving LEDs or solar powered lighting.
- Continue to work with stakeholders to promote the high speed rail project in the New Haven-Hartford-Springfield corridor.
- In current negotiations with the CT State Lottery to place an instant lottery machine in the Transportation Center. This will be the first transportation center-type location to receive a stand-alone machine. Anticipated revenue may generate \$5,000-\$7,500 annually for the Enterprise Fund.
- Replace the parking attendant’s booth on Spruce Street to upgrade deteriorating functions of the current booth.
- Complete a major graphics & exterior improvements project on the exterior side of the transportation center.
- The District will continue to promote bike parking at the facility by adding additional bicycle racks and bike lockers.
- Continue oversight of the Storrs Project (Mansfield Intermodal Center). The next phase of this project includes contingency and construction management. RFPs for the project will go out this summer, the construction phase is anticipated to begin in late fall.
- Received the final 2010 census numbers and the new population figures have affected areas related to the District that include; board member voting units, FY2013 member dues, and board representation.
- To oversee the Regional Bus Shelter grant. The approximate one million dollars in Transit Enhancement funds will be the largest that the District has had to monitor and report on in regard to shelter and bus stops for the towns.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the District for its Fiscal Year End 2010 Comprehensive Annual Financial Report. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. We have submitted our current Comprehensive Annual Financial Report to the GFOA to determine its eligibility for another certificate.

I would like to thank all members of the District staff who assisted and contributed to the preparation of this report, as well as the members of the District Board for their interest and continued support in the ongoing efforts of the agency.

Respectfully Submitted,


Vicki L. Shotland
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Greater Hartford Transit District
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



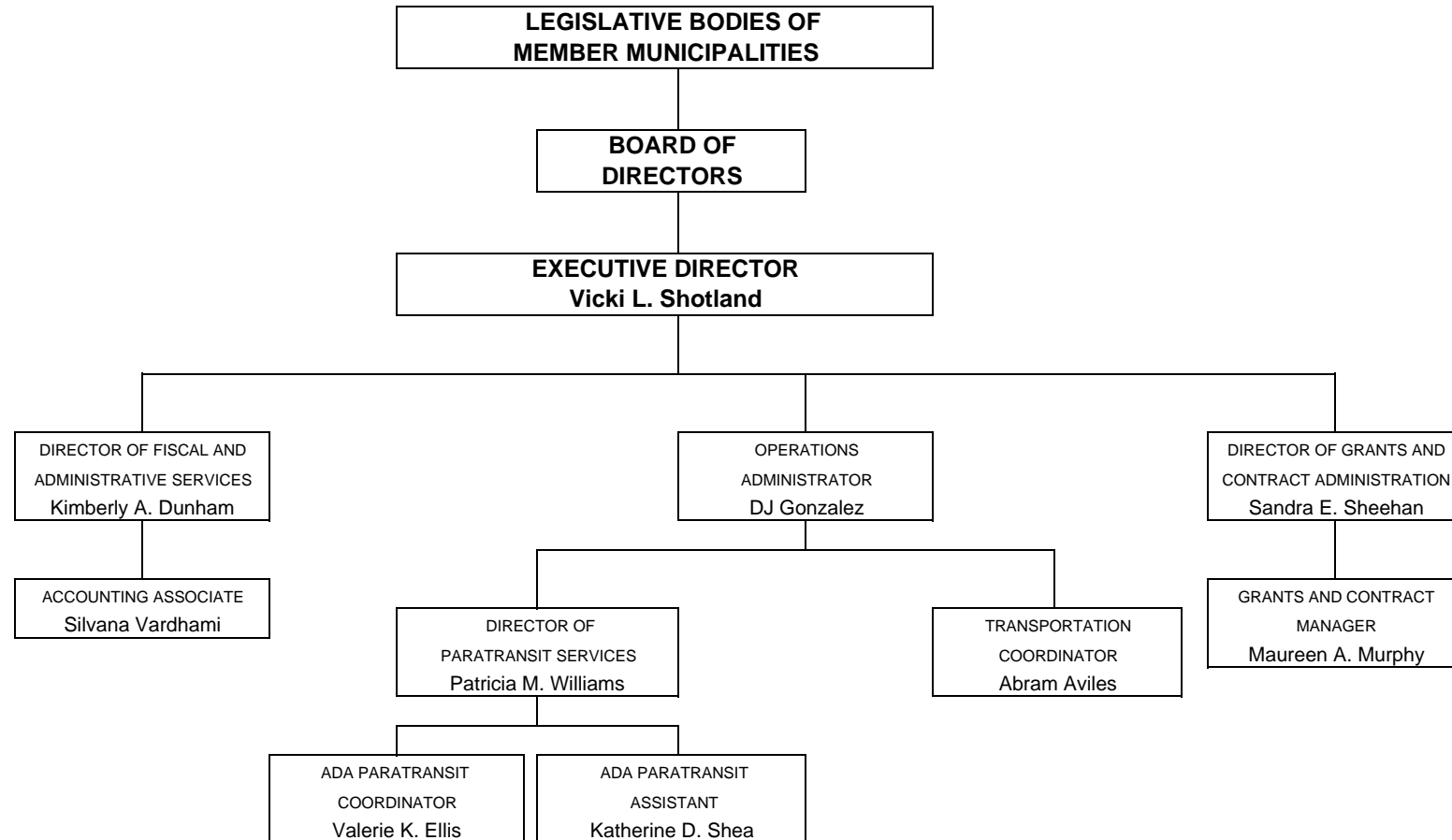
Linda C. Sandson

President

Jeffrey R. Emer

Executive Director

**ORGANIZATION CHART
FISCAL YEAR 2012
GREATER HARTFORD TRANSIT DISTRICT**



x

**GREATER HARTFORD TRANSIT DISTRICT
BOARD OF DIRECTORS
2012**

| Member Town | | Representation/Director | Primary Occupation | Committee Assignment |
|--------------------|---|-----------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------|
| Bloomfield | 1 | Joan Gamble | Artist/Community Volunteer | |
| East Hartford | 2 | Peter J. Bonzani Marilyn Pet | Operating Engineer Attorney | Parking Lot Panel |
| East Windsor | 1 | Gilbert Hayes | Community Volunteer | |
| Enfield | 2 | Stephen F. Mitchell Kevin Mooney | Engineer Financial Services | |
| Farmington | 1 | Kathleen Eagen | Town Manager | |
| Granby | 1 | Russell G. St. John | Railroad Consultant | Parking Lot Panel |
| Hartford | 4 | Jesse J. Smith Frank Lord Christopher Bowen Jennifer Cassidy | Judicial Marshall Community Volunteer Attorney Community Volunteer | Personnel |
| Manchester | 2 | James R. McCavanagh Paul McNamara | Realtor Businessman | |
| Newington | 2 | William G. Hall John M. Kelly | Community Volunteer Attorney | Parking Lot Panel, Personnel |
| Rocky Hill | 1 | Kenneth D. Goldberg | Consultant | |
| Simsbury | 1 | Ferguson R. Jansen | Business Executive | Personnel |
| South Windsor | 1 | Hugh Brower | Information Technology | |
| Vernon | 2 | Mary A. Oliver Mark S. Etre | Financial Services Engineer | Audit |
| West Hartford | 2 | Richard F. Messenger A. David Giordano | Community Volunteer Businessman | Personnel Audit, Personnel |
| Wethersfield | 2 | Brendan T. Flynn Martin H. Walsh | Attorney Educator | Audit |
| Windsor | 2 | Ricardo Quintero David Raney | Community Volunteer Educator | |

Executive Director
Vicki L. Shotland

Officers
June 30, 2012

| | |
|---------------------|---------------------|
| Chairman | Stephen F. Mitchell |
| Vice Chairman | Frank Lord |
| Secretary | James R. McCavanagh |
| Assistant Secretary | Peter J. Bonzani |
| Treasurer | Brendan T. Flynn |
| Assistant Treasurer | Mary A. Oliver |

FINANCIAL SECTION



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Directors
Greater Hartford Transit District
Hartford, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Greater Hartford Transit District (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 and each major fund of the District as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Special Revenue Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 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 financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have 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 combining and individual nonmajor fund financial statements and schedules 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 the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

November 14, 2012

**GREATER HARTFORD TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The management of the Greater Hartford Transit District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$8,607,423 and \$4,113,001 for the governmental activities and the business-type activities, respectively.
- On a government-wide basis, the government's total net assets decreased by \$627,450; governmental activities decreased by \$1,666,742 and business-type activities increased by \$1,039,292.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,382,627, an increase of \$91,815 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,382,627.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include purchased transportation, transportation projects and general administration. The business-type activities of the District include a transportation center and a public parking lot.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Special Revenue Fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund and Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-17 of this report.

Proprietary Funds

The District maintains three enterprise-type funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its transportation center, public and private, and for its parking lot.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the three enterprise funds which are considered to be major funds of the District.

The basic proprietary fund financial statements can be found on pages 18-20 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 can be found on pages 21-38 of this report.

Other Information

Supplemental, combining and individual fund statements and schedules can be found on page 39 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by \$12,720,424 at the close of the most recent fiscal year.

By far, the largest portion of the District's assets is its investment in capital assets (e.g., buildings, transportation vehicles and equipment). It is presented in the statement of net assets less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

NET ASSETS

JUNE 30, 2012 and 2011

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current and other assets | \$ 5,881,665 | \$ 6,081,683 | \$ (398,237) | \$ (311,970) | \$ 5,483,428 | \$ 5,769,713 |
| Capital assets, net of accumulated depreciation | 7,704,596 | 9,351,334 | 8,192,432 | 7,125,759 | 15,897,028 | 16,477,093 |
| Total assets | <u>13,586,261</u> | <u>15,433,017</u> | <u>7,794,195</u> | <u>6,813,789</u> | <u>21,380,456</u> | <u>22,246,806</u> |
| Current liabilities | 4,499,038 | 4,790,871 | 186,163 | 276,361 | 4,685,201 | 5,067,232 |
| Long-term liabilities outstanding | 479,800 | 367,981 | 3,495,031 | 3,463,719 | 3,974,831 | 3,831,700 |
| Total liabilities | <u>4,978,838</u> | <u>5,158,852</u> | <u>3,681,194</u> | <u>3,740,080</u> | <u>8,660,032</u> | <u>8,898,932</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 7,704,596 | 9,351,334 | 4,821,451 | 3,722,321 | 12,526,047 | 13,073,655 |
| Unrestricted | <u>902,827</u> | <u>922,831</u> | <u>(708,450)</u> | <u>(648,612)</u> | <u>194,377</u> | <u>274,219</u> |
| Total Net Assets | <u>\$ 8,607,423</u> | <u>\$ 10,274,165</u> | <u>\$ 4,113,001</u> | <u>\$ 3,073,709</u> | <u>\$ 12,720,424</u> | <u>\$ 13,347,874</u> |

CHANGES IN NET ASSETS
JUNE 30, 2012 and 2011

| | Governmental | | Business-Type | | Total | |
|------------------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 393,991 | \$ 394,132 | \$ 1,541,923 | \$ 1,539,275 | \$ 1,935,914 | \$ 1,933,407 |
| Operating grants and contributions | 15,523,441 | 13,995,879 | 302,721 | 231,872 | 15,826,162 | 14,227,751 |
| Capital grants and contributions | 592,330 | 1,916,034 | 1,522,246 | 651,424 | 2,114,576 | 2,567,458 |
| General revenues: | | | | | | |
| Member Town contribution | 74,493 | 74,493 | | | 74,493 | 74,493 |
| Miscellaneous | 121,997 | 40,332 | | | 121,997 | 40,332 |
| Unrestricted investment earnings | 3,877 | 6,535 | | | 3,877 | 6,535 |
| Total revenues | <u>16,710,129</u> | <u>16,427,405</u> | <u>3,366,890</u> | <u>2,422,571</u> | <u>20,077,019</u> | <u>18,849,976</u> |
| Expenses: | | | | | | |
| Purchased transportation | 13,530,050 | 13,444,762 | | | 13,530,050 | 13,444,762 |
| Transit projects | 1,191,670 | 1,182,816 | | | 1,191,670 | 1,182,816 |
| Insurance consortium | 3,655,151 | 2,104,265 | | | 3,655,151 | 2,104,265 |
| Transportation center | | | 2,073,357 | 1,932,478 | 2,073,357 | 1,932,478 |
| Parking lot | | | 254,241 | 273,598 | 254,241 | 273,598 |
| Total expenses | <u>18,376,871</u> | <u>16,731,843</u> | <u>2,327,598</u> | <u>2,206,076</u> | <u>20,704,469</u> | <u>18,937,919</u> |
| Change in net assets | (1,666,742) | (304,438) | 1,039,292 | 216,495 | (627,450) | (87,943) |
| Net assets at beginning of year | <u>10,274,165</u> | <u>10,578,603</u> | <u>3,073,709</u> | <u>2,857,214</u> | <u>13,347,874</u> | <u>13,435,817</u> |
| Net Assets at End of Year | <u>\$ 8,607,423</u> | <u>\$ 10,274,165</u> | <u>\$ 4,113,001</u> | <u>\$ 3,073,709</u> | <u>\$ 12,720,424</u> | <u>\$ 13,347,874</u> |

The District's net assets decreased by \$627,450 during the fiscal year with net assets of governmental activities decreasing by \$1,666,742 and business-type activities increasing by \$1,039,292. The decrease in governmental activities is due to depreciation expenses. The increase in business-type activities is mainly attributable to an increase in capital asset purchases and improvements to Union Station Transportation Center.

Governmental Activities

Approximately 89% of the revenues were derived from operating and capital grants and contributions, followed by 10% from charges for services.

Key elements are as follows:

- Operating grants and contributions increased due to increased activity in the ADA and Insurance Consortium programs as well as additional funding of Section 5307 and Section 5309 programs.

Business-Type Activities

Business-type activities increased the District's net assets by \$1,039,292. Key elements are as follows:

- The public portion of the Transportation Center had an increase in net assets of \$5,556. This increase was less than in prior years due to renovations and activities in that portion of the building.
- The Brownstone portion of the Transportation Center had an increase in net assets of \$893,874 due to increased federal and state grants funding capital improvements. Major projects include modernization of three elevators, security system upgrades, Great Hall window replacement and air conditioning equipment replacement.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,382,627, an increase of \$91,815 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the General Fund total fund balance was \$1,382,627, which is entirely unassigned.

The Special Revenue Fund has a fund balance of zero at the end of the year, showing no change from the prior year.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall proprietary fund net assets totaled \$4,113,001 at the end of the year.

- Unrestricted net assets of the Public Transportation Center Fund at the end of the year amounted to \$1,566,192, 26% of total net assets of the fund.
- The Private Transportation Center Fund had an unrestricted net asset deficiency of \$(3,215,367) in the fund.
- The Parking Lot Fund had unrestricted net assets of \$940,725.

The total increase in net assets for all funds was \$1,039,292. Other factors concerning the finances of these three funds have already been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

Budget revenues and transfers increased by \$51,006, or 34%, between the original budget and the final amended budget. This increase was largely due to charter income. During the year, revenues and expenditures equaled the final budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2012 amounted to \$7,704,596 and \$8,192,432, respectively. This investment in capital assets included buildings, transportation vehicles, equipment and the parking lot. The District's investment in capital assets decreased by \$580,065 for the current fiscal year.

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

- Acquisition of 2 handicapped accessible taxicabs to provide Freedom Ride service
- Upgrade and improvements to District IT equipment
- Installation of Air Conditioning System in GHTD IT Server Room
- Deployment of a Paratransit Phone System Digital Call Recording Component
- Construction of an Employee Fitness Center
- Modernization of three Union Station elevators
- Installation of Bus Berthing Area Roof and Ceiling
- Security System Upgrades and investment in additional hardware
- Replacement of Air Conditioning Equipment
- Completion of Union Station Great Hall Window Replacement Project

CAPITAL ASSETS, Net of Depreciation
JUNE 30, 2012 and 2011

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|----------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Land | \$ 285,799 | \$ 240,000 | \$ 300,000 | \$ 300,000 | \$ 585,799 | \$ 540,000 |
| Buildings and improvements | 3,387,137 | 3,675,317 | 7,623,602 | 6,542,114 | 11,010,739 | 10,217,431 |
| Parking lot | | | 226,925 | 242,584 | 226,925 | 242,584 |
| Equipment | <u>4,031,660</u> | <u>5,436,017</u> | <u>41,905</u> | <u>41,061</u> | <u>4,073,565</u> | <u>5,477,078</u> |
| Total | <u>\$ 7,704,596</u> | <u>\$ 9,351,334</u> | <u>\$ 8,192,432</u> | <u>\$ 7,125,759</u> | <u>\$ 15,897,028</u> | <u>\$ 16,477,093</u> |

Additional information on the District's capital assets can be found in Note 3C on pages 29-30 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$70,981. All of the debt is backed by the full faith and credit of the District. The District also has a mortgage outstanding of \$3,300,000, which is secured by its Union Place property. Beginning in 2009 the District recognized a liability for other postemployment benefits (OPEB) as required by applicable accounting standards.

OUTSTANDING DEBT
JUNE 30, 2012 and 2011

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------|------------------------------------|-------------------|-------------------------------------|---------------------|---------------------|---------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenue bonds | \$ | \$ | \$ 70,981 | \$ 103,438 | \$ 70,981 | \$ 103,438 |
| Mortgage | | | 3,300,000 | 3,300,000 | 3,300,000 | 3,300,000 |
| OPEB | <u>479,800</u> | <u>367,981</u> | <u>124,051</u> | <u>60,281</u> | <u>603,851</u> | <u>428,262</u> |
| Total | <u>\$ 479,800</u> | <u>\$ 367,981</u> | <u>\$ 3,495,032</u> | <u>\$ 3,463,719</u> | <u>\$ 3,974,832</u> | <u>\$ 3,831,700</u> |

The District's total debt decreased during the current fiscal year due to scheduled principal payments.

Additional information on the District's long-term debt can be found in Note 3E.

Economic Factors

- Inflationary trends in the region compare favorably to national indices.

This factor was considered in preparing the District's budget for the 2011-2012 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$1,382,627. It is intended that this use of available fund balance would provide required local match for federal grants to acquire buses and/or effect restoration of building assets, if needed and for other transit related operations and capital uses.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Management of Greater Hartford Transit District.

GREATER HARTFORD TRANSIT DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|-------------------------------------------------|-------------------------------------------|--------------------------------------------|----------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 3,766,321 | \$ | \$ 3,766,321 |
| Receivables: | | | |
| Federal grants | 87,297 | 190,509 | 277,806 |
| State grants | 1,237,105 | 93,714 | 1,330,819 |
| Local agencies | 45,916 | | 45,916 |
| Other | 11,968 | 18,698 | 30,666 |
| Internal balances | 701,158 | (701,158) | - |
| Other assets | 31,900 | | 31,900 |
| Capital assets, nondepreciable | 285,799 | 300,000 | 585,799 |
| Capital assets, net of accumulated depreciation | 7,418,797 | 7,892,432 | 15,311,229 |
| Total assets | <u>13,586,261</u> | <u>7,794,195</u> | <u>21,380,456</u> |
| Liabilities: | | | |
| Accounts payable | 4,412,316 | 186,162 | 4,598,478 |
| Payable to local agencies | 84,107 | | 84,107 |
| Payable to State of Connecticut | 2,565 | | 2,565 |
| Unearned revenue | 50 | | 50 |
| Noncurrent liabilities: | | | |
| Due within one year | | 37,832 | 37,832 |
| Due in more than one year | 479,800 | 3,457,200 | 3,937,000 |
| Total liabilities | <u>4,978,838</u> | <u>3,681,194</u> | <u>8,660,032</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 7,704,596 | 4,821,451 | 12,526,047 |
| Unrestricted net assets | 902,827 | (708,450) | 194,377 |
| Total Net Assets | <u>\$ 8,607,423</u> | <u>\$ 4,113,001</u> | <u>\$ 12,720,424</u> |

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

| Function/Program Activities | Expenses | Program Revenues | | | Net Revenue (Expense) and Changes in Net Assets | | |
|----------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|----------------------------------------------------|-----------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| Purchased transportation | \$ 13,530,050 | \$ 393,991 | \$ 11,197,408 | \$ | \$ (1,938,651) | \$ | \$ (1,938,651) |
| Insurance consortium | 3,655,151 | | 3,631,100 | | (24,051) | | (24,051) |
| Transit projects | 1,191,670 | | 694,933 | 592,330 | 95,593 | | 95,593 |
| Total governmental activities | <u>18,376,871</u> | <u>393,991</u> | <u>15,523,441</u> | <u>592,330</u> | <u>(1,867,109)</u> | <u>-</u> | <u>(1,867,109)</u> |
| Business-type activities: | | | | | | | |
| Transportation center | 2,073,357 | 1,177,431 | 280,368 | 1,514,988 | | 899,430 | 899,430 |
| Parking lot | <u>254,241</u> | <u>364,492</u> | <u>22,353</u> | <u>7,258</u> | | <u>139,862</u> | <u>139,862</u> |
| Total business-type activities | <u>2,327,598</u> | <u>1,541,923</u> | <u>302,721</u> | <u>1,522,246</u> | <u>-</u> | <u>1,039,292</u> | <u>1,039,292</u> |
| Total | <u>\$ 20,704,469</u> | <u>\$ 1,935,914</u> | <u>\$ 15,826,162</u> | <u>\$ 2,114,576</u> | <u>(1,867,109)</u> | <u>1,039,292</u> | <u>(827,817)</u> |
| General revenues: | | | | | | | |
| Member town contributions | | | | | 74,493 | | 74,493 |
| Miscellaneous | | | | | 121,997 | | 121,997 |
| Unrestricted investment earnings | | | | | <u>3,877</u> | | <u>3,877</u> |
| Total general revenues | | | | | <u>200,367</u> | <u>-</u> | <u>200,367</u> |
| Change in Net Assets | | | | | (1,666,742) | 1,039,292 | (627,450) |
| Net Assets at Beginning of Year | | | | | <u>10,274,165</u> | <u>3,073,709</u> | <u>13,347,874</u> |
| Net Assets at End of Year | | | | | <u>\$ 8,607,423</u> | <u>\$ 4,113,001</u> | <u>\$ 12,720,424</u> |

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

| | <u>General</u> | <u>Special Revenue</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|---------------------|----------------------------|-----------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,766,321 | \$ | \$ 3,766,321 |
| Federal grants receivable | | 87,297 | 87,297 |
| State grants receivable | | 1,237,105 | 1,237,105 |
| Due from other funds | 3,212,899 | 3,127,111 | 6,340,010 |
| Receivable from local agencies | | 45,916 | 45,916 |
| Other receivables | 11,968 | | 11,968 |
| Prepaid expense | <u>31,900</u> | | <u>31,900</u> |
| Total Assets | <u>\$ 7,023,088</u> | <u>\$ 4,497,429</u> | <u>\$ 11,520,517</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 1,609 | \$ 4,410,707 | \$ 4,412,316 |
| Payable to local agencies | | 84,107 | 84,107 |
| Payable to State of Connecticut | | 2,565 | 2,565 |
| Due to other funds | 5,638,852 | | 5,638,852 |
| Deferred revenue | | 50 | 50 |
| Total liabilities | <u>5,640,461</u> | <u>4,497,429</u> | <u>10,137,890</u> |
| Fund Balances: | | | |
| Unassigned | <u>1,382,627</u> | | <u>1,382,627</u> |
| Total Liabilities and Fund Balances | <u>\$ 7,023,088</u> | <u>\$ 4,497,429</u> | <u>\$ 11,520,517</u> |

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012

Amounts reported for governmental activities in the statement of net assets (page 11) are different because of the following:

| | |
|----------------------------------------------------|--------------|
| Fund balances - total governmental funds (page 13) | \$ 1,382,627 |
|----------------------------------------------------|--------------|

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

| | | |
|-------------------------------|---------------------|-----------|
| Governmental capital assets | \$ 21,032,572 | |
| Less accumulated depreciation | <u>(13,327,976)</u> | |
| | | 7,704,596 |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Liability for other postemployment benefits is not due and payable in the current year and therefore, is not reported in the funds. | <u>(479,800)</u> |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|

| | |
|-------------------------------------------------|----------------------------|
| Net Assets of Governmental Activities (page 11) | <u><u>\$ 8,607,423</u></u> |
|-------------------------------------------------|----------------------------|

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

| | <u>General</u> | <u>Special Revenue</u> | <u>Total Governmental Funds</u> |
|--------------------------------------------|----------------------------|----------------------------|-----------------------------------------|
| Revenues: | | | |
| Federal grants | \$ | \$ 670,844 | \$ 670,844 |
| State grants | | 15,242,084 | 15,242,084 |
| Contributions from member towns | 74,493 | | 74,493 |
| Local share | | 103,386 | 103,386 |
| Private local share | | 78,577 | 78,577 |
| Interest income | 3,877 | | 3,877 |
| Cash fares/Charter fees | 109,066 | 388,620 | 497,686 |
| Rental income | 3,000 | | 3,000 |
| Vehicle sales proceeds and other revenue | 9,931 | 26,250 | 36,181 |
| Total revenues | <u>200,367</u> | <u>16,509,761</u> | <u>16,710,128</u> |
| Expenditures: | | | |
| Current: | | | |
| Project administration | 78,757 | 1,173,406 | 1,252,163 |
| Professional services | 12,818 | 379,440 | 392,258 |
| Purchased transportation | | 10,729,271 | 10,729,271 |
| Insurance and claims | | 3,363,566 | 3,363,566 |
| Capital outlay - tangible transit property | | 862,318 | 862,318 |
| Capital outlay - other property | 18,737 | | 18,737 |
| Total expenditures | <u>110,312</u> | <u>16,508,001</u> | <u>16,618,313</u> |
| Excess of Revenues over Expenditures | <u>90,055</u> | <u>1,760</u> | <u>91,815</u> |
| Other Financing Sources (Uses): | | | |
| Transfers in | 1,832 | 72 | 1,904 |
| Transfers out | <u>(72)</u> | <u>(1,832)</u> | <u>(1,904)</u> |
| Total other financing sources (uses) | <u>1,760</u> | <u>(1,760)</u> | <u>-</u> |
| Net Change in Fund Balances | 91,815 | - | 91,815 |
| Fund Balances at Beginning of Year | <u>1,290,812</u> | <u>-</u> | <u>1,290,812</u> |
| Fund Balances at End of Year | \$ <u><u>1,382,627</u></u> | \$ <u><u>-</u></u> | \$ <u><u>1,382,627</u></u> |

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Amounts reported for governmental activities in the statement of activities (page 12) are different due to the following:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Net change in fund balances - total governmental funds (page 15) | \$ 91,815 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | |
| Capital outlay | 486,115 |
| Depreciation expense | (2,115,320) |
| Loss on disposal of capital assets | (17,533) |
| Governmental funds report other postemployment benefit costs when paid. In the statement of activities other postemployment benefits costs are recognized when earned by employees. | |
| | <u>(111,819)</u> |
| Change in Net Assets of Governmental Activities (page 12) | <u><u>\$ (1,666,742)</u></u> |

The accompanying notes are an integral part of the financial statements

**GREATER HARTFORD TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

| | General Fund | | | | Special Revenue Fund | | | |
|------------------------------------------------------|------------------|-----------|--------------|-----------------------------------------------------------|----------------------|------------|------------|-----------------------------------------------------------|
| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Federal grants | \$ | \$ | \$ | \$ - | \$ 4,499,485 | \$ 670,844 | \$ 670,844 | \$ - |
| State grants | | | | - | 16,121,787 | 15,242,084 | 15,242,084 | - |
| Contributions from member towns | 74,493 | 74,493 | 74,493 | - | | | | - |
| Local/private share | | | | - | 273,952 | 181,963 | 181,963 | - |
| Interest income | 8,500 | 3,877 | 3,877 | - | | | | - |
| Fares | | | | - | 400,000 | 388,620 | 388,620 | - |
| Incidental charter/vehicle sales/misc other receipts | 68,200 | 121,997 | 121,997 | - | | 26,250 | 26,250 | - |
| Total revenues | 151,193 | 200,367 | 200,367 | - | 21,295,224 | 16,509,761 | 16,509,761 | - |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Project administration | 20,475 | 78,757 | 78,757 | - | 1,362,672 | 1,173,406 | 1,173,406 | - |
| Professional services | 15,000 | 12,818 | 12,818 | - | 1,352,159 | 379,440 | 379,440 | - |
| FTA/State/GHTD transportation projects | | | | - | 18,580,393 | 14,092,837 | 14,092,837 | - |
| Capital outlay | | 18,737 | 18,737 | - | | 862,318 | 862,318 | - |
| Total expenditures | 35,475 | 110,312 | 110,312 | - | 21,295,224 | 16,508,001 | 16,508,001 | - |
| Excess of Revenues over Expenditures | 115,718 | 90,055 | 90,055 | - | - | 1,760 | 1,760 | - |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | | 1,832 | 1,832 | - | | 72 | 72 | - |
| Transfers out | | (72) | (72) | - | | (1,832) | (1,832) | - |
| Total other financing sources (uses) | - | 1,760 | 1,760 | - | - | (1,760) | (1,760) | - |
| Net Change in Fund Balances | \$ 115,718 | \$ 91,815 | 91,815 | \$ - | \$ - | \$ - | - | \$ - |
| Fund Balance - Beginning of Year | | | 1,290,812 | | | | - | |
| Fund Balance - End of Year | | | \$ 1,382,627 | | | | \$ - | |

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2012

| | Business-Type Activities - Enterprise Funds | | | |
|----------------------------------------------------|----------------------------------------------------|-----------------------|---------------------|---------------------|
| | Transportation Center | | Parking | Total |
| | Public | Private | Lot | |
| Assets: | | | | |
| Current assets: | | | | |
| Federal grants receivable | \$ 129,923 | \$ 60,586 | \$ | \$ 190,509 |
| State grants receivable | 32,481 | 61,233 | | 93,714 |
| Due from other funds | 1,554,419 | | 957,322 | 2,511,741 |
| Other assets | <u>14,120</u> | <u>4,578</u> | | <u>18,698</u> |
| Total current assets | 1,730,943 | 126,397 | 957,322 | 2,814,662 |
| Noncurrent assets: | | | | |
| Capital assets, net of accumulated depreciation | <u>4,525,701</u> | <u>3,397,901</u> | <u>268,830</u> | <u>8,192,432</u> |
| Total assets | <u>6,256,644</u> | <u>3,524,298</u> | <u>1,226,152</u> | <u>11,007,094</u> |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Bonds payable - current portion | | | 37,832 | 37,832 |
| Accounts payable | 59,853 | 109,713 | 16,597 | 186,163 |
| Due to other funds | <u></u> | <u>3,212,899</u> | <u></u> | <u>3,212,899</u> |
| Total current liabilities | <u>59,853</u> | <u>3,322,612</u> | <u>54,429</u> | <u>3,436,894</u> |
| Noncurrent liabilities: | | | | |
| Mortgage payable | | 3,300,000 | | 3,300,000 |
| Bonds payable | | | 33,149 | 33,149 |
| Other postemployment benefits | <u>104,898</u> | <u>19,152</u> | <u></u> | <u>124,050</u> |
| Total noncurrent liabilities | <u>104,898</u> | <u>3,319,152</u> | <u>33,149</u> | <u>3,457,199</u> |
| Total liabilities | <u>164,751</u> | <u>6,641,764</u> | <u>87,578</u> | <u>6,894,093</u> |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 4,525,701 | 97,901 | 197,849 | 4,821,451 |
| Unrestricted net assets | <u>1,566,192</u> | <u>(3,215,367)</u> | <u>940,725</u> | <u>(708,450)</u> |
| Total Net Assets | <u>\$ 6,091,893</u> | <u>\$ (3,117,466)</u> | <u>\$ 1,138,574</u> | <u>\$ 4,113,001</u> |

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

| | Business-Type Activities - Enterprise Funds | | | |
|--------------------------------------------|----------------------------------------------------|-----------------------|---------------------|---------------------|
| | Transportation Center | | Parking | |
| | Public | Private | Lot | Total |
| Operating Revenues: | | | | |
| Rental income | \$ 368,826 | \$ 479,158 | \$ | \$ 847,984 |
| Parking fees | 1,200 | | 356,463 | 357,663 |
| Other | 21,380 | 306,867 | 8,029 | 336,276 |
| Total operating revenues | <u>391,406</u> | <u>786,025</u> | <u>364,492</u> | <u>1,541,923</u> |
| Operating Expenses: | | | | |
| Professional services | 19,521 | 460,075 | 189,616 | 669,212 |
| Overhead | 521,031 | 552,972 | 36,320 | 1,110,323 |
| Depreciation | 340,571 | 179,187 | 23,134 | 542,892 |
| Total operating expenses | <u>881,123</u> | <u>1,192,234</u> | <u>249,070</u> | <u>2,322,427</u> |
| Operating Income (Loss) | <u>(489,717)</u> | <u>(406,209)</u> | <u>115,422</u> | <u>(780,504)</u> |
| Nonoperating Revenues (Expenses): | | | | |
| Federal grants | 166,604 | 71,792 | | 238,396 |
| State grants | 41,652 | 320 | | 41,972 |
| Local match | | | 22,353 | 22,353 |
| Interest expense | | | (5,171) | (5,171) |
| Total nonoperating revenues (expenses) | <u>208,256</u> | <u>72,112</u> | <u>17,182</u> | <u>297,550</u> |
| Income (Loss) Before Capital Contributions | <u>(281,461)</u> | <u>(334,097)</u> | <u>132,604</u> | <u>(482,954)</u> |
| Capital Contributions: | | | | |
| Federal | 229,614 | 982,377 | 6,654 | 1,218,645 |
| State | 57,403 | 245,594 | 604 | 303,601 |
| Total capital contributions | <u>287,017</u> | <u>1,227,971</u> | <u>7,258</u> | <u>1,522,246</u> |
| Change in Net Assets | 5,556 | 893,874 | 139,862 | 1,039,292 |
| Net Assets at Beginning of Year | <u>6,086,337</u> | <u>(4,011,340)</u> | <u>998,712</u> | <u>3,073,709</u> |
| Net Assets at End of Year | <u>\$ 6,091,893</u> | <u>\$ (3,117,466)</u> | <u>\$ 1,138,574</u> | <u>\$ 4,113,001</u> |

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

| | Business-Type Activities - Enterprise Funds | | | |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------|-------------------|---------------------|
| | Transportation Center | | Parking | |
| | Public | Private | Lot | Total |
| Cash Flows from Operating Activities: | | | | |
| Receipts from customers and users | \$ 395,012 | \$ 801,275 | \$ 364,492 | \$ 1,560,779 |
| Payments for interfund services provided (used) | (54,028) | 226,595 | (114,771) | 57,796 |
| Payments to suppliers | (507,578) | (1,024,744) | (232,288) | (1,764,610) |
| Payments to employees | (30,924) | (9,333) | (1,097) | (41,354) |
| Net cash provided by (used in) operating activities | <u>(197,518)</u> | <u>(6,207)</u> | <u>16,336</u> | <u>(187,389)</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Receipts from federal and state grants | <u>197,518</u> | <u>92,465</u> | | <u>289,983</u> |
| Net cash provided by noncapital financing activities | <u>197,518</u> | <u>92,465</u> | <u>-</u> | <u>289,983</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Receipts from federal and state grants | 287,017 | 1,227,971 | 7,258 | 1,522,246 |
| Receipts of local match | | | 22,353 | 22,353 |
| Purchase of capital assets | (287,017) | (1,314,229) | (8,319) | (1,609,565) |
| Payments of matured portion of bonds | | | (32,457) | (32,457) |
| Interest paid on bonds payable | | | (5,171) | (5,171) |
| Net cash used in capital and related financing activities | <u>-</u> | <u>(86,258)</u> | <u>(16,336)</u> | <u>(102,594)</u> |
| Net Increase in Cash and Cash Equivalents | - | - | - | - |
| Cash and Cash Equivalents at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities: | | | | |
| Operating income (loss) | \$ <u>(489,717)</u> | \$ <u>(406,209)</u> | \$ <u>115,422</u> | \$ <u>(780,504)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 340,571 | 179,187 | 23,134 | 542,892 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in amounts due from other funds | (54,028) | | (114,771) | (168,799) |
| (Increase) decrease in other assets | 3,606 | 15,250 | | 18,856 |
| Increase (decrease) in accounts payable | (54,822) | (27,927) | (7,449) | (90,198) |
| Increase in amounts due to other funds | | 226,595 | | 226,595 |
| Increase in other postemployment benefits liability | 56,872 | 6,897 | | 63,769 |
| Total adjustments | <u>292,199</u> | <u>400,002</u> | <u>(99,086)</u> | <u>593,115</u> |
| Net Cash Provided by (Used In) Operating Activities | <u>\$ (197,518)</u> | <u>\$ (6,207)</u> | <u>\$ 16,336</u> | <u>\$ (187,389)</u> |

The accompanying notes are an integral part of the financial statements

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Greater Hartford Transit District (the District) is a regional governmental unit formed under the provisions of Chapter 103a of the Connecticut General Statutes. The District currently serves sixteen member towns: Bloomfield, East Hartford, East Windsor, Enfield, Farmington, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Vernon, West Hartford, Wethersfield and Windsor. Each member town appoints one to four Directors, according to population, who collectively form the Board of Directors, which is the policy-making body of the District. The day-to-day affairs of the District are managed by the Executive Director and her staff.

The District has broad powers to acquire, operate, finance, plan, develop, maintain and otherwise provide all forms of land transportation and related services including the development or renewal of transportation centers and parking facilities. It also has the power to issue revenue and general obligation bonds, although it has no power to levy taxes.

The District also serves as a pass-through entity for federal, state and private grants for the purpose of acquiring transportation equipment and providing transportation services.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by member town contributions and intergovernmental revenues, are

reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expense reported for individual functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available as net current assets. Nongrant revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Federal and state grant revenues are considered to be available when eligible expenses have been incurred under the grants. All sources of revenue except interest become measurable when the District has rendered a service. Interest revenue is measurable when its rate becomes known.

Federal and state grants, member town contributions, local share, fares and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Special Revenue Fund* is used to account for the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes. The major source of revenue for this fund is governmental grants.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The District reports the following major proprietary funds:

The *Transportation Center - Public and Private* funds are used to account for operation and maintenance of the public and private portions, respectively, of the Union Station facility.

The *Parking Lot* is used to account for operation and maintenance of the parking lot adjacent to Union Station.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking and money market accounts with an original maturity of less than 90 days are considered to be cash equivalents.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

| | |
|----------------------------------------------------|----------|
| Equipment | 7 years |
| Parking lot | 20 years |
| Buildings and improvements | 30 years |
| Passenger vans | 4 years |
| Buses | 12 years |
| Office equipment | 5 years |
| Radios | 5 years |
| ADA/DAR computer system | 5 years |
| Company vehicles | 5 years |
| Land and Union Station Transportation Center | 40 years |
| Renovations of Union Station Transportation Center | 40 years |

E. Payable to Local Agencies

Amounts shown as payable to local agencies in the Special Revenue Fund are amounts due to towns or agencies that are subrecipients of state and federal grants relating to transportation services and capital equipment purchases.

F. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefit Amounts

Accumulated unpaid vacation, sick pay and other employee benefit amounts are accrued when incurred in the government-wide and proprietary fund financial statements (using the accrual basis of accounting). Such amounts are accrued in governmental funds (using the modified accrual basis of accounting) only if they have matured, for example, as a result of employee resignations and retirements.

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The District has a policy of reimbursing an employee for any accumulated vacation or other employee benefits at the end of each fiscal year. The District is not obligated to pay accumulated sick time until the Board of Directors approves the expenditure. Therefore, no liability for vacation or sick pay has been recognized in the District's financial statements.

G. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Fund Equity

Equity in the government-wide financial statements and proprietary funds is defined as "net assets" and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of "invested in capital assets, net of related debt."

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Equity in the governmental fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts). There is currently no nonspendable fund balance for the District.

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, contributors or laws and regulations of their governments. There is currently no restricted fund balance for the District.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (the District’s Board of Directors). There is currently no committed fund balance for the District.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Directors. There is currently no assigned fund balance for the District.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance. There is \$1,382,627 of unassigned fund balance at June 30, 2012.

I. Accounting 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 certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

During the last quarter of the fiscal year, the ensuing year's proposed operating budget, including proposed expenditures and the means of financing them, is compiled and prepared by the Executive Director. A public hearing is held on the budget. The proposed operating budget is then published in line item format in one or more local newspapers servicing the District and is submitted to the Board of Directors for acceptance and adoption.

The Executive Director has the authority to transfer budgeted amounts between published line items (object class: project administration, professional services, FTA/State/GHTD transportation projects and contingency); however, any revisions that alter the total expenditures plus transfers of a fund must have the prior approval of the District Board and are subject to public hearing.

A budget is adopted for the General and Special Revenue Funds on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations are classified by object classes. Due to the nature and size of the organization, no breakdown by function or activity is made. The budget for the Special Revenue Fund is adopted on a generic basis for the fund as a whole rather than for the individual projects. Encumbrance accounting is not employed by the District because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control. Appropriations for all expenditures lapse at year-end.

A budget is adopted for the Enterprise Funds on the accrual basis, except for debt principal and capital improvements, which are budgeted for on a cash basis.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The following is a summary of cash and cash equivalents at June 30, 2012:

| | | |
|-----------------------------------------|----|-------------------------|
| Deposits: | | |
| Demand accounts | \$ | 85,376 |
| Money market accounts | | 40,410 |
| Total deposits | | <u>125,786</u> |
| Petty cash | | 245 |
| Cash equivalent: | | |
| State Short-Term Investment Fund (STIF) | | <u>3,640,290</u> |
| Total Cash and Cash Equivalents | \$ | <u><u>3,766,321</u></u> |

No cash or cash equivalents have maturity periods as all are available for immediate withdrawal.

Interest Rate Risk - The District is not subject to interest rate risk as all cash and cash equivalents maintain their dollar unit value and are not subject to declines in value.

Credit Risk - State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by the Standard and Poor's or P-1 by Moody's Investor Service, the State Treasurer's investment pool, and certain other pooled investments, including the MBIA Class Plus Investment. The District does not have a policy relating to the credit risk of investments. As of June 30, 2012, the District's cash equivalent amounted to \$3,640,290 held in STIF's investment pool, which was rated AAAm by Standard and Poor's.

Concentration of Credit Risk - The District's investment policy does not limit the investment in any one investment vehicle.

Custodial Credit Risk - Deposits - In the case of deposits, this represents the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, the District's bank balance was not exposed to custodial credit risk because it was covered under federal depository insurance.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. Receivables

Receivables consist of grants receivable from the federal government and State of Connecticut, and amounts due from local agencies for services provided. Based on historical experience, management believes these receivables are fully collectible and, therefore, has not provided for an allowance for uncollectible amounts.

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---------------------------------------------|------------------------------|-----------------------|------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 240,000 | \$ 45,799 | \$ | \$ 285,799 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 11,238,966 | | | 11,238,966 |
| Equipment | 9,363,521 | 440,316 | 296,030 | 9,507,807 |
| Total capital assets being depreciated | <u>20,602,487</u> | <u>440,316</u> | <u>296,030</u> | <u>20,746,773</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 7,563,649 | 288,180 | | 7,851,829 |
| Equipment | 3,927,504 | 1,827,140 | 278,497 | 5,476,147 |
| Total accumulated depreciation | <u>11,491,153</u> | <u>2,115,320</u> | <u>278,497</u> | <u>13,327,976</u> |
| Total capital assets being depreciated, net | <u>9,111,334</u> | <u>(1,675,004)</u> | <u>17,533</u> | <u>7,418,797</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 9,351,334</u> | <u>\$ (1,629,205)</u> | <u>\$ 17,533</u> | <u>\$ 7,704,596</u> |

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|------------------------------------------------|------------------------------|----------------------|----------------------|---------------------------|
| Business-Type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ <u>300,000</u> | \$ <u> </u> | \$ <u> </u> | \$ <u>300,000</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 12,784,390 | 791,322 | | 13,575,712 |
| Parking lot | 1,020,792 | 8,319 | | 1,029,111 |
| Equipment | <u>59,798</u> | <u>809,924</u> | | <u>869,722</u> |
| Total capital assets being depreciated | <u>13,864,980</u> | <u>1,609,565</u> | <u>-</u> | <u>15,474,545</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 6,242,276 | 519,758 | | 6,762,034 |
| Parking lot | 778,208 | 18,678 | | 796,886 |
| Equipment | <u>18,737</u> | <u>4,456</u> | | <u>23,193</u> |
| Total accumulated depreciation | <u>7,039,221</u> | <u>542,892</u> | <u>-</u> | <u>7,582,113</u> |
| Total capital assets being depreciated, net | <u>6,825,759</u> | <u>1,066,673</u> | <u>-</u> | <u>7,892,432</u> |
| Governmental Activities Capital Assets, Net | \$ <u>7,125,759</u> | \$ <u>1,066,673</u> | \$ <u>-</u> | \$ <u>8,192,432</u> |

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

| | |
|-------------------------------------------------------|---------------------|
| Governmental activities: | |
| Purchased transportation | \$ 1,776,070 |
| Transit projects | 290,585 |
| General administration | <u>48,665</u> |
| Total Depreciation Expense - Governmental Activities | \$ <u>2,115,320</u> |
| Business-type activities: | |
| Transportation Center | \$ 519,758 |
| Parking Lot | <u>23,134</u> |
| Total Depreciation Expense - Business-Type Activities | \$ <u>542,892</u> |

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Individual Fund Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2012 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|---------------|
| General Fund | Transportation Center | \$ 3,212,899 |
| Special Revenue Fund | General Fund | 3,127,111 |
| Transportation Center | General Fund | 1,554,419 |
| Parking Lot | General Fund | 957,322 |
| Total | | \$ 8,851,751 |

Interfund receivable/payable balances are the result of pooled cash and investments, which are reported in the General Fund.

Interfund transfers were as follows:

| | <u>Transfers In</u> | | |
|----------------------|-------------------------|-------------------------------------|--------------|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total</u> |
| Transfers out: | | | |
| General Fund | \$ | \$ 72 | \$ 72 |
| Special Revenue Fund | 1,832 | | 1,832 |
| Total | \$ 1,832 | \$ 72 | \$ 1,904 |

Transfers are used primarily to fund special revenue program deficits.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------------------|------------------------------|------------------|------------------|---------------------------|--------------------------------|
| Government activities: | | | | | |
| Other postemployment benefits | \$ 367,981 | \$ 111,819 | \$ - | \$ 479,800 | \$ - |
| Business-type activities: | | | | | |
| Revenue bonds | \$ 103,438 | \$ | \$ 32,457 | \$ 70,981 | \$ 37,832 |
| Mortgage | 3,300,000 | | | 3,300,000 | |
| Other postemployment benefits | 60,281 | 63,770 | - | 124,051 | - |
| Long-Term Liabilities | <u>\$ 3,463,719</u> | <u>\$ 63,770</u> | <u>\$ 32,457</u> | <u>\$ 3,495,032</u> | <u>\$ 37,832</u> |

Revenue Bonds Payable

The Parking Lot Enterprise Fund issued tax-exempt revenue bonds on April 1, 1984, maturing on April 1, 2014, in the original amount of \$500,000. The bond proceeds were used to fund the costs for the design, construction and improvement of a parking area adjacent to the Union Station Transportation Center. The bonds are to be funded by the net revenues of the Parking Lot Enterprise Fund and are subject to arbitrage requirements. The interest rate is 6.34%.

Revenue bond debt service requirements to maturity are as follows:

| | <u>Principal</u> | <u>Interest</u> |
|-------|------------------|-----------------|
| 2013 | \$ 37,832 | \$ 3,213 |
| 2014 | 33,149 | 797 |
| Total | <u>\$ 70,981</u> | <u>\$ 4,010</u> |

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Mortgage Payable

On February 26, 1994, the District entered into an Assignment Agreement, effective July 1, 1993, with Union Station Associates Limited Partnership (USA) and the Aetna Casualty and Surety Company (Aetna). Under the terms of the agreement, USA assigned the District all of its rights, title and interest in a certain leasehold estate included in the Union Place property subject to a mortgage and assignment of rents.

Under a Mortgage Modification Agreement also effective July 1, 1993, repayment is to be made in accordance with a formula based on “reconfigured net cash flow.” Reconfigured net cash flow is defined in the agreement as being an amount equal to certain gross cash receipts less certain gross cash expenditures with respect to the property. No payments of interest or repayments of principal are to be made until such cash flows are positive and a reserve account of \$400,000 is established. As net cash flow from the property has been negative since assignment of the mortgage, no interest or principal payments have been made through June 30, 2012 or are anticipated in the foreseeable future.

F. Lease Commitments

On December 21, 1981, the District entered into a lease agreement with the State of Connecticut for approximately 1.4 acres of land adjacent to the Union Station Transportation Center for use as a parking lot. The term of the lease commenced on January 1, 1982 and runs for 40 years. A single payment of \$300 was made at the execution of the lease, and no additional payments are due as long as the land remains under the control of the District.

G. Other Commitments

The District has entered into a purchase agreement for an operations facility in East Hartford, with the closing expected to occur in fiscal 2013. The purchase price is \$1,000,000 and the purchase is being fully funded by federal and state grants.

NOTE 4 - OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the years ended June 30, 2012, 2011 and 2010.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

In addition, as the owner of public transportation vehicles operated in both the public and private sectors, as well as the operator of an intermodal transportation center, the District is exposed to various risks of loss related to these activities. The District requires all public and private agencies operating the vehicles to purchase appropriate commercial insurance coverage through third-party carriers and to include the District as a loss payee.

B. Leases

The District's largest tenant is Amtrak, whose annual lease payment is based on actual space costs incurred with respect to the leased property.

Minimum future rental income to be received by the District from its operating leases in effect at June 30, 2012 is \$12,205,745 assuming future rental income for Amtrak is equal to the current year amount. Scheduled rental income under the terms of the lease agreements for the next five years and thereafter is as follows:

Year Ending June 30

| | | |
|-----------|----|-----------|
| 2013 | \$ | 848,580 |
| 2014 | | 638,221 |
| 2015 | | 536,725 |
| 2016 | | 546,628 |
| 2017 | | 498,174 |
| 2018-2081 | | 9,137,417 |

Many of the leases in effect at June 30, 2012 contain an option to renew upon expiration.

The following is a summary of property leased to others as of June 30, 2012:

| | | |
|-------------------------------|----|-------------------------|
| Cost: | | |
| Buildings and improvements | \$ | 14,904,823 |
| Less accumulated depreciation | | <u>7,558,920</u> |
| Net Book Value | \$ | <u><u>7,345,903</u></u> |

Depreciation expense related to property leased to others totaled \$538,436 for the year ended June 30, 2012.

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Contingent Liabilities

The District receives grants from state and federal governments for capital projects and operating assistance. These grants are subject to audit by grantors, which could result in the disallowance of costs and resulting liabilities to grantors. The District is not aware of any such liabilities.

D. Employee Retirement Plan

The District has established the Greater Hartford Transit District Simplified Employee Pension Plan as a qualified, defined contribution retirement plan that covers substantially all employees exceeding 21 years of age. All funds contributed to the plan are deposited to individual accounts in the name of each eligible employee within a qualified financial institution. The financial institutions are responsible for the administration of the accounts. The Board of Directors authorized the establishment of the plan and can make amendments to the plan and contribution requirements. The District administers the plan. Required and actual contributions made by the District to the plan were \$141,992 for the year ended June 30, 2012. There were no employee contributions made during the year.

E. Other Postemployment Benefits - Retiree Health Plan

Plan Description

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the District. The RHP provides medical and dental benefits to eligible retirees and their spouses. Employees of the District are eligible to participate in the plan if they are at least 62 years old and have more than 10 years of service. Benefit provisions are established by the Executive Director.

The District has opted not to create a trust fund and to remain on a pay-as-you-go basis; therefore, there is no fund statement presented for the RHP on the financial statements. The District recognizes the annual insurance premiums and claims costs as expenditures or expenses, as appropriate. The other postemployment benefits liability has been liquidated primary by the special revenue fund in prior years.

At June 30, 2012, plan membership consisted of the following:

| | Retiree Health Plan |
|---------------------|------------------------------------|
| Retired members | 3 |
| Active plan members | 8 |
| Total Participants | <u>11</u> |

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Funding Policy

The contribution requirements of plan members and the District are determined by the Executive Director. Retired plan members and beneficiaries currently receiving benefits do not contribute towards the cost of health insurance premiums.

Annual OPEB Cost and Net OPEB Obligations

The District's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount determined using the Alternative Measurement Method permitted by 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 30 years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

| | <u>Retiree Health Plan</u> |
|--------------------------------------------|---------------------------------------|
| Annual required contribution (ARC) | \$ 193,512 |
| Interest on net OPEB obligation | 14,990 |
| Adjustment to annual required contribution | <u>(14,276)</u> |
| Annual OPEB cost (expense) | 194,226 |
| Contributions made | <u>18,637</u> |
| Increase in net OPEB obligation | 175,589 |
| Net OPEB obligation, beginning of year | <u>428,262</u> |
| Net OPEB Obligation, End of Year | \$ <u><u>603,851</u></u> |

GREATER HARTFORD TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Three-Year Trend Information

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal years ending June 30, 2012, 2010 and 2009, is presented below.

| Fiscal Year Ended | Annual OPEB Cost (AOC) | Actual Contribution | Percentage of AOC Contributed | Net OPEB Obligation |
|--------------------------|-------------------------------|----------------------------|--------------------------------------|----------------------------|
| June 30, 2012 | \$ 194,226 | \$ 18,637 | 9.60% | \$ 603,851 |
| June 30, 2011 | 192,268 | 21,756 | 11.31% | 428,262 |
| June 30, 2010 | 141,927 | 21,305 | 15.00% | 257,750 |

The schedule of funding progress, presented below, 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.

| Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a % of Covered Payroll [(B-A)/C] |
|-----------------------|--------------------------------------|----------------------------------------------|----------------------------------|---------------------------|----------------------------|-------------------------------------------------|
| June 30, 2012 | \$ - | \$ 1,272,916 | \$ (1,272,916) | 0% | \$ 756,785 | 168% |
| June 30, 2011 | - | 1,140,718 | (1,140,718) | 0% | 746,662 | 153% |
| June 30, 2010 | - | 842,043 | (842,043) | 0% | 658,536 | 128% |

The following is a schedule of employer contributions to the plan.

| Fiscal Year Ended | Annual Required Contribution | Annual Percentage Contributed |
|--------------------------|-------------------------------------|--------------------------------------|
| June 30, 2012 | \$ 193,512 | 9.60% |
| June 30, 2011 | 191,838 | 11.34% |
| June 30, 2010 | 137,128 | 15.6% |

GREATER HARTFORD TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Valuations

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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for 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 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 of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The annual healthcare cost trend rate is 9% initially, reduced by decrements to a rate of 5% after four years and 4.7% after ten years. The general inflation assumption is 2.5% - 3.0%. Projected salary increases were 3.5%. The discount rate baseline is 3.5%. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2011 was 30 years.

**SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

SPECIAL REVENUE FUND

ADA Program - to account for paratransit operations in participating communities under the Americans with Disabilities Act. The program is supported by the State of Connecticut, cash fares from riders and advertising income.

Other Transportation - to account for various projects not reported elsewhere.

Drug and Alcohol Testing Consortium - to account for the administration of a Statewide Drug and Alcohol Testing Program in accordance with FTA regulatory requirements, covering nearly 40 locations and 2,200 employees. The program is supported 100% by the State of Connecticut.

Municipal DAR Grants - to account for municipal operating assistance provided by the State of Connecticut to the District, which administers the program and passes through the funds to local towns and agencies.

Vans, Buses and Equipment - to account for the purchase of handicapped accessible buses, administrative equipment, and an operations center property used to support the ADA Paratransit Program. The program is funded 80% by FTA and 20% local match is funded by the State of Connecticut.

Hartford Livability Transit Development - to account for improved pedestrian connections to Union Station that will create safe, convenient and attractive routes to the station from surrounding residential, shopping and employment districts. The program is funded 80% by FTA and 20% by the State of Connecticut.

Peter Pan EPA Grant - to account for the repower of diesel engines to decrease emissions and improve air quality. The program is funded 75% by the Environmental Protection Agency and 25% by Peter Pan Bus Lines.

CMAQ Bicycle Lockers - to account for the purchase of bicycle lockers for the City of Hartford, recognizing the use of bicycles as a congestion mitigation and air quality improvement effort. The program is funded 80% by FTA and 20% local match is provided by the City of Hartford

Transit Enhancement Funding of Municipal Bus Shelters - to account for the procurement of bus shelters being installed in numerous municipalities within the Region. Single municipality shelter projects are funded 80% by the FTA and 20% local match is provided by the municipality. With regard to the Regional Bus Shelter Program, 80% is funded by FTA, 10% by benefitting municipalities, and 10% by the State of Connecticut.

Statewide Transit District Insurance Consortium - to account for the administration of a Statewide Transit District Insurance Program providing Primary and Excess Automobile Liability, Collision/Physical Damage and Property Liability Insurance coverage. The program is supported 100% by the State of Connecticut.

Intermodal Centers - to account for Intermodal Center projects in the towns of Vernon, Enfield and Mansfield.

**GREATER HARTFORD TRANSIT DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2012**

| | <u>ADA Program</u> | <u>Other Transportation</u> | <u>Drug and Alcohol Testing Consortium</u> | <u>Municipal DAR Grants</u> | <u>Vans, Buses and Equipment</u> | <u>Hartford Livability Transit Development</u> |
|------------------------------------------------------|------------------------|---------------------------------|--------------------------------------------------------|---------------------------------|--------------------------------------|------------------------------------------------------------|
| Revenues: | | | | | | |
| Federal grants | \$ | \$ | \$ | \$ | \$ | \$ |
| State grants | 10,749,414 | 3,197 | 270,777 | 359,590 | 307,605 | 1,000 |
| Local share | | 2,174 | | | 227,479 | 250 |
| Private contributions | 54,707 | 7,447 | | | 6,999 | |
| Cash fares | 388,620 | | | | 16,423 | |
| Miscellaneous | 26,250 | | | | | |
| Total revenues | <u>11,218,991</u> | <u>12,818</u> | <u>270,777</u> | <u>359,590</u> | <u>558,506</u> | <u>1,250</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Project administration | 768,150 | | 137,591 | 24,135 | 122,351 | 1,250 |
| Professional services | 68,011 | | 133,190 | | | |
| Purchased transportation | 10,382,829 | 10,987 | | 335,455 | | |
| Insurance and claims | | | | | | |
| Capital outlay - tangible transit property | | | | | 436,170 | |
| Total expenditures | <u>11,218,990</u> | <u>10,987</u> | <u>270,781</u> | <u>359,590</u> | <u>558,521</u> | <u>1,250</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>1</u> | <u>1,831</u> | <u>(4)</u> | <u>-</u> | <u>(15)</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | | | 4 | | 15 | |
| Transfers out | <u>(1)</u> | <u>(1,831)</u> | | | | |
| Total other financing sources (uses) | <u>(1)</u> | <u>(1,831)</u> | <u>4</u> | <u>-</u> | <u>15</u> | <u>-</u> |
| Net Changes in Fund Balances | - | - | - | - | - | - |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(Continued on next page)

**GREATER HARTFORD TRANSIT DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES BY PROJECT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

| | Peter Pan EPA Grant | CMAQ Bicycle Lockers | Transit Enhancement Funding of Municipal Bus Shelters | Statewide Transit District Insurance Consortium | Intermodal Centers | Total |
|------------------------------------------------------|--------------------------------|---------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------|-------------------|
| Revenues: | | | | | | |
| Federal grants | \$ | \$ 20,288 | \$ 2,629 | \$ | \$ 339,322 | \$ 670,844 |
| State grants | | | 277 | 3,631,100 | | 15,242,084 |
| Local share | 3,927 | 5,072 | 381 | | 84,833 | 103,386 |
| Private contributions | | | | | | 78,577 |
| Cash fares | | | | | | 388,620 |
| Miscellaneous | | | | | | 26,250 |
| Total revenues | <u>3,927</u> | <u>25,360</u> | <u>3,287</u> | <u>3,631,100</u> | <u>424,155</u> | <u>16,509,761</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Project administration | 3,928 | | 3,288 | 89,295 | 23,418 | 1,173,406 |
| Professional services | | | | 178,239 | | 379,440 |
| Purchased transportation | | | | | | 10,729,271 |
| Insurance and claims | | | | 3,363,566 | | 3,363,566 |
| Capital outlay - tangible transit property | | 25,360 | | | 400,788 | 862,318 |
| Total expenditures | <u>3,928</u> | <u>25,360</u> | <u>3,288</u> | <u>3,631,100</u> | <u>424,206</u> | <u>16,508,001</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(1)</u> | <u>-</u> | <u>(1)</u> | <u>-</u> | <u>(51)</u> | <u>1,760</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 1 | | 1 | | 51 | 72 |
| Transfers out | | | | | | (1,832) |
| Total other financing sources (uses) | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>51</u> | <u>(1,760)</u> |
| Net Changes in Fund Balances | - | - | - | - | - | - |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

STATISTICAL SECTION

This part of the Greater Hartford Transit District's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

| Contents | Page |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Financial Trends | 41-47 |
| These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | |
| Revenue Capacity | 48-49 |
| This schedule contains information to help the reader assess the District's most significant revenue source, federal and state grants. | |
| Debt Capacity | 50-51 |
| These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | |
| Demographic and Economic Information | 52-53 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | |
| Operating Information | 54-56 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | |

GREATER HARTFORD TRANSIT DISTRICT
NET ASSETS BY COMPONENT
LAST TEN YEARS
(Accrual Basis of Accounting)

| | | YEAR ENDED JUNE 30 | | | | | | | | | |
|-------------------------------------------------|----|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities: | | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ | 10,933,919 | \$ 9,609,679 | \$ 9,612,003 | \$ 9,129,643 | \$ 8,545,966 | \$ 8,345,537 | \$ 7,742,369 | \$ 9,683,448 | \$ 9,351,334 | \$ 7,704,596 |
| Restricted for insurance program | | 251,578 | 252,251 | 254,279 | 308,747 | 225,000 | 275,000 | 300,000 | 300,000 | | |
| Unrestricted | | <u>89,682</u> | <u>111,968</u> | <u>161,523</u> | <u>113,063</u> | <u>274,237</u> | <u>414,093</u> | <u>429,003</u> | <u>595,155</u> | <u>922,831</u> | <u>902,827</u> |
| Total Governmental Activities Net Assets | \$ | <u>11,275,179</u> | <u>9,973,898</u> | <u>10,027,805</u> | <u>9,551,453</u> | <u>9,045,203</u> | <u>9,034,630</u> | <u>8,471,372</u> | <u>10,578,603</u> | <u>10,274,165</u> | <u>8,607,423</u> |
| Business-Type Activities: | | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ | 2,814,897 | \$ 2,748,896 | \$ 2,458,036 | \$ 2,170,222 | \$ 1,923,129 | \$ 1,722,345 | \$ 1,854,080 | \$ 3,482,159 | \$ 3,722,321 | \$ 4,821,451 |
| Unrestricted | | <u>(295,640)</u> | <u>(530,432)</u> | <u>(553,210)</u> | <u>(577,940)</u> | <u>(594,539)</u> | <u>(591,921)</u> | <u>(605,763)</u> | <u>(624,945)</u> | <u>(648,612)</u> | <u>(708,450)</u> |
| Total Business-Type Activities Net Assets | \$ | <u>2,519,257</u> | <u>2,218,464</u> | <u>1,904,826</u> | <u>1,592,282</u> | <u>1,328,590</u> | <u>1,130,424</u> | <u>1,248,317</u> | <u>2,857,214</u> | <u>3,073,709</u> | <u>4,113,001</u> |
| Primary Government: | | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ | 13,748,816 | \$ 12,358,575 | \$ 12,070,039 | \$ 11,299,865 | \$ 10,469,095 | \$ 10,067,882 | \$ 9,596,449 | \$ 13,165,607 | \$ 13,073,655 | \$ 12,526,047 |
| Unrestricted | | <u>45,620</u> | <u>(166,213)</u> | <u>(137,408)</u> | <u>(156,130)</u> | <u>(95,302)</u> | <u>97,172</u> | <u>123,240</u> | <u>270,210</u> | <u>274,219</u> | <u>194,377</u> |
| Total Primary Government Net Assets | \$ | <u>13,794,436</u> | <u>12,192,362</u> | <u>11,932,631</u> | <u>11,143,735</u> | <u>10,373,793</u> | <u>10,165,054</u> | <u>9,719,689</u> | <u>13,435,817</u> | <u>13,347,874</u> | <u>12,720,424</u> |

GREATER HARTFORD TRANSIT DISTRICT
CHANGES IN NET ASSETS - ENTITY WIDE
LAST TEN YEARS
(Accrual Basis of Accounting)

| | | YEAR ENDED JUNE 30 | | | | | | | | | |
|-------------------------------------------------|----|--------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Expenses: | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Purchased transportation | \$ | 5,099,325 | \$ 5,091,561 | \$ 6,323,540 | \$ 6,906,748 | \$ 9,806,370 | \$ 12,064,971 | \$ 12,464,740 | \$ 11,893,465 | \$ 13,444,762 | \$ 13,530,050 |
| Insurance consortium | | 2,766,422 | 2,703,321 | 2,673,423 | 2,673,322 | 2,749,322 | 2,673,884 | 2,385,905 | 3,005,480 | 2,104,265 | 3,655,151 |
| Transit projects | | 4,180,476 | 4,274,691 | 4,044,147 | 3,536,622 | 4,851,475 | 251,488 | 576,686 | 1,038,069 | 1,182,816 | 1,191,670 |
| Total governmental activities expenses | | 12,046,223 | 12,069,573 | 13,041,110 | 13,116,692 | 17,407,167 | 14,990,343 | 15,427,331 | 15,937,014 | 16,731,843 | 18,376,871 |
| Business-type activities: | | | | | | | | | | | |
| Transportation center | | 1,246,358 | 1,890,611 | 1,668,274 | 2,083,170 | 1,512,352 | 1,530,393 | 1,852,761 | 1,947,046 | 1,932,478 | 2,073,357 |
| Parking lot | | 275,924 | 255,378 | 256,730 | 245,977 | 234,333 | 252,644 | 247,201 | 242,580 | 273,598 | 254,241 |
| Total business-type activities expenses | | 1,522,282 | 2,145,989 | 1,925,004 | 2,329,147 | 1,746,685 | 1,783,037 | 2,099,962 | 2,189,626 | 2,206,076 | 2,327,598 |
| Total Primary Government Expenses | \$ | 13,568,505 | \$ 14,215,562 | \$ 14,966,114 | \$ 15,445,839 | \$ 19,153,852 | \$ 16,773,380 | \$ 17,527,293 | \$ 18,126,640 | \$ 18,937,919 | \$ 20,704,469 |
| Program Revenues: | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Charges for services | \$ | 1,249,956 | \$ 678,945 | \$ 633,388 | \$ 891,694 | \$ 360,895 | \$ 350,652 | \$ 749,523 | \$ 393,749 | \$ 394,132 | \$ 393,991 |
| Operating grants and contributions | | 8,314,026 | 9,100,333 | 9,587,745 | 10,691,807 | 11,173,766 | 11,832,993 | 12,693,669 | 13,522,068 | 13,995,879 | 15,523,441 |
| Capital grants and contributions | | 1,756,029 | 934,729 | 2,533,479 | 961,182 | 5,243,616 | 2,156,057 | 1,196,488 | 3,999,310 | 1,916,034 | 592,330 |
| Total governmental activities program revenues | | 11,320,011 | 10,714,007 | 12,754,612 | 12,544,683 | 16,778,277 | 14,339,702 | 14,639,680 | 17,915,127 | 16,306,045 | 16,509,762 |
| Business-type activities: | | | | | | | | | | | |
| Transportation center | | 841,420 | 1,475,093 | 1,293,876 | 1,727,318 | 953,728 | 1,049,667 | 1,426,890 | 3,345,748 | 1,539,275 | 2,972,787 |
| Parking lot | | 363,461 | 347,828 | 317,490 | 289,285 | 529,265 | 537,004 | 790,965 | 448,668 | 883,296 | 394,103 |
| Total business-type activities program revenues | | 1,204,881 | 1,822,921 | 1,611,366 | 2,016,603 | 1,482,993 | 1,586,671 | 2,217,855 | 3,794,416 | 2,422,571 | 3,366,890 |
| Total Government Program Revenues | \$ | 12,524,892 | \$ 12,536,928 | \$ 14,365,978 | \$ 14,561,286 | \$ 18,261,270 | \$ 15,926,373 | \$ 16,857,535 | \$ 21,709,543 | \$ 18,728,616 | \$ 19,876,652 |
| Net (Expenses) Revenue: | | | | | | | | | | | |
| Governmental activities | \$ | (726,212) | \$ (1,355,566) | \$ (286,498) | \$ (572,009) | \$ (628,890) | \$ (650,641) | \$ (787,651) | \$ 1,978,113 | \$ (425,798) | \$ (1,867,109) |
| Business-type activities | | (317,401) | (323,068) | (313,638) | (312,544) | (263,692) | (196,366) | 117,893 | 1,604,790 | 216,495 | 1,039,292 |
| Total Government Net Expense | \$ | (1,043,613) | \$ (1,678,634) | \$ (600,136) | \$ (884,553) | \$ (892,582) | \$ (847,007) | \$ (669,758) | \$ 3,582,903 | \$ (209,303) | \$ (827,817) |

GREATER HARTFORD TRANSIT DISTRICT
CHANGES IN NET ASSETS - ENTITY WIDE
LAST TEN YEARS
(Accrual Basis of Accounting)

| | | YEAR ENDED JUNE 30 | | | | | | | | | |
|----------------------------------|----|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|
| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| General Revenues and Other | | | | | | | | | | | |
| Changes in Net Assets: | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Member town contributions | \$ | 40,111 | \$ 40,111 | \$ 39,051 | \$ 40,111 | \$ 40,111 | \$ 40,111 | \$ 57,299 | \$ 74,493 | \$ 74,493 | \$ 74,493 |
| Miscellaneous | | 91,035 | 33,973 | 294,887 | 44,012 | 39,858 | 138,985 | 127,764 | 42,132 | 40,332 | 121,997 |
| Unrestricted investment earnings | | 4,975 | 2,476 | 6,467 | 11,534 | 42,671 | 61,495 | 39,330 | 12,493 | 6,535 | 3,877 |
| Transfers | | 71,686 | (22,275) | | | | 1,800 | | | | |
| Total governmental activities | | <u>207,807</u> | <u>54,285</u> | <u>340,405</u> | <u>95,657</u> | <u>122,640</u> | <u>242,391</u> | <u>224,393</u> | <u>129,118</u> | <u>121,360</u> | <u>200,367</u> |
| Business-type activities: | | | | | | | | | | | |
| Miscellaneous | | | | | | | | | 4,107 | | |
| Transfers | | <u>(71,686)</u> | <u>22,275</u> | | | | | | | | |
| Total business-type activities | | <u>(71,686)</u> | <u>22,275</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,107</u> | <u>-</u> | <u>-</u> |
| Total Government | \$ | <u><u>136,121</u></u> | <u><u>76,560</u></u> | <u><u>340,405</u></u> | <u><u>95,657</u></u> | <u><u>122,640</u></u> | <u><u>242,391</u></u> | <u><u>224,393</u></u> | <u><u>133,225</u></u> | <u><u>121,360</u></u> | <u><u>200,367</u></u> |
| Change in Net Assets: | | | | | | | | | | | |
| Governmental activities | \$ | (518,405) | \$ (1,301,281) | \$ 53,907 | \$ (476,352) | \$ (506,250) | \$ (408,250) | \$ (563,258) | \$ 2,107,231 | \$ (304,438) | \$ (1,666,742) |
| Business-type activities | | <u>(389,087)</u> | <u>(300,793)</u> | <u>(313,638)</u> | <u>(312,544)</u> | <u>(263,692)</u> | <u>(196,366)</u> | <u>117,893</u> | <u>1,608,897</u> | <u>216,495</u> | <u>1,039,292</u> |
| Total Government | \$ | <u><u>(907,492)</u></u> | <u><u>(1,602,074)</u></u> | <u><u>(259,731)</u></u> | <u><u>(788,896)</u></u> | <u><u>(769,942)</u></u> | <u><u>(604,616)</u></u> | <u><u>(445,365)</u></u> | <u><u>3,716,128</u></u> | <u><u>(87,943)</u></u> | <u><u>(627,450)</u></u> |

GREATER HARTFORD TRANSIT DISTRICT
CHANGES IN NET ASSETS - PURCHASED TRANSPORTATION PROGRAM
LAST TEN YEARS
(Accrual Basis of Accounting)

| | YEAR ENDED JUNE 30 | | | | | | | | | |
|-----------------------------------------------|--------------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Purchased Transportation Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Purchased transportation | \$ 7,798,554 | \$ 7,742,014 | \$ 8,692,550 | \$ 9,264,902 | \$ 9,428,385 | \$ 11,560,157 | \$ 12,464,740 | \$ 11,893,465 | \$ 13,444,762 | \$ 13,530,050 |
| Total primary government expenses | 7,798,554 | 7,742,014 | 8,692,550 | 9,264,902 | 9,428,385 | 11,560,157 | 12,464,740 | 11,893,465 | 13,444,762 | 13,530,050 |
| Purchased Transportation Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | 1,244,334 | 673,647 | 623,250 | 887,655 | 368,432 | 412,954 | 749,523 | 393,749 | 394,132 | 393,991 |
| Operating grants and contributions | 4,492,150 | 5,895,999 | 6,525,367 | 7,632,248 | 8,095,657 | 9,167,715 | 9,858,164 | 10,216,297 | 11,081,058 | 11,197,408 |
| Total government program revenues | 5,736,484 | 6,569,646 | 7,148,617 | 8,519,903 | 8,464,089 | 9,580,669 | 10,607,687 | 10,610,046 | 11,475,190 | 11,591,399 |
| Net Revenues (Expenses)/Change in Net Assets: | | | | | | | | | | |
| Governmental activities | \$ (2,062,070) | \$ (1,172,368) | \$ (1,543,933) | \$ (744,999) | \$ (964,296) | \$ (1,979,488) | \$ (1,857,053) | \$ (1,283,419) | \$ (1,969,572) | \$ (1,938,651) |

**GREATER HARTFORD TRANSIT DISTRICT
GOVERNMENTAL ACTIVITIES REVENUE BY SOURCE
LAST TEN YEARS**

| Fiscal Year Ended June 30 | Federal and State Grants | Contributions from Member Towns | Local and Private Share of Federal Grants | Interest Income | Charter Bus Income | Cash Fares and Miscellaneous | Total |
|------------------------------------------|-------------------------------------|------------------------------------------------|--------------------------------------------------------------|----------------------------|-----------------------------------|---------------------------------------------|---------------|
| 2012 | \$ 15,912,928 | \$ 74,493 | \$ 181,963 | \$ 3,877 | \$ 109,066 | \$ 427,801 | \$ 16,710,128 |
| 2011 | 15,233,680 | 74,493 | 682,337 | 6,535 | 3,000 | 651,821 | 16,651,866 |
| 2010 | 16,709,251 | 74,493 | 814,842 | 12,493 | 6,787 | 546,829 | 18,164,695 |
| 2009 | 13,013,913 | 57,299 | 841,266 | 39,330 | 391,615 | 520,650 | 14,864,073 |
| 2008 | 12,959,618 | 40,111 | 1,030,882 | 61,495 | 62,302 | 425,885 | 14,580,293 |
| 2007 | 14,511,086 | 40,111 | 1,821,681 | 42,671 | 7,537 | 477,831 | 16,900,917 |
| 2006 | 11,077,160 | 40,111 | 943,492 | 11,534 | 207,619 | 360,424 | 12,640,340 |
| 2005 | 11,466,028 | 39,051 | 1,029,422 | 6,467 | 276,816 | 277,233 | 13,095,017 |
| 2004 | 9,601,030 | 40,111 | 835,842 | 2,476 | 18,020 | 293,088 | 10,790,567 |
| 2003 | 9,434,976 | 40,111 | 1,631,158 | 4,975 | 25,805 | 319,107 | 11,456,132 |

GREATER HARTFORD TRANSIT DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | | YEAR ENDED JUNE 30 | | | | | | | | | |
|-----------------------|------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
| General fund: | | | | | | | | | | | |
| | Unreserved | \$ <u>237,514</u> | \$ <u>241,293</u> | \$ <u>265,517</u> | \$ <u>421,810</u> | \$ <u>499,237</u> | \$ <u>689,093</u> | \$ <u>852,289</u> | \$ <u>1,115,776</u> | \$ <u>1,290,812</u> | \$ <u>1,382,627</u> |
| Special revenue fund: | | | | | | | | | | | |
| | Unreserved | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

**GREATER HARTFORD TRANSIT DISTRICT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)**

| | | YEAR ENDED JUNE 30 | | | | | | | | | |
|----------------------------------------------------------|----|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Revenues: | | | | | | | | | | | |
| Federal grants | \$ | 2,031,413 | \$ 1,060,119 | \$ 2,140,658 | \$ 976,805 | \$ 4,276,240 | \$ 1,466,853 | \$ 1,084,688 | \$ 3,223,884 | \$ 1,952,295 | \$ 670,844 |
| State grants | | 7,403,563 | 8,540,911 | 9,325,370 | 10,100,355 | 10,234,846 | 11,492,765 | 11,929,225 | 13,485,367 | 13,281,385 | 15,242,084 |
| Contributions from member towns | | 40,111 | 40,111 | 39,051 | 40,111 | 40,111 | 40,111 | 57,299 | 74,493 | 74,493 | 74,493 |
| Local/private share | | 1,631,158 | 835,842 | 1,029,422 | 943,492 | 1,821,681 | 1,030,882 | 841,266 | 814,842 | 682,337 | 181,963 |
| Interest income | | 4,975 | 2,476 | 6,467 | 11,534 | 42,671 | 61,495 | 39,330 | 12,493 | 6,535 | 3,877 |
| Fares | | 253,877 | 277,135 | 259,162 | 302,858 | 326,242 | 335,727 | 355,299 | 384,148 | 389,676 | 388,620 |
| Incidental charter | | | | 276,816 | 207,619 | 7,537 | 62,302 | 391,615 | 6,787 | 3,000 | 112,066 |
| Vehicle sales and miscellaneous | | 91,035 | 33,973 | 18,071 | 57,566 | 151,589 | 90,158 | 165,351 | 162,681 | 262,145 | 36,181 |
| Total revenues | | <u>11,456,132</u> | <u>10,790,567</u> | <u>13,095,017</u> | <u>12,640,340</u> | <u>16,900,917</u> | <u>14,580,293</u> | <u>14,864,073</u> | <u>18,164,695</u> | <u>16,651,866</u> | <u>16,710,128</u> |
| Expenditures: | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| Project administration | | 1,032,139 | 946,941 | 1,256,994 | 1,293,177 | 1,131,126 | 1,279,238 | 1,182,875 | 1,092,359 | 1,400,699 | 1,252,163 |
| Professional services | | 607,373 | 223,163 | 257,921 | 266,214 | 216,623 | 257,518 | 225,843 | 286,867 | 254,850 | 392,258 |
| Insurance and claims | | 2,691,422 | 2,628,321 | 2,598,423 | 2,604,229 | 2,656,650 | 8,806,695 | 2,285,217 | 2,928,006 | 2,013,633 | 3,363,566 |
| Purchased transportation | | 5,356,884 | 6,052,369 | 6,767,066 | 7,449,581 | 7,617,652 | 2,557,602 | 9,964,137 | 9,819,224 | 10,571,097 | 10,729,271 |
| Charter bus maintenance | | | | 238,853 | 172,211 | | | | | | |
| Capital outlay - tangible transit property | | 1,823,740 | 913,719 | 1,951,536 | 848,920 | 5,201,439 | 1,491,184 | 1,042,805 | 3,774,752 | 2,236,551 | 881,055 |
| Total expenditures | | <u>11,511,558</u> | <u>10,764,513</u> | <u>13,070,793</u> | <u>12,634,332</u> | <u>16,823,490</u> | <u>14,392,237</u> | <u>14,700,877</u> | <u>17,901,208</u> | <u>16,476,830</u> | <u>16,618,313</u> |
| Excess (Deficiency) of Revenues over Expenditures | | <u>(55,426)</u> | <u>26,054</u> | <u>24,224</u> | <u>6,008</u> | <u>77,427</u> | <u>188,056</u> | <u>163,196</u> | <u>263,487</u> | <u>175,036</u> | <u>91,815</u> |
| Other Financing Sources (Uses): | | | | | | | | | | | |
| Transfers in | | 134,670 | 16,160 | | 153,829 | 87,615 | 52,851 | 40,298 | 56,705 | 43,490 | 1,904 |
| Transfers out | | (62,984) | (38,435) | | (3,544) | (87,615) | (51,051) | (40,298) | (56,705) | (43,490) | (1,904) |
| Total other financing sources (uses) | | <u>71,686</u> | <u>(22,275)</u> | <u>-</u> | <u>150,285</u> | <u>-</u> | <u>1,800</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | | 16,260 | 3,779 | 24,224 | 156,293 | 77,427 | 189,856 | 163,196 | 263,487 | 175,036 | 91,815 |
| Fund Balance at Beginning of Year | | <u>221,254</u> | <u>237,514</u> | <u>241,293</u> | <u>265,517</u> | <u>421,810</u> | <u>499,237</u> | <u>689,093</u> | <u>852,289</u> | <u>1,115,776</u> | <u>1,290,812</u> |
| Fund Balance at End of Year | \$ | <u><u>237,514</u></u> | <u><u>241,293</u></u> | <u><u>265,517</u></u> | <u><u>421,810</u></u> | <u><u>499,237</u></u> | <u><u>689,093</u></u> | <u><u>852,289</u></u> | <u><u>1,115,776</u></u> | <u><u>1,290,812</u></u> | <u><u>1,382,627</u></u> |
| Debit Service as a Percentage to Noncapital Expenditures | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**GREATER HARTFORD TRANSIT DISTRICT
GOVERNMENTAL FUNDS REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

| Fiscal Year Ended June 30 | Federal and State Grants | Contributions from Member Towns | Local and Private Share of Federal Grants | Interest Income | Charter Bus/Rental Income | Cash Fares and Miscellaneous | Total |
|------------------------------------------|-------------------------------------|------------------------------------------------|--------------------------------------------------------------|----------------------------|------------------------------------------|---------------------------------------------|---------------|
| 2012 | \$ 15,912,928 | \$ 74,493 | \$ 181,963 | \$ 3,877 | \$ 3,000 | \$ 533,867 | \$ 16,710,128 |
| 2011 | 15,233,680 | 74,493 | 682,337 | 6,535 | 3,000 | 651,821 | 16,651,866 |
| 2010 | 16,709,251 | 74,493 | 814,842 | 12,493 | 6,787 | 546,829 | 18,164,695 |
| 2009 | 13,013,913 | 57,299 | 841,266 | 39,330 | 391,615 | 520,650 | 14,864,073 |
| 2008 | 12,959,618 | 40,111 | 1,030,882 | 61,495 | 62,302 | 425,885 | 14,580,293 |
| 2007 | 14,511,086 | 40,111 | 1,821,681 | 42,671 | 7,537 | 477,831 | 16,900,917 |
| 2006 | 11,077,160 | 40,111 | 943,492 | 11,534 | 207,619 | 360,424 | 12,640,340 |
| 2005 | 11,466,028 | 39,051 | 1,029,422 | 6,467 | 276,816 | 277,233 | 13,095,017 |
| 2004 | 9,601,030 | 40,111 | 835,842 | 2,476 | 18,020 | 293,088 | 10,790,567 |
| 2003 | 9,434,976 | 40,111 | 1,631,158 | 4,975 | 25,805 | 319,107 | 11,456,132 |

**GREATER HARTFORD TRANSIT DISTRICT
PRINCIPAL REVENUE PAYORS
CURRENT YEAR AND NINE YEARS AGO**

| YEAR ENDED JUNE 30 | | | | | | |
|---------------------------------------------|-------------|-------------------------------------------------------------|--------------------------|-------------|-------------------------------------------------------------|--|
| 2012 | | | 2003 | | | |
| Total Revenue | Rank | Percentage of Total Governmental Revenue | Total Revenue | Rank | Percentage of Total Governmental Revenue | |
| Connecticut Department of Transportation | | | | | | |
| \$ 15,242,084 | 1 | 91.2% | \$ 7,403,563 | 1 | 64.6% | |
| Federal Transit Administration | | | | | | |
| 670,844 | 2 | 4.0% | 2,031,413 | 2 | 17.7% | |
| <u>\$ 15,912,928</u> | | <u>95.2%</u> | <u>\$ 9,434,976</u> | | <u>82.4%</u> | |

Source: Statement of Revenues, Expenditures and Changes in Fund Balances

**GREATER HARTFORD TRANSIT DISTRICT
PLEDGED-REVENUE COVERAGE
PARKING LOT BONDS
LAST TEN YEARS**

| <u>Fiscal Year</u> | <u>Gross Revenue (2)</u> | <u>Direct Operating Expenses (1)</u> | <u>Transfers Out</u> | <u>Net Revenue Available for Debt Service</u> | <u>Debt Service Requirements</u> | | | <u>Coverage</u> |
|--------------------|------------------------------|----------------------------------------------|--------------------------|-------------------------------------------------------|----------------------------------|-----------------|--------------|-----------------|
| | | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2012 | \$ 356,463 | \$ 249,070 | \$ | \$ 107,393 | \$ 35,873 | \$ 5,171 | \$ 41,044 | 2.62 |
| 2011 | 333,693 | 265,886 | | 67,807 | 33,333 | 7,712 | 41,045 | 1.65 |
| 2010 | 282,681 | 232,827 | | 49,854 | 31,292 | 9,753 | 41,045 | 1.21 |
| 2009 | 274,457 | 235,507 | | 38,950 | 29,350 | 11,694 | 41,044 | 0.95 |
| 2008 | 292,820 | 239,155 | | 53,665 | 27,555 | 13,489 | 41,044 | 1.31 |
| 2007 | 269,360 | 219,153 | | 50,207 | 25,896 | 15,180 | 41,076 | 1.22 |
| 2006 | 289,285 | 229,201 | | 60,084 | 24,269 | 16,776 | 41,045 | 1.46 |
| 2005 | 317,490 | 238,463 | | 79,027 | 22,777 | 18,267 | 41,044 | 1.93 |
| 2004 | 347,828 | 235,738 | | 112,090 | 21,405 | 19,640 | 41,045 | 2.73 |
| 2003 | 363,461 | 254,987 | | 108,474 | 20,106 | 20,937 | 41,043 | 2.64 |

(1) Direct operating expenses represent operating expenses excluding interest for Parking Lot operations.

(2) Gross revenue represents fees from Parking Lot operations.

**GREATER HARTFORD TRANSIT DISTRICT
NET GENERAL BONDED DEBT PER CAPITA
LAST TEN YEARS**

| Fiscal Year | Business-Type Activities | | Total Government | Per Capita |
|------------------------|---------------------------------|-----------------|-----------------------------|-----------------------|
| | Revenue Bonds | Mortgage | | |
| 2003 | \$ 319,315 | \$ 3,300,000 | \$ 3,619,315 | 6.32 |
| 2004 | 297,910 | 3,300,000 | 3,597,910 | 6.14 |
| 2005 | 275,133 | 3,300,000 | 3,575,133 | 6.06 |
| 2006 | 250,864 | 3,300,000 | 3,550,864 | 6.07 |
| 2007 | 224,968 | 3,300,000 | 3,524,968 | 6.03 |
| 2008 | 197,413 | 3,300,000 | 3,497,413 | 5.98 |
| 2009 | 168,063 | 3,300,000 | 3,468,063 | 5.93 |
| 2010 | 136,771 | 3,300,000 | 3,436,771 | 5.87 |
| 2011 | 103,438 | 3,300,000 | 3,403,438 | 5.72 |
| 2012 | 70,981 | 3,300,000 | 3,370,981 | 5.72 |

(1) See Demographic Statistics for source of population data.

**GREATER HARTFORD TRANSIT DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

| <u>Fiscal Year Ended June 30</u> | <u>Total Population of Member Towns (1)</u> | <u>Average Per Capita Income of Member Towns (2)</u> | <u>Median Age (3)</u> | <u>Unemployment Rate (4)</u> |
|---------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------|-----------------------------------------|
| 2003 | 572,984 | \$ 30,326 | 39 | 5.40% |
| 2004 | 586,353 | 36,988 | 40 | 5.50% |
| 2005 | 590,174 | 37,576 | 39 | 5.10% |
| 2006 | 585,379 | 32,419 | N/A | 4.80% |
| 2007 | 584,529 | 34,169 | N/A | 4.60% |
| 2008 | 584,894 | 35,133 | 39 | 5.00% |
| 2009 | 584,833 | 34,897 | 39 | 7.00% |
| 2010 | 585,267 | 36,624 | 39 | 9.10% |
| 2011 | 594,842 | N/A | 39 | 8.46% |
| 2012 | 589,460 | N/A | 41 | 8.01% |

Sources:

Capitol Region Council of Governments - According to 2000 U.S. Census

Connecticut Economic Resource Center (CERC)

U.S. Census Bureau

Bureau of Labor Statistics - Greater Hartford Region

N/A - Information not available

**GREATER HARTFORD TRANSIT DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| Employer | 2012 | | | 2003 | | |
|------------------------------------------|--------------------------------|-------------|--------------------------------------------------------------------|--------------------------------|-------------|--------------------------------------------------------------------|
| | Number of Employees | Rank | Percentage of Total Greater Hartford Employment | Number of Employees | Rank | Percentage of Total Greater Hartford Employment |
| State of Connecticut | 83,800 | 1 | 15.35% | 73,000 | 1 | 11.84% |
| United Technologies Corp. | 26,400 | 2 | 4.84% | 20,000 | 2 | 3.24% |
| Hartford Health Care Hospital | 15,285 | 3 | 2.80% | 6,086 | 5 | 0.99% |
| The Hartford Financial Services Group | 10,300 | 4 | 1.89% | 11,700 | 3 | 1.90% |
| University of Connecticut | 9,604 | 5 | 1.76% | | | |
| Aetna Inc. | 7,018 | 6 | 1.29% | 7,200 | 4 | 1.17% |
| The Travelers Cos. Inc. | 7,000 | 7 | 1.28% | 5,800 | 7 | 0.94% |
| John Dempsey Hospital | 5,500 | 8 | 1.01% | | | |
| Saint Fancis Hospital and Medical Center | 5,000 | 9 | 0.92% | 3,660 | 10 | 0.59% |
| Northeast Utilities | 4,148 | 10 | 0.76% | 6,000 | 6 | 0.97% |
| CIGNA Corp | | | | 4,739 | 8 | 0.77% |
| Bank of America (Fleet) | | | | 4,500 | 9 | 0.73% |
| Total | 174,055 | | 31.91% | 142,685 | | 23.14% |

Source: MetroHartford Alliance

**GREATER HARTFORD TRANSIT DISTRICT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

| | YEAR ENDED JUNE 30 | | | | | | | | | |
|-------------------------|--------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| General government: | | | | | | | | | | |
| Management services | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| Finance | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Building | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transportation projects | <u>5</u> | <u>5</u> | <u>4</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>4</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Total | <u><u>10</u></u> | <u><u>10</u></u> | <u><u>9</u></u> | <u><u>9</u></u> | <u><u>9</u></u> | <u><u>8</u></u> | <u><u>9</u></u> | <u><u>6</u></u> | <u><u>6</u></u> | <u><u>6</u></u> |

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

**GREATER HARTFORD TRANSIT DISTRICT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

| | YEAR ENDED JUNE 30 | | | | | | | | | |
|----------------------------|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Number of Passenger Trips: | | | | | | | | | | |
| Dial-A-Ride Service | - | 15,352 | 88,132 | 155,720 | 315,746 | 337,053 | 352,660 | 271,173 | 314,517 | 325,277 |
| Commuter Service | - | - | 184,616 | 456,194 | 483,607 | 469,878 | 480,503 | 465,012 | 452,919 | 436,819 |
| ADA | 298,463 | 300,944 | 282,750 | 265,478 | 277,504 | 240,030 | 233,254 | 211,983 | 176,521 | 145,478 |

**GREATER HARTFORD TRANSIT DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SEVEN YEARS ***

| | YEAR ENDED JUNE 30 | | | | | | |
|------------------------------------|--------------------|------|------|------|------|------|------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Number of transportation vehicles: | | | | | | | |
| Commuter Bus Service | - | - | 10 | 27 | 33 | 33 | 33 |
| Dial-A-Ride | 1 | 1 | 1 | 15 | 44 | 68 | 64 |
| ADA | 119 | 115 | 123 | 113 | 106 | 98 | 93 |

* Information for prior years not available