

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS**

**JUNE 30, 2017**

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY

JUNE 30, 2017

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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, 2017, 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, 2017, 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 20, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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, Sahady & Co., CPAs, P.C.*

**Hague, Sahady & Co., CPAs, P.C.**

Fall River, Massachusetts

October 20, 2017



**Greater Attleboro-Taunton Regional Transit Authority**  
**Management's Discussion and Analysis**  
**June 30, 2017**

**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;
- 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 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, 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 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, 2017.

## **Financial Highlights**

As of the close of the current fiscal year, the Authority's proprietary fund reported ending fund balances of \$27,355,750. This fund balance represents \$26,525,627 investment in capital assets, \$1,359,305 considered a *restricted fund balance*, and \$(529,182) considered an *unrestricted fund balance*.

- GATRA recognized a substantial increase in capital assets in FY 2017. These included purchases net of disposals of facilities (841,907), buses and vans (1,735,405), equipment (511,967), and intangibles and other (542,582). FY 2017 Capital Assets had a net increase after depreciation of \$567,897
- During FY 2017 Greater Attleboro-Taunton Regional Transit Authority (GATRA) operating income showed a net loss of \$17,188,509. This was offset by total non-operating revenues of \$13,434,077.
- Total current assets increased in 2017 by approximately \$2,241,138 (13.4%). This was primarily caused by an increase in due from other governments of \$1,881,077 and an increase in prepaid expenses of \$642,095.
- Total current liabilities increased in 2017 by approximately \$2,183,115 (12.4%). This was primarily caused by an increase in accounts payable of \$1,609,837 and an increase in notes payable of \$574,059.
- Total noncurrent liabilities increased in 2017 by approximately \$284,133 (12.6%). This was primarily caused by an increase in OPEB liability of 342,780.

## 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 2017 Greater Attleboro-Taunton Regional Transit Authority's assets exceeded liabilities (*net position*) by \$27,355,750 at the close of the year. Of these assets \$(529,182) are *unrestricted*

**Table 1: *Net Position***

	<b>Proprietary Activities 2017</b>	<b>Proprietary Activities 2016</b>
Current and Other Assets .....	\$ 19,003,536	\$ 16,762,398
Noncurrent Assets.....	\$ 4,136,582	\$ 4,011,300
Capital Assets.....	\$ 26,525,627	\$ 26,083,012
Total Assets.....	\$ 49,665,745	\$ 46,856,710
Deferred Outflows of Resources .....	\$ 120,546	\$ 123,442
Other Current Liabilities .....	\$ 19,750,729	\$ 17,567,615
Noncurrent Liabilities .....	\$ 2,532,356	\$ 2,248,223
Total Liabilities.....	\$ 22,283,085	\$ 19,815,838
Deferred Inflows of Resources.....	\$ 147,456	\$ 193,474
Net Position:		
Net Invested in Capital Assets .....	\$26,525,627	\$26,083,012
Restricted.....	\$ 1,359,305	\$ 436,159
Unrestricted (deficit) .....	\$ (529,182)	\$ 451,669
Total Net Position .....	\$ 27,355,750	\$ 26,970,840

Total operations expense in FY 2017, was \$58,348,112, and was offset by \$41,159,603 in operations revenue, with an operations deficit of \$17,188,509. The Authority's operating revenue of \$41,159,603 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 (\$1,490,456) and the Federal Transit Administration (\$2,585,003).

**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 2017	Proprietary Activities 2016
Revenues:		
Program Revenues:		
Revenue from Services	\$41,159,603	\$39,756,001
Total Revenues.....	\$41,159,603	\$39,756,001
Program Expenses:		
Services.....	\$48,749,879	\$46,791,295
Maintenance.....	2,112,921	1,940,990
General & Admin.....	3,607,556	3,637,153
Depreciation.....	3,877,756	3,697,952
Total Program Expenses.....	\$58,348,112	\$56,067,390
Operations Surplus/(Deficit).....	\$(17,188,509)	\$(16,311,389)

Total charges for services increased slightly (3.5%) from FY 2016. This is primarily due to an increase in brokerage contract revenues.

**Capital Asset and Debt Administration:**

**Capital assets:** In FY 2017 and prior years, capital expenditures for items purchased are recorded under Capital Asset accounts. GATRA will be reporting the status of those assets to the FTA. Additions to the FY 2017 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 \$8,074,059 at the end of the FY 2017 fiscal year.

**Economic Factors and Next Year's Budget:**

The unemployment rate for the Taunton-Norton-Raynham Labor Market as of June 30, 2017 was 4.0%, which increased 0.2% from 3.8% a year ago. This compares similarly to the statewide unemployment rate of 4.3%. The inflationary trend in the region (2.2% annual – BLS CPI Boston-Brockton-Nashua region for all items) is slightly higher than the national inflation rate (1.6% - 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 2017 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, 2<sup>nd</sup> Floor, Taunton, MA 02780-1222.

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

	<b>2017</b>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 754,284
Receivables (net)	57,318
Due from other governments (net)	17,282,742
Inventories	267,071
Other current assets	642,121
Total current assets	19,003,536
Noncurrent assets:	
Due from other governments (net)	4,136,582
Capital assets	62,688,227
Less accumulated depreciation	(36,162,600)
Total noncurrent assets	30,662,209
<b>TOTAL ASSETS</b>	<b>49,665,745</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflow loss related to pensions	120,546
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>120,546</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	11,309,019
Accrued payroll	31,164
Accrued other	127,397
Notes payable	8,074,059
Other current liability	209,090
Total current liabilities	19,750,729
Noncurrent liabilities:	
OPEB liability	1,590,362
Net pension liability	557,061
Accrued compensated absences	384,933
Total noncurrent liabilities	2,532,356
<b>TOTAL LIABILITIES</b>	<b>22,283,085</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflow gain related to pensions	147,456
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>147,456</b>
<b>NET POSITION</b>	
Net investment in capital assets	26,525,627
Restricted	1,359,305
Unrestricted	(529,182)
<b>TOTAL NET POSITION</b>	<b>\$ 27,355,750</b>

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,**

	<b>2017</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 41,159,603
Total operating revenues	41,159,603
<b>OPERATING EXPENSES</b>	
Services	48,749,880
Maintenance	2,112,921
General & Admin	3,607,556
Depreciation	3,877,756
Total operating expenses	58,348,113
<b>OPERATING INCOME (LOSS)</b>	(17,188,510)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Operating assistance	
Federal Grants	4,963,575
State Contract Assistance - Appropriated	4,036,560
State Contract Assistance - Addition per Ch161B	100,022
State Contract - Other	154,241
Local Assessments	4,136,582
Interest Expense	(49,591)
Other	92,688
Total non-operating revenues (expenses)	13,434,077
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	(3,754,433)
<b>CAPITAL CONTRIBUTIONS</b>	
Federal	2,585,003
State	1,490,456
Other	63,884
Total capital contributions	4,139,343
<b>CHANGE IN NET POSITION</b>	384,910
<b>NET POSITION - JULY 1</b>	26,970,840
<b>NET POSITION - JUNE 30</b>	\$ 27,355,750

See accompanying notes to financial statements.



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

	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 40,649,429
Payments to vendors and suppliers	(52,512,757)
Payments to employees	(1,336,489)
Payments of fringe	(194,359)
Net cash provided (used) by operating activities	(13,394,176)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from notes	8,074,059
Repayment of notes	(7,500,000)
Operating assistance grants	12,182,365
Interest expense	19,784
Other	(43,122)
Net cash provided (used) by noncapital financing activities	12,733,086
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(3,561,765)
Capital contributions	
United States Department of Transportation	3,170,258
Commonwealth of Massachusetts	576,672
Other	97,693
Proceeds from sale of capital assets	(19,179)
Net cash provided (used) by capital and related financing activities	263,679
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	2,658
Rental income	89,051
Net cash provided (used) by investing activities	91,709
<b>NET INCREASE (DECREASE) IN CASH</b>	(305,702)
<b>CASH AND CASH EQUIVALENTS - JULY 1</b>	1,059,986
<b>CASH AND CASH EQUIVALENTS - JUNE 30</b>	\$ 754,284

See accompanying notes to financial statements.

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

<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	<u><b>2017</b></u>
Operating income (loss)	\$ (17,188,510)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation	3,877,756
Changes in assets and liabilities:	
Receivables (net)	(510,175)
Inventories	(16,520)
Other current assets	(642,095)
Accounts payable	834,480
Accrued payroll	7,883
Accrued other	(15,991)
Other current liability	(25,137)
OPEB liability	342,780
Net pension liability	(18,522)
Accrued compensated absences	(40,125)
Net Cash Provided (Used) in Operating Activities	<u><u>\$ (13,394,176)</u></u>

See accompanying notes to financial statements.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017**

**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 has issued the following statements, which will require adoption subsequent to June 30, 2017 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
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.

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

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**2. Summary of Significant Accounting Policies (continued):**

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.

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.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 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, 2017, the Authority does not have any uninsured or uncollateralized bank deposits.

	<b>2017</b>
Balance per banks	\$ 926,941
Deposits covered by:	
Federal Depository Insurance Corporation	(627,221)
Depositors Insurance Fund	(299,720)
Collateralized with pledged securities	-
 Total uninsured and uncollateralized deposits	 \$ -

**4. Allowance for Uncollectible Accounts**

As of June 30, 2017 the allowance for uncollectible accounts was estimated at \$0.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**5. Capital Assets and Depreciation**

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

	Balance 7/1/2016	Increases	Decreases	Balance 6/30/2017
Capital assets (non-depreciable):				
Land	\$ 906,880	\$ -	\$ -	\$ 906,880
Total capital assets (non-depreciable):	906,880	-	-	906,880
Other capital assets				
Facilities	26,759,023	841,907	-	27,600,930
Buses & Vans	19,923,827	2,440,666	705,261	21,659,232
Equipment	4,615,854	511,967	-	5,127,821
Intangible & Other	6,850,779	542,582	-	7,393,361
Total other capital assets at historical cost	58,149,483	4,337,122	705,261	61,781,344
Less accumulated depreciation for:				
Facilities	(12,143,665)	(1,134,274)	-	(13,277,939)
Buses & Vans	(11,892,872)	(1,837,860)	(688,510)	(13,042,222)
Equipment	(3,653,050)	(304,725)	-	(3,957,775)
Intangible & Other	(5,161,323)	(591,216)	-	(5,752,539)
Land Improvements	(122,441)	(9,681)	-	(132,122)
Total accumulated depreciation	(32,973,351)	(3,877,756)	(688,510)	(36,162,597)
Other capital assets, net	25,176,132	459,366	16,751	25,618,747
Capital assets, net	\$26,083,012	\$ 459,366	\$ 16,751	\$ 26,525,627

Depreciation expense for 2017 was \$3,877,756.

**6. Short – Term Debt**

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

	<b>2017</b>
\$7,500,000 Revenue Anticipation Note (RAN) - stated interest rate of 2.0% (.8% effective interest rate after applying premium) due in August, 2017 and fully guaranteed by the Commonwealth of Massachusetts.	\$ 7,500,000
\$574,059 Insurance Note - stated interest rate of 4.98% and due in May, 2018. There is no penalty for pre-payment.	574,059
	<u>\$ 8,074,059</u>

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

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
2015 RAN	\$ 7,500,000	\$ -	\$ (7,500,000)	\$ -
2016 RAN	-	7,500,000	-	7,500,000
Insurance Note	-	574,059	-	574,059
	<u>\$ 7,500,000</u>	<u>\$ 8,074,059</u>	<u>\$ (7,500,000)</u>	<u>\$ 8,074,059</u>

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 \$29,789 to the reserve. The balance in the reserve account at June 30, 2017 is \$465,948.

Restricted for Attleboro Station Improvements

The Authority leases commuter rail stations from the Massachusetts Bay Transportation Authority (MBTA). The lease 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. At the end of the lease term, any remaining excess revenues not used for improvements will be returned to the MBTA. The balance restricted for Attleboro Station improvements at June 30, 2017 is \$893,357.

**8. 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, 2017**

**8. 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, 2017, 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 \$99,621 for the year ended June 30, 2017.

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

At June 30, 2017, the Authority reported a liability of \$557,061 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Update procedures were used to roll forward the total pension liability to December 31, 2016. 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, 2016, the Authority’s proportion of net pension liability was approximately 0.65 percent.

Changes in assumptions and difference between actual and expected experience are a result of an updated experience study performed for the January 1, 2016 actuarial valuation. The changes in assumptions and experience will be amortized over the average expected remaining service life of plan members.

For the year ended June 30, 2017, the Authority recognized pension expense of \$46,665 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	\$ 116,322
Changes in proportion and difference between employer contributions and proportionate share of contributions	4,224
	<u>\$ 120,546</u>
	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 53,306
Changes of Assumptions	94,150
	<u>\$ 147,456</u>

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**8. 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>	
2017	\$ 46,660
2018	\$ 46,660
2019	\$ 46,660
2020	\$ 9,333
2021	\$ 1

*Actuarial Assumptions* – The total pension liability in the January 1, 2016 actuarial valuation and the related update to December 31, 2016 (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 3%
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:	10 years
Inflation:	3%
Salary increases:	3.5% average
Investment rate of return:	7.75%, net pension plan investment expense, including inflation
Cost of living adjustment:	3% up to a maximum of \$15,000
Rates of retirement:	Varies based on age
Mortality rates:	
Pre-retirement and post-retirement	The RP-2014 Blue Collar Mortality Table for males and females with Scale MP-2014.
Disabled Retiree	The RP-2000 Mortality Table set forward six years for all disabled members.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of actuarial experience study for the period of January 1, 2014 to January 1, 2016.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**8. 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>
Large Cap	25%	6.4%
Mid Cap	10%	8.9%
Small Cap	10%	7.0%
International equities	15%	3.0%
Alternative assets	5%	6.5%
Assets	15%	7.8%
Fixed income	20%	1.6%
Total	100%	

*Discount rate* – The discount rate used to measure the total pension liability was 7.75 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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Authority’s proportionate share of the net pension liability	\$855,818	\$557,061	\$344,803

*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, 2017**

**8. 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, 2017, 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)	\$ 380,746
ARC adjustment	(38,565)
Interest on net OPEB obligation	43,665
Annual OPEB cost	<u>385,846</u>
Contributions made	<u>(43,066)</u>
Increase in net OPEB obligation	342,780
Net OPEB obligation – beginning of year	<u>1,247,582</u>
Net OPEB obligation – end of year	<u>\$ 1,590,362</u>

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**8. 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 2017, 2016 and 2015 are as follows:

Fiscal Years Ended	Annual OPEB Cost	Percentage Annual OPEB Contribution	Net OPEB Obligation
6/30/15	342,663	6.2%	921,807
6/30/16	363,669	10.42%	1,247,582
6/30/17	385,846	11.16%	1,590,362

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, 2017**

**9. Commitments and Contingencies**

- a) Purchase commitments – Construction in progress at June 30, 2017 consisted of expenditures by the Authority for various construction projects, which management expects will be completed in fiscal year 2018. At June 30, 2017, remaining construction commitments for these projects was approximately \$0.
- 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 are 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.

**10. Subsequent Events**

Subsequent to June 30, 2017, the Authority issued \$7,500,000 in revenue anticipation notes that had an interest rate of 2.00%. These RANs will mature in August, 2018 and are guaranteed by the Commonwealth of Massachusetts.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF PROPORTIONATE SHARE  
OF NET PENSION LIABILITY  
LAST 10 FISCAL YEARS**

	2017	2016	2015	2014	2013
Proportion of the net pension liability	0.065%	0.065%	0.064%	0.0%*	0.0%*
Proportionate share of net pension liability	\$ 557,061	\$ 575,583	\$ 694,118	*	*
Covered-employee payroll	\$ 1,418,447	\$ 1,449,379	\$ 1,247,249	*	*
Proportionate share of the net pension liability as a percentage of covered-employee payroll	39.3%	39.7%	55.7%	0.0%*	0.0%*
Plan fiduciary net position as a percentage of the total pension liability	76.76%	75.22%	65.47%	0.0%*	0.0%*

	2012	2011	2010	2009	2008
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.

See accompanying Independent Auditors' Report.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 99,621	\$ 96,910	\$ 94,741	*	*
Contributions in relation to the actuarially determined contribution	<u>(99,621)</u>	<u>(96,910)</u>	<u>(94,741)</u>	<u>*</u>	<u>*</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>
Covered-employee payroll	\$ 1,418,447	\$ 1,449,379	\$ 1,247,249	*	*
Contributions as a percentage of covered-employee payroll	7.0%	6.7%	7.6%	0.0%*	0.0%*

	2012	2011	2010	2009	2008
Actuarially determined contribution	*	*	*	*	*
Contributions in relation to the actuarially determined contribution	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
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.

See accompanying Independent Auditors' Report.



**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFIT PLAN  
YEAR ENDED JUNE 30, 2017**

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%
7/1/2014	-	3,209,291	3,209,291	0.0%	1,053,718	304.6%

Significant change:

The significant increase in the actuarial accrued liability in 7/1/2014 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 7/1/2014, the plan was considered to be "community rated" and therefore did not adjust the schedule of premiums as described above.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF LOCAL (CITIES AND TOWNS) FUNDING  
YEAR ENDED JUNE 30, 2017**

<u>Community</u>	<u>Share</u>
Attleboro	\$ 418,368
Bellingham	151,343
Berkley	36,414
Carver	58,309
Dighton	14,527
Duxbury	119,195
Kingston	93,295
Foxboro	128,148
Franklin	244,257
Hanover	90,867
Lakeville	55,992
Mansfield	171,469
Marshfield	194,408
Medway	91,330
Middleborough	170,115
Norfolk	118,007
North Attleboro	214,593
Norton	105,399
Pembroke	145,731
Plainville	27,634
Plymouth	411,888
Raynham	100,578
Rehoboth	19,613
Scituate	125,654
Seekonk	105,604
Taunton	426,885
Wareham	209,606
Wrentham	87,353
	<u>\$ 4,136,582</u>

See accompanying Independent Auditors' Report.

**GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY  
NET COST OF SERVICE  
YEAR ENDED JUNE 30, 2017**

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

**INCOME**

Charges for services	\$ 41,159,603
Federal Grants	4,963,575
State Contracts	154,241
Other	92,688
	<u>46,370,107</u>

**EXPENSES**

Operating Expenses	58,348,113
Interest Expense	49,591
	<u>58,397,704</u>

(Expenses) over Income (12,027,597)

Payment into reserve account - M.G. L. Chapter 161B Section 6(q) 29,789

**Net Cost Of Service (NCS) \$ (12,057,386)**