

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2016

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Advisory Board of the Greater Attleboro-Taunton Regional Transit Authority
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Greater Attleboro-Taunton Regional Transit Authority ("the Authority") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Attleboro-Taunton Regional Transit Authority, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and certain pension information on pages 25 through 27 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.

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of local (cities and towns) funding and the statement of net cost of service are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of local (cities and towns) funding and the statement of net cost of service 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* in considering the Authority's internal control over financial reporting and compliance.

Hague, Sabady & Co. PC

Fall River, Massachusetts
October 14, 2016

**Greater Attleboro-Taunton Regional Transit Authority
Management's Discussion and Analysis
Introduction**

We hope to provide the reader, with an objective and readable analysis of our financial performance for the year. Taken together, the following statements should enable one to assess whether the Greater Attleboro-Taunton Regional Transit Authority's financial position has improved or deteriorated as a result of the year's operations. The annual report includes the proprietary fund financial statements prepared on the accrual basis for all Greater Attleboro-Taunton Regional Transit Authority's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year (or shortly thereafter).

In summary, the proprietary fund financial statements help to:

- Assess the finances of the Greater Attleboro-Taunton Regional Transit Authority in its entirety, including the year's operating results;
- Determine whether our overall financial position improved or deteriorated;
- Evaluate whether our current-year revenues were sufficient to pay for current-year services;
- See the costs of providing the services requested of us;
- See how we finance the programs asked for – through user fees, state and federal grants, community assessments, and other program revenues;
- Make better comparisons between governments. The Annual Financial Report includes the following information and financial statements as defined by GASB Statement 34:

➤ ***Management's Discussion and Analysis (MD & A)***

An introduction to the basic financial statements and an analytical overview of the Authority's financial activities. The MD & A provides an objective and easily readable analysis of the Greater Attleboro-Taunton Regional Transit Authority's financial activities based on currently known facts, decisions, or conditions. The MD & A:

- Includes comparisons of the current year to the prior year based on government-wide information;
- Provides an analysis of our overall financial position and the results of operations to assist in assessing whether our financial position has improved or deteriorated as a result of the year's activities;
- Analyzes significant changes in fund and major budget variances;
- Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on our financial position or the results of our operations.

➤ ***Proprietary Fund Financial Statements***

Are designed to provide readers with an overview of the Greater Attleboro-Taunton Regional Transit Authority's finances, in a manner similar to private-sector business

- Include a *statement of net position* which presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The *statement of revenues, expenses and changes in net position* presents information showing how the government's *net position* changed during the most recent fiscal year. All changes in *net position* 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. The statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the Authority. The proprietary fund financial statements reflect that Greater Attleboro-Taunton Regional Transit Authority recovers a significant portion of its costs through user fees and charges and brokerage contracts. The proprietary activities of the Authority consist primarily of providing public transportation to the citizens of its member towns.
- Revenues and expenses are presented in two categories of operating and non-operating similar to private-sector businesses. Operating revenues and expenses and non-operating revenues and expenses are presented, and ultimately arriving at the change in *net position* for the period.
- Notes to the Financial Statements
 - Consist of notes that provide information essential to your understanding of the data provided in the proprietary fund financial statements.

➤ ***Required Supplementary Information (RSI)***

- Consists of MD & A, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions, and Schedule of Funding Progress – Other Post Employment Benefit Plan.

We hope the financial reporting model will serve as a more comprehensive way to demonstrate our stewardship in the long term in addition to the way we currently demonstrate our management in the short term and through the budgetary process.

As management of the Greater Attleboro-Taunton Regional Transit Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Greater Attleboro-Taunton Regional Transit Authority for the fiscal year ended June 30, 2016.

Financial Highlights

As of the close of the current fiscal year, the Authority's proprietary fund reported ending fund balances of \$26,970,840. This fund balance represents \$26,083,012 investment in capital assets, \$436,159 considered a *restricted fund balance*, and \$451,669 considered an *unrestricted fund balance*.

- GATRA recognized a substantial increase in capital assets in FY 2016. These included purchases net of disposals of facilities (852,060), buses and vans (1,487,145), equipment (370,366), and intangibles and other (776,678). FY 2016 Capital Assets had a net increase after depreciation of \$1,342,924.
- During FY 2016 Greater Attleboro-Taunton Regional Transit Authority (GATRA) operating income showed a net loss of \$16,311,389. While revenues from the Capital Grants covered purchases of Capital Assets, operating loss was offset by non-operating grants.
- Total current assets increased in 2016 versus 2015 by approximately \$1,789,163 (11.9%). This was primarily caused by an increase in cash of \$399,168 and an increase of due from other governments of \$1,425,094.
- Total current liabilities decreased in 2016 versus 2015 by approximately \$397,277 (-2.2%). This was primarily caused by a decrease in accrued payroll of \$43,133 and a decrease in other current liability by \$448,616.
- Total noncurrent liabilities increased in 2016 versus 2015 by approximately \$279,055 (14.2%). This was primarily caused by an increase in OPEB liability of 325,775.

Proprietary Fund Financial Analysis

As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. In FY 2016 Greater Attleboro-Taunton Regional Transit Authority's assets exceeded liabilities (*net position*) by \$26,970,840 at the close of the year. Of these assets \$451,669 are *unrestricted*

Table 1: *Net Position*

	Proprietary Activities 2016	Proprietary Activities 2015
Current and Other Assets	\$ 16,762,398	\$ 14,973,235
Noncurrent Assets.....	\$ 4,011,300	\$ 3,877,364
Capital Assets.....	\$ 26,083,012	\$ 24,740,088
Total Assets.....	<u>\$ 46,856,710</u>	<u>\$ 43,590,687</u>
Deferred Outflows of Resources	<u>\$ 123,442</u>	<u>\$ 26,068</u>
Other Current Liabilities	\$ 17,567,615	\$ 17,964,892
Noncurrent Liabilities	\$ 2,248,223	\$ 1,969,168
Total Liabilities.....	<u>\$ 19,815,838</u>	<u>\$ 19,934,060</u>
Deferred Inflows of Resources.....	<u>\$ 193,474</u>	<u>-</u>
Net Position:		
Net Invested in Capital Assets	\$26,083,012	\$24,740,088
Restricted.....	\$ 436,159	-
Unrestricted (deficit)	<u>\$ 451,669</u>	<u>\$ (1,057,393)</u>
Total Net Position	<u>\$ 26,970,840</u>	<u>\$ 23,682,695</u>

Total operations expense in FY 2016, was \$56,067,390, and was offset by \$39,756,001 in operations revenue, with an operations deficit of \$16,311,389. The Authority's operating revenue of \$39,756,001 was from charges for services such as passenger fares and brokerage contracts.

The Greater Attleboro-Taunton Regional Transit Authority also received other revenues for capital. These capital revenues were provided by the State of Massachusetts (\$844,084) and the Federal Transit Administration (\$3,856,907).

Proprietary Activities: Below is a summary of the Greater Attleboro-Taunton Regional Transit Authority operating revenues and expenses.

Table 2. Changes in Operations Expense and Revenue

	Proprietary Activities 2016	Proprietary Activities 2015
Revenues:		
Program Revenues:		
Revenue from Services	\$39,756,001	\$36,852,594
Total Revenues.....	\$39,756,001	\$36,852,594
Program Expenses:		
Services	\$46,791,295	\$43,816,020
Maintenance	1,940,990	1,958,446
General & Admin	3,637,153	3,423,527
Depreciation	3,697,952	3,606,620
Total Program Expenses.....	\$56,067,390	\$52,804,613
Operations Surplus/(Deficit)	\$(16,311,389)	\$(15,952,019)

Total fare revenues increased slightly (8.2%) from FY 2016. This is due to higher ticket prices.

Capital Asset and Debt Administration:

Capital assets: In FY 2016 and prior years, capital expenditures for items purchased are recorded under Fixed Asset accounts. GATRA will be reporting the status of those assets to the FTA. Additions to the FY 2016 financial statements reflect a significant increase in Capital Assets over prior years, and correspondingly a significant increase in depreciation for current and future years.

Long-term debt: At the end of the current fiscal year, Greater Attleboro-Taunton Regional Transit Authority had no long-term bonded debt outstanding. The Authority regularly borrows on a short-term basis in anticipation of state and federal grant revenues to supplement its cash flow during the year. All borrowings comprise debt backed by the full faith and credit of the Authority.

The Greater Attleboro-Taunton Regional Transit Authority’s debt balance was \$7,500,000 at the end of the FY 2016 fiscal year.

Economic Factors and Next Year's Budget:

The unemployment rate for the Taunton-Norton-Raynham Labor Market as of June 30, 2016 was 3.8%, which decreased 1.8% from 5.6% a year ago. This compares similarly to the statewide unemployment rate of 4.2%. The inflationary trend in the region (1.5% annual – BLS CPI Boston-Brockton-Nashua region for all items) is slightly higher than the national inflation rate (1.0% - BLS CPI Urban areas - all items) for the last year. Note however, GATRA procurements are driven by national factors as much as regional.

All of these factors were considered in preparing the Greater Attleboro-Taunton Regional Transit Authority's budget for the 2016 fiscal year and GATRA has presented the planned level of expense to the Greater Attleboro-Taunton Regional Transit Authority Board of Directors and to the State of Massachusetts Department of Transportation.

Requests for Information:

This financial report is designed to provide a general overview of the Greater Attleboro-Taunton Regional Transit Authority's finances for all those with an interest in the Authority's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Administrator, Greater Attleboro-Taunton Regional Transit Authority, 10 Oak Street, 2nd Floor, Taunton, MA 02780-1222.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30,

	2016
ASSETS	
Current assets:	
Cash	\$ 1,059,986
Investments	-
Receivables (net)	50,170
Due from other governments (net)	15,401,665
Inventories	250,551
Other current assets	26
Total current assets	16,762,398
Noncurrent assets:	
Due from other governments (net)	4,011,300
Capital assets	59,056,366
Less accumulated depreciation	(32,973,354)
Total noncurrent assets	30,094,312
TOTAL ASSETS	46,856,710
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow loss related to pensions	123,442
TOTAL DEFERRED OUTFLOWS OF RESOURCES	123,442
LIABILITIES	
Current liabilities:	
Accounts payable	9,699,182
Accrued payroll	23,282
Accrued other	110,923
Revenue anticipation note	7,500,000
Other current liability	234,228
Total current liabilities	17,567,615
Noncurrent liabilities:	
OPEB liability	1,247,582
Net pension liability	575,583
Accrued compensated absences	425,058
Total noncurrent liabilities	2,248,223
TOTAL LIABILITIES	19,815,838
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow gain related to pensions	193,474
TOTAL DEFERRED INFLOWS OF RESOURCES	193,474
NET POSITION	
Net investment in capital assets	26,083,012
Restricted	436,159
Unrestricted	451,669
TOTAL NET POSITION	\$ 26,970,840

See accompanying notes to financial statements.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30,

	2016
OPERATING REVENUES	
Charges for services	\$ 39,756,001
Total operating revenues	39,756,001
OPERATING EXPENSES	
Services	46,791,295
Maintenance	1,940,990
General & Admin	3,637,153
Depreciation	3,697,952
Total operating expenses	56,067,390
OPERATING INCOME (LOSS)	(16,311,389)
NON-OPERATING REVENUES (EXPENSES)	
Operating assistance	
Federal Grants	4,246,061
State Contract Assistance	4,036,560
State Contract - Other	183,509
Local Assessments	4,011,300
Interest Expense	(38,734)
Other	115,241
Total non-operating revenues (expenses)	12,553,937
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,757,452)
CAPITAL CONTRIBUTIONS	
Federal	3,856,907
State	844,084
Other	194,130
Total capital contributions	4,895,121
CHANGE IN NET POSITION	1,137,669
NET POSITION - JULY 1	23,682,695
PRIOR PERIOD ADJUSTMENT	2,150,476
NET POSITION - JULY 1 (RESTATED)	25,833,171
NET POSITION - JUNE 30	\$ 26,970,840

See accompanying notes to financial statements.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2016
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 39,860,664
Payments to vendors and suppliers	(50,571,346)
Payments to employees	(1,442,818)
Payments of fringe	(233,912)
Net cash provided (used) by operating activities	(12,387,412)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from revenue anticipation notes	7,500,000
Repayment of revenue anticipation notes	(7,500,000)
Operating assistance grants	12,791,738
Interest expense	9,350
Other	96,100
Net cash provided (used) by noncapital financing activities	12,897,188
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(4,858,627)
Capital contributions	
United States Department of Transportation	3,529,220
Commonwealth of Massachusetts	911,893
Other	210,368
Proceeds from sale of capital assets	20,987
Net cash provided (used) by capital and related financing activities	(186,159)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	6,391
Rental income	69,160
Net cash provided (used) by investing activities	75,551
NET INCREASE (DECREASE) IN CASH	399,168
CASH AND CASH EQUIVALENTS - JULY 1	660,818
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 1,059,986

See accompanying notes to financial statements.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30,

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	<u>2016</u>
Operating income (loss)	(16,311,389)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation	3,697,952
Changes in assets and liabilities:	
Receivables (net)	104,662
Inventories	(23,207)
Other current assets	4,584
Accounts payable	16,845
Accrued payroll	(43,133)
Accrued other	15,991
Other current liability	(128,772)
OPEB liability	325,775
Net pension liability	(118,535)
Accrued compensated absences	71,815
Net Cash Provided (Used) in Operating Activities	<u><u>(12,387,412)</u></u>

See accompanying notes to financial statements.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

1. The Authority and Operators

The Greater Attleboro-Taunton Regional Transit Authority (the Authority) is a component unit of the Massachusetts Department of Transportation (MassDOT) and MassDOT is a component unit of the Commonwealth of Massachusetts (the Commonwealth). The Authority was established as a political subdivision of the Commonwealth on December 15, 1976, by the various cities and towns constituting the Authority, pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth, for the purpose of continuing and improving local transit service.

The Authority is managed by an Administrator appointed by an Advisory Board. The Advisory Board is made up of appointed representatives from the member communities. The Authority's operations are primarily funded through passenger fares, contractual reimbursements and operating subsidies from the Federal government, MassDOT, and the member communities. In addition, the Authority receives federal and state capital grants that are used to finance acquisitions and improvements to facilities and equipment.

The operation and maintenance of the Authority is performed by various private sector transportation companies (the Operators) under terms and agreements whereby the carriers provide mass transit along such routes and according to such schedules as may be defined by the Authority. In return, the Authority agreed to reimburse the Operators for all costs and expenses which are reasonable and necessary for the efficient operation of the system.

The Authority also has a brokerage contract with the Commonwealth's Executive Office of Health and Human Services, whereby, the Authority coordinates with this Agency to provide its clients with transportation services. The actual services are provided by various private sector transportation companies.

2. Summary of Significant Accounting Policies

a) Measurement Focus, Basis of Accounting and Financial Reporting Presentation – The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under these standards, the Authority is defined as a special-purpose government, engaged only in business-type activities.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized at the time transportation services are provided. Unearned revenue represents cash received in advance of future services.

The Authority distinguishes between operating revenues and expenses and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The Authority's principal operating revenues are passenger fares and brokerage contracts. Operating expenses include the cost of transit services, provided by third party vendors, maintenance, administrative and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

2. Summary of Significant Accounting Policies (continued):

The Authority has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which establishes guidance for applying standards established in Financial Accounting Standards Board (FASB) statements and interpretations to the preparation of financial statements for proprietary fund activities. In accordance with GASB Statement No. 62, the Authority complies with and observes all FASB statements and interpretations that were issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

b) Adoption of New Accounting Pronouncements –

The GASB issued the following statements, which were adopted by GATRA during fiscal year end June 30, 2016.

Statement No.		Adoption in Fiscal Year
72	<i>Fair Value Measurement and Application</i>	2016
73	<i>Accounting and Financial Reporting for Pensions and Financial Plans That Are Not Administered through Trusts that Meet Specified Criteria</i>	2016

The GASB has issued the following statements, which will require adoption subsequent to June 30, 2016 and are applicable to the Authority. The Authority has not yet adopted these statements, and the implication on the Authority’s fiscal practices and financial reports is being evaluated.

Statement No.		Adoption Required in Fiscal Year
74	<i>Financial Reporting for Postemployment Benefit Plans Other than Pension Plans</i>	2017
75	<i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans</i>	2018

c) Statement of Cash Flows – For purposes of the statement of cash flows, the Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

d) Accrued Sick Leave and Vacation – Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave at the then-current rates of pay. The accumulated amount of sick and vacation leave is recorded as an expense and liability as the benefits accrue to employees.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

2. Summary of Significant Accounting Policies (continued):

e) Capital Assets – Capital assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated service lives of the assets. The Authority’s capitalization policy is to capitalize all assets acquired with capital funds regardless of the dollar amount. The estimated service lives are as follows:

Buildings	20 – 40 years
Vehicles	4 – 12 years
Equipment	5 – 7 years
Intangible assets	2 – 7 years

f) Inventories – Inventories of parts and fuel are stated at the lower of cost or market on a first-in, first-out basis (FIFO), and are accounted for under the consumption method.

g) Net Position - Net position is the residual of all other elements presented in a statement of net position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is reported in three categories and these are defined as follows: (1) amounts invested in capital assets consists of capital assets, net of accumulated depreciation and is reduced by the related debt that is attributed to the acquisition, construction, or improvement of those assets, (2) restricted net position results when constraints are placed on net position use, and are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation. (3) Unrestricted net position consists of net position that does not meet the definition of the two preceding categories.

The restricted net position is all expendable.

h) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

i) Postemployment Benefits – Postemployment (OPEB) benefits, primarily healthcare, are recognized on an accrual basis. The accrual is the recognition of an expense that is calculated based on the annual required contribution of the Authority, an amount actuarially determined in accordance with the parameters of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The expense is recorded while the future retiree is earning the benefit (i.e., employed) rather than when they receive the benefit (i.e., when retired). To the extent that the Authority does not fund the contribution, a postemployment benefit liability is recognized.

j) Available Unrestricted Resources – The Authority’s policy is to utilize available restricted resources prior to unrestricted resources.

k) Pensions – For purposes of measuring the Authority’s net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Taunton Contributory Retirement System (the System) and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

2. Summary of Significant Accounting Policies (continued):

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

l) Deferred Outflows/Inflows of Resources - In order to distinguish them from assets and liabilities, the Authority accounts for certain transactions that result in the consumption or acquisition of one period that are applicable to future periods as deferred outflows and inflows, respectively.

3. Cash

State and local statutes place certain limitations on the nature of deposits and investments available to the Authority. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or its agencies that have a maturity of less than one year from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Custodial credit risk exists for cash deposits when, in the event of the failure of a depository financial institution, the Authority's deposits will not be recovered. The Authority does not have a formal policy with regard to custodial credit risk, but generally invests its funds in deposits that are fully FDIC insured or collateralized with securities held by the pledging financial institution's trust department in the financial institution's name. At June 30, 2016, the Authority does not have any uninsured or uncollateralized bank deposits.

	2016
Balance per banks	\$ 1,447,613
Deposits covered by:	
Federal Depository Insurance Corporation	(500,000)
Depositors Insurance Fund	(831,467)
Collateralized with pledged securities	(116,145)
Total uninsured and uncollateralized deposits	\$ -

4. Allowance for Uncollectible Accounts

As of June 30, 2016 the allowance for uncollectible accounts was estimated at \$0.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

5. Capital Assets and Depreciation

The capital asset activity for the year ended June 30, 2016 was as follows:

	Balance 7/1/2015	Increases	Decreases	Balance 6/30/2016
Capital assets (non-depreciable):				
Land	\$ 906,880	\$ -	\$ -	\$ 906,880
Construction in progress	-	-	-	-
Total capital assets (non-depreciable):	<u>906,880</u>	<u>-</u>	<u>-</u>	<u>906,880</u>
Other capital assets				
Facilities	25,906,963	852,060	-	26,759,023
Buses & Vans	18,436,682	3,041,772	1,554,627	19,923,827
Equipment	4,245,488	370,366	-	4,615,854
Intangible & Other	6,074,101	776,678	-	6,850,779
Total other capital assets at historical cost	<u>54,663,234</u>	<u>5,040,876</u>	<u>1,554,627</u>	<u>58,149,483</u>
Less accumulated depreciation for:				
Facilities	(11,028,614)	(1,115,051)	-	(12,143,665)
Buses & Vans	(11,820,350)	(1,627,149)	(1,554,627)	(11,892,872)
Equipment	(3,377,053)	(275,997)	-	(3,653,050)
Intangible & Other	(4,492,027)	(669,296)	-	(5,161,323)
Land Improvements	(111,982)	(10,459)	-	(122,441)
Total accumulated depreciation	<u>(30,830,026)</u>	<u>(3,697,952)</u>	<u>(1,554,627)</u>	<u>(32,973,351)</u>
Other capital assets, net	<u>23,833,208</u>	<u>1,342,924</u>	<u>-</u>	<u>25,176,132</u>
Capital assets, net	<u>\$ 24,740,088</u>	<u>\$ 1,342,924</u>	<u>\$ -</u>	<u>\$ 26,083,012</u>

Depreciation expense for 2016 was \$3,697,952.

6. Short – Term Debt

The following is a summary of outstanding short-term debt at June 30,:

	<u>2016</u>
\$7,500,000 Revenue Anticipation Note (RAN) - stated interest rate of 1.5% (.6% effective interest rate after applying premium) due in August, 2016 and fully guaranteed by the Commonwealth of Massachusetts.	<u>\$ 7,500,000</u>

The following is a summary of changes in short-term debt:

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
2014 RAN	\$ 7,500,000	-	(7,500,000)	\$ -
2015 RAN	-	7,500,000	-	7,500,000
	<u>\$ 7,500,000</u>	<u>7,500,000</u>	<u>(7,500,000)</u>	<u>\$ 7,500,000</u>

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

7. Restricted Net Position

Reserve for Extraordinary Expense

In accordance with Section 6 of Chapter 161B of the General Laws of the Commonwealth, the Authority is allowed to establish a reserve account for the purpose of meeting the cost of extraordinary expenses in an amount not to exceed three percent of the prior year's local assessment. Any balance in the reserve account at the end of the fiscal year may be carried forward into the next fiscal year; provided, however, that the aggregate amount in the account does not exceed twenty percent of the prior year's local assessment. During the current year, the Authority contributed \$116,321 to the reserve. The balance in the reserve account at June 30, 2016 is \$436,159.

8. Leases

The Authority leases two commuter rail stations from the Massachusetts Bay Transportation Authority (MBTA). The leases require the Authority to pay essentially all the operating expenses of the facilities in lieu of rent. These expenses are not material to the Authority's financial statements. One of the leases allows the Authority to operate the MBTA's Attleboro Station paid parking facility. The excess of the revenues over expenses is shared with the MBTA. However, the Authority's share of income is restricted as to use as it must be used for capital improvements to the Attleboro Station.

9. Retirement Plans

Pension Plan

General Information about the Pension Plan

Plan Description – The Authority provides employees retirement benefits through the City of Taunton Contributory Retirement System (the System). The System is a cost-sharing, multiple-employer, defined benefit pension plan. The System is a member of the Massachusetts Association of Contributory Retirement Systems and is governed by Massachusetts General Laws, Chapter 32. Oversight of the System is provided by a five person Board of Retirement. The Plan issues a publicly available financial report that may be obtained by contacting the Plan located at 40 Dean Street, Unit 3, Taunton, MA 02780.

Benefits Provided – The Plan covers all full-time employees and provides retirement, disability, cost of living adjustments and death benefits to all plan members and beneficiaries. The Plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

9. Retirement Plans (continued):

Contributions – Pursuant to Massachusetts General Laws, Chapter 32, contribution requirements of the active employees and the participating employers are established and may be amended by the Massachusetts Contributory Retirement System. Plan members are required to pay into the Plan 5% to 11% of their covered compensation, depending on plan entry date and the level of compensation. The Authority’s contractually required contribution rate for the year ended June 30, 2016, was 6.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$96,910 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Authority reported a liability of \$575,583 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Update procedures were used to roll forward the total pension liability to December 31, 2015. The Authority’s proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2015, the Authority’s proportion of net pension liability was approximately 0.65 percent.

Since the System performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of December 31, 2015.

For the year ended June 30, 2016, the Authority recognized pension expense of \$69,552 and reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 117,924
Changes in proportion and difference between employer contributions and proportionate share of contributions	5,518
	<u>\$ 123,442</u>
	 <u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 69,940
Changes of Assumptions	123,534
	<u>\$ 193,474</u>

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016

9. Retirement Plans (continued):

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2016	\$46,516
2017	\$46,516
2018	\$46,516
2019	\$46,516
2020	\$ 9,303

Actuarial Assumptions – The total pension liability in the January 1, 2014 actuarial valuation and the related update to December 31, 2015 (the measurement date), were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method:	Individual entry age normal cost method
Amortization method:	Payments increase at 4%
Asset valuation method:	Assets held by the fund are valued at market values as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the assumed rate of return.
Remaining amortization period:	22 years
Inflation:	3%
Salary increases:	3.5% average
Investment rate of return:	8%, net pension plan investment expense, including inflation
Cost of living adjustment:	3% up to a maximum of \$14,000
Rates of retirement:	Varies based on age
Mortality rates:	
Pre-retirement and post-retirement	The RP-2000 Mortality Table for males and females adjusted to 2015 with Scale AA.
Disabled Retiree	The RP-2000 Mortality Table set forward two years for all disabled members.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of actuarial experience study for the period of January 1, 2012 to January 1, 2014.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

9. Retirement Plans (continued):

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	20%	6.6%
International developed markets equity	16%	7.1%
International emerging markets equity	7%	9.4%
Core fixed income	13%	2.2%
High-yield fixed income	10%	4.7%
Real estate	10%	4.4%
Commodities	4%	4.4%
Hedge fund, GTAA, Risk parity	10%	3.9%
Private equity	10%	11.7%
Total	100%	

Discount rate – The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	1% Decrease (7%)	Discount Rate (8%)	1% Increase (9%)
Authority’s proportionate share of the net pension liability	\$822,329	\$575,583	\$364,165

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

9. Retirement Plans (continued):

Post Employment Healthcare Benefits

Plan Description – In addition to pension benefits, the Authority provides postemployment health care benefits for eligible employees who have attained age 55 and render at least 10 or more years of service or at any age with 20 years of service, until the employee is eligible for Medicare. For those hired after April 1, 2012, benefits are received after attaining age 60 with 10 or more years of service. The benefits, benefit level, employee contributions and employer contributions are governed by the Authority. As of July 1, 2014, the actuarial valuation date, approximately 23 active employees and 3 retirees meet eligibility requirements. The plan does not issue separate stand-alone financial statements.

Benefits Provided – Medical coverage, excluding dental, under the group health insurance plan for regular full-time employees will continue until the employee is eligible for Medicare. Coverage for the dependents of such regular full-time employees will also continue during this period provided that the employee pay 10% of the enrollment cost as established annually by the Plan administrator. Once the retired employee is entitled to Medicare, health care coverage for the employee’s spouse will continue, provided that the enrollment costs as established annually by the Plan administrator are paid.

Funding Policy – The retired employee must pay 10% of the enrollment cost (the “working rate”) as established annually by the Plan administrator. The Authority contributes the remainder of the health plan costs on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation – The Authority’s annual OPEB expense is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The components of the Authority’s annual OPEB cost for the years ended June 30, 2016, the amount actually contributed to the plan and changes in the Authority’s net OPEB obligation based on an actuarial valuation as of July 1, 2014 are as follows:

Annual required contribution (ARC)	\$ 359,937
ARC adjustment	(28,217)
Interest on net OPEB obligation	31,949
Annual OPEB cost	363,669
Contributions made	(37,894)
Increase in net OPEB obligation	325,775
Net OPEB obligation – beginning of year	921,807
Net OPEB obligation – end of year	\$ 1,247,582

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

9. Retirement Plans (continued):

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016, 2015 and 2014 are as follows:

Fiscal Years Ended	Annual OPEB Cost	Percentage Annual OPEB Contribution	Net OPEB Obligation
6/30/14	106,320	20.4%	600,249
6/30/15	342,663	6.2%	921,807
6/30/16	363,669	10.42%	1,247,582

Funded Status and Funding Progress – The funded status of the plan as of July 1, 2014, the actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 3,209,291
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,209,291</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.0%</u>
Covered payroll (active plan members)	<u>1,053,718</u>
UAAL as a percentage of covered payroll	<u>304.6%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare 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 actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2014 actuarial valuation, the projected unit credit method was used. The actuarial value of the assets was zero. The actuarial assumptions included a 4.0% investment rate of return, when applicable, and an annual healthcare cost trend rate of 8.0% initially, reduced by .5% per year to an ultimate rate of 4.5% after six years. Both rates include a 4.0% general inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

10. Commitments and Contingencies

- a) Purchase commitments – Construction in progress at June 30, 2016 consisted of expenditures by the Authority for various construction projects, which management expects will be completed in fiscal year 2017. At June 30, 2016, remaining construction commitments for these projects was approximately \$263,664.
- b) Litigation – In the normal course of operations, the Authority has been named in various claims and litigation. Based upon information available to counsel and the Authority, management believes that the ultimate outcome from these claims and litigations will not have a material adverse effect on the Authority's financial position.
- c) Risk management - The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers compensation claims for which the Authority carries commercial insurance. Settlements have not exceeded coverages for each of the past three fiscal years.

The Authority's workers compensation coverage is insured under a retrospectively rated policy. In the opinion of management, any insurance carrier audit adjustment, if any, will not be material to the accompanying financial statements. The Authority has received capital and operating financial assistance from Federal and State agencies in the form of grants. Expenditure of funds under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of Authority management, liabilities resulting from such disallowed expenditures, if any, would not be material to the accompanying financial statements.

11. Subsequent Events

Subsequent to June 30, 2016, the Authority issued \$7,500,000 in revenue anticipation notes that had an interest rate of 2.00%. These RANs will mature in August, 2017 and are guaranteed by the Commonwealth of Massachusetts.

12. Prior Period Adjustment

During the fiscal year, it was discovered that at June 30, 2016, accounts receivable from local assessments was understated by \$1,680,638. The recording of this additional receivable at June 30, 2015 results in a prior period credit of \$1,680,638.

During the fiscal year, it was determined that the reserve for extraordinary expense should not have been recorded as a liability, but rather as a restriction on net position. The correction of this error resulted in a prior period credit of \$319,838.

Additionally, during the fiscal year, it was determined that at June 30, 2015 a vendor account payable in the amount of \$150,000 was no longer payable.

The three corrections above result in a prior period adjustment of \$2,150,476.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2016**

	2016	2015	2014	2013	2012
Proportion of the net pension liability	0.065%	0.064%	0.0%*	0.0%*	0.0%*
Proportionate share of net pension liability	\$ 575,583	\$ 694,118	*	*	*
Covered-employee payroll	\$ 1,449,379	\$ 1,247,249	*	*	*
Proportionate share of the net pension liability as a percentage of covered-employee payroll	39.7%	55.7%	0.0%*	0.0%*	0.0%*
Plan fiduciary net position as a percentage of the total pension liability	75.22%	65.47%	0.0%*	0.0%*	0.0%*

	2011	2010	2009	2008	2007
Proportion of the net pension liability	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*
Proportionate share of net pension liability	*	*	*	*	*
Covered-employee payroll	*	*	*	*	*
Proportionate share of the net pension liability as a percentage of covered-employee payroll	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*
Plan fiduciary net position as a percentage of the total pension liability	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*

* - Information not available.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2016**

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 96,910	\$ 94,741	*	*	*
Contributions in relation to the actuarially determined contribution	(96,910)	(94,741)	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered-employee payroll	\$ 1,449,379	\$ 1,247,249	*	*	*
Contributions as a percentage of covered-employee payroll	6.7%	7.6%	0.0%*	0.0%*	0.0%*

	2011	2010	2009	2008	2007
Actuarially determined contribution	*	*	*	*	*
Contributions in relation to the actuarially determined contribution	*	*	*	*	*
Contribution deficiency (excess)	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered-employee payroll	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.0%*	0.0%*	0.0%*	0.0%*	0.0%*

* - Information not available.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFIT PLAN
YEAR ENDED JUNE 30, 2016

Actuarial 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 Percentage of Covered Payroll ([b-a]/c)
6/30/2010	-	1,448,456	1,448,456	0.0%	643,633	225.0%
6/30/2012	-	1,013,512	1,013,512	0.0%	702,263	144.3%
6/30/2014	-	3,209,291	3,209,291	0.0%	1,053,718	304.6%

Significant change:

The significant increase in the actuarial accrued liability in 6/30/2014 was caused primarily by the following assumption change. Actuarial Standards of Practice (ASOPs) now require that the payment of future benefits be determined using the current schedule of premiums under the plans provided by the Authority, modified to reflect the fact that actual health care expenses are higher as individuals age. In the previous valuations before 6/30/2014, the plan was considered to be "community rated" and therefore did not adjust the schedule of premiums as described above.

* - Information not available.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
SCHEDULE OF LOCAL (CITIES AND TOWNS) FUNDING
YEAR ENDED JUNE 30, 2016

<u>Community</u>	<u>Share</u>
Attleboro	\$ 408,165
Bellingham	147,652
Berkley	35,526
Carver	56,887
Dighton	14,173
Duxbury	116,287
Kingston	91,020
Foxboro	125,022
Franklin	238,299
Hanover	85,724
Lakeville	49,748
Mansfield	167,287
Marshfield	189,666
Medway	89,102
Middleborough	165,966
Norfolk	103,421
North Attleboro	209,359
Norton	102,828
Pembroke	142,177
Plainville	26,960
Plymouth	401,842
Raynham	98,125
Rehoboth	19,135
Scituate	117,711
Seekonk	103,028
Taunton	416,473
Wareham	204,494
Wrentham	85,223
	<u>\$ 4,011,300</u>

See Independent Auditors' Report.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
NET COST OF SERVICE
YEAR ENDED JUNE 30, 2016

M.G.L. Chapter 161B Section 1 and Section 9 Net Cost of Service

INCOME

Charges for services	39,756,001
Federal Grants	5,744,740
State Contracts	183,509
Other	115,241
	<u>45,799,491</u>

EXPENSES

Operating Expenses	56,067,391
Interest Expense	38,734
	<u>56,106,125</u>

(Expenses) over Income (10,306,634)

Payment into reserve account - M.G. L. Chapter 161B Section 6(q) 120,339

Net Cost Of Service (NCS) (10,306,634)