

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

**GENERAL PURPOSE FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND REGULATORY REPORTS**

SEPTEMBER 30, 1996

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

SEPTEMBER 30, 1996

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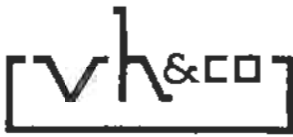
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INDEPENDENT AUDITORS' REPORT ON
GENERAL PURPOSE FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

To the Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the accompanying general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 1996 on our consideration of the Authority's internal control structure and a report dated December 31, 1996 on its compliance with laws and regulations.

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Valiente, Hernandez + Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

**COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS**

SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995
(Page 1 of 2)

	GOVERNMENTAL FUND TYPES			FIDUCIARY	ACCOUNT	TOTALS	
	GENERAL	SPECIAL	CAPITAL	FUND TYPE	GENERAL	MEMORANDUM ONLY	
	FUND	REVENUE FUNDS	PROJECTS FUNDS	AGENCY FUND	FIXED ASSETS	1996	1995
ASSETS AND OTHER DEBITS							
Cash and investments (Note 2)	\$ 6,967,785	\$ -	\$ -	\$ -	\$ -	\$ 6,967,785	\$ 4,380,255
Accounts receivable:							
Trade and other, net of allowance of \$57,403 in 1996 and \$19,346 in 1995	654,684	-	1,268	-	-	655,952	725,694
United States Government	11,812	14,486	1,147,904	-	-	1,174,202	1,861,334
State of Florida	1,927,301	33,720	37,995	-	-	1,999,016	3,039,096
Local governments	7,484	216,012	153,307	-	-	376,803	1,358,778
Other	383,560	31,200	-	-	-	414,760	282,476
Due from other funds	-	24,055	867,652	-	-	891,707	1,008,768
Inventory	738,738	-	-	-	-	738,738	696,104
Prepaid expenses	41,389	-	-	-	-	41,389	38,644
Restricted assets:							
Deferred compensation benefits (Note 5)	-	-	-	871,367	-	871,367	657,511
Property and equipment (Note 3):							
Land	-	-	-	-	10,426,348	10,426,348	9,700,444
Buildings and improvements	-	-	-	-	23,519,733	23,519,733	24,666,597
Revenue vehicles	-	-	-	-	32,226,582	32,226,582	28,926,077
Operating and transit related equipment	-	-	-	-	10,711,852	10,711,852	8,322,698
Other equipment, fixtures and other vehicles	-	-	-	-	2,376,026	2,376,026	1,828,603
Total assets and other debits	<u>\$ 10,732,753</u>	<u>\$ 319,473</u>	<u>\$ 2,208,126</u>	<u>\$ 871,367</u>	<u>\$ 79,260,541</u>	<u>\$ 93,392,260</u>	<u>\$ 87,493,079</u>

(Continued)

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**COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS**

SEPTEMBER 30, 1996 WITH COMPARATIVE TOTALS FOR 1995
(Page 2 of 2)

	GOVERNMENTAL FUND TYPES			FIDUCIARY	ACCOUNT	TOTALS	
	GENERAL	SPECIAL	CAPITAL	FUND TYPE	GENERAL	MEMORANDUM ONLY	
	FUND	REVENUE	PROJECTS	AGENCY	FIXED	1996	1995
		FUNDS	FUNDS	FUND	ASSETS		(as restated Note 11)
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>							
Liabilities:							
Accounts payable, trade	\$ 850,790	\$ 148,137	\$ 492,988	\$ -	\$ -	\$ 1,491,915	\$ 1,028,659
Accrued expenses and other current liabilities:							
Salaries and wages	288,658	-	-	-	-	288,658	229,108
Payroll taxes and employee withholdings	27,939	-	-	-	-	27,939	17,735
Pension and retirement	52,289	-	-	-	-	52,289	210,461
Interest	89,375	-	-	-	-	89,375	38,091
Deferred local revenue	-	128,911	618,025	-	-	746,936	900,660
Other	11,950	-	-	-	-	11,950	11,313
Tax anticipation note payable (Note 7)	5,000,000	-	-	-	-	5,000,000	5,000,000
Payable from restricted assets:							
Deferred compensation due employees	-	-	-	871,367	-	871,367	657,511
Compensated absences	1,227,088	-	-	-	-	1,227,088	1,104,107
Self-insured claims payable (Note 6):							
Workers' compensation claims	1,488,451	-	-	-	-	1,488,451	716,922
Other claims	1,219,609	-	-	-	-	1,219,609	1,183,186
Due to other funds	262,127	39,925	589,655	-	-	891,707	1,008,768
Total liabilities	10,518,276	316,973	1,700,668	871,367	-	13,407,284	12,106,521
Fund equity and other credits:							
Investment in general fixed assets (Note 3)	-	-	-	-	79,260,541	79,260,541	73,444,419
Fund balances: (as restated) (Note 11)							
Reserve for encumbrances	-	313,517	1,472,211	-	-	1,785,728	846,475
Undesignated	214,477	(311,017)	(964,753)	-	-	(1,061,293)	1,095,664
Total fund equity and other credits	214,477	2,500	507,458	-	79,260,541	79,984,976	75,386,558
Total liabilities, fund equity and other credits	\$ 10,732,753	\$ 319,473	\$ 2,208,126	\$ 871,367	\$ 79,260,541	\$ 93,392,260	\$ 87,493,079

See independent auditors' report and notes to general purpose financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**

**FOR THE YEAR ENDED SEPTEMBER 30, 1996
WITH COMPARATIVE TOTALS FOR 1995
(Page 1 of 2)**

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
				MEMORANDUM ONLY 1996	1995 (as restated, Note 11)
Operating revenues:					
Passenger fares	\$ 5,403,881	\$ 7,699	\$ -	\$ 5,411,580	\$ 5,212,779
Charter services	1,103	-	-	1,103	-
Intergovernmental -					
United States Government	1,298,345	52,394	7,032,405	8,383,144	5,532,122
State of Florida	3,380,133	56,159	757,093	4,193,385	3,466,989
Local governments	612,500	149,832	338,325	1,100,657	841,972
Ad valorem taxes	12,018,485	2,500	228,281	12,249,266	12,078,404
Other	936,659	272,242	18,629	1,227,530	1,105,498
Total operating revenues	<u>23,651,106</u>	<u>540,826</u>	<u>8,374,733</u>	<u>32,566,665</u>	<u>28,237,764</u>
Operating expenditures:					
Wages	9,473,054	-	-	9,473,054	10,292,096
Payroll taxes, employee benefits, and workers' compensation costs	7,108,192	-	-	7,108,192	6,480,101
Fuel and lubricants	1,121,289	23,304	-	1,144,593	1,309,098
Contracted services	2,559,108	470,447	-	3,029,555	1,031,122
Parts and supplies	1,256,723	-	-	1,256,723	1,491,356
Insurance premiums, self insurance costs, and settlements	1,151,926	-	-	1,151,926	1,497,692
Tax Collector's and Property					
Appraiser's fees	289,345	-	-	289,345	316,679
Utilities	312,195	-	-	312,195	340,098
Planning studies	85,396	-	-	85,396	36,385
Marketing and promotion	228,218	45,155	-	273,373	277,206
Interest expense	225,769	-	-	225,769	282,930
Capital expenditures	7,395	-	8,776,104	8,783,499	4,390,895
Other	649,977	772	-	650,749	790,665
Total operating expenditures	<u>24,468,587</u>	<u>539,678</u>	<u>8,776,104</u>	<u>33,784,369</u>	<u>28,536,323</u>

(Continued)

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COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 1996
WITH COMPARATIVE TOTALS FOR 1995
 (Page 2 of 2)

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS	
				MEMORANDUM ONLY	
				1996	1995 (as restated, Note 11)
Excess (deficiency) of revenues over expenditures before operating and residual equity transfers	\$ (817,481)	\$ 1,148	\$ (401,371)	\$ (1,217,704)	\$ (298,559)
Other financing sources and (uses):					
Operating transfers in	-	43,768	10,055	53,823	816
Operating transfers out	(53,823)	-	-	(53,823)	(816)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(871,304)	44,916	(391,316)	(1,217,704)	(298,559)
Fund balance, beginning of year (as restated, Note 11)	1,085,781	(42,416)	898,774	1,942,139	2,240,698
Residual equity transfer in	-	-	101,567	101,567	-
Residual equity transfer out	-	-	(101,567)	(101,567)	-
Fund balance, end of year	<u>\$ 214,477</u>	<u>\$ 2,500</u>	<u>\$ 507,458</u>	<u>\$ 724,435</u>	<u>\$ 1,942,139</u>

See independent auditors' report and notes to general purpose financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 1996

(Page 1 of 2)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Operating revenues:						
Passenger fares	\$ 5,403,800	\$ 5,403,881	\$ 81	\$ -	\$ 7,699	\$ 7,699
Charter services	1,000	1,103	103	-	-	-
Intergovernmental -						
United States Government	1,298,000	1,298,345	345	106,500	52,394	(54,106)
State of Florida	3,380,000	3,380,133	133	60,500	56,159	(4,341)
Local governments	612,500	612,500	-	264,345	149,832	(114,513)
Ad valorem taxes	12,019,152	12,018,485	(667)	2,500	2,500	-
Other	931,100	936,659	5,559	166,000	272,242	106,242
Total operating revenues	<u>23,645,552</u>	<u>23,651,106</u>	<u>5,554</u>	<u>599,845</u>	<u>540,826</u>	<u>(59,019)</u>
Operating expenditures:						
Wages	9,370,400	9,473,054	(102,654)	-	-	-
Payroll taxes, employee benefits, and workers' compensation costs	6,300,900	7,108,192	(807,292)	-	-	-
Fuel and lubricants	1,121,000	1,121,289	(289)	-	23,304	(23,304)
Contracted services	2,558,500	2,559,108	(608)	599,845	470,447	129,398
Parts and supplies	1,256,500	1,256,723	(223)	-	-	-
Insurance premiums, self insurance costs, and settlements	1,118,600	1,151,926	(33,326)	-	-	-
Tax Collector's and Property Appraiser's fees	290,000	289,345	655	-	-	-
Utilities	313,000	312,195	805	-	-	-
Planning studies	85,500	85,396	104	-	-	-
Marketing and promotion	228,300	228,218	82	-	45,155	(45,155)
Interest expense	226,000	225,769	231	-	-	-
Capital expenditures	8,000	7,395	605	-	-	-
Other	850,000	649,977	200,023	-	772	(772)
Total operating expenditures	<u>23,726,700</u>	<u>24,468,587</u>	<u>(741,887)</u>	<u>599,845</u>	<u>539,678</u>	<u>60,167</u>

(Continued)

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 1996
(Page 2 of 2)**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Excess (deficiency) of revenues over expenditures before operating and residual equity transfers	\$ (81,148)	\$ (817,481)	\$ (736,333)	\$ -	\$ 1,148	\$ 1,148
Other financing sources and (uses):						
Operating transfers in	-	-	-	-	43,768	43,768
Operating transfers out	-	(53,823)	(53,823)	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(81,148)</u>	(871,304)	<u>(790,156)</u>	<u>-</u>	44,916	<u>44,916</u>
Fund balance, beginning of year (as restated, Note 11)		1,085,781			(42,416)	
Residual equity transfer in		-			-	
Residual equity transfer out		-			-	
Fund balance, end of year		<u>\$ 214,477</u>			<u>\$ 2,500</u>	

See independent auditors' report and notes to general purpose financial statements.

**HILLSBOROUGH TRANSIT AUTHORITY
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STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 1996

<u>DEFERRED COMPENSATION PLAN</u>	<u>BALANCE SEPTEMBER 30, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 1996</u>
ASSETS:				
Investment funds	\$ 657,511	\$ 252,681	\$ 38,825	\$ 871,367
LIABILITIES:				
Due to participants	\$ 657,511	\$ 252,681	\$ 38,825	\$ 871,367

See independent auditors' report and notes to general purpose financial statements.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

ORGANIZATION AND REPORTING ENTITY

Hillsborough Transit Authority, operating and doing business as Hillsborough Area Regional Transit Authority ("the Authority"), was created as a body politic and corporate under Chapter 163, Part V, Sections 163.567, et seq., Florida Statutes, on October 3, 1979; it was chartered for the purpose of providing mass transit service to its two charter members, the City of Tampa and the unincorporated areas of Hillsborough County, Florida. The Authority may admit to membership any county or municipality contiguous to a member of the Authority upon application and after approval by a majority vote of the entire Board of Directors. The City of Temple Terrace has been admitted as a member of the Authority.

The Authority's Board of Directors is comprised of two directors appointed by the Governor of the State of Florida and a minimum of one director from each member of the Authority. Members are allowed an additional director for each 150,000 persons, or major fraction thereof, resident in that member's jurisdictional limits.

The Authority has been determined to be an "Independent Special District" as described in Section 189.403, Florida Statutes, and is authorized to levy an ad valorem tax of up to one-half mil (\$.0005) on the taxable value of real and tangible personal property within the jurisdiction of its members. Chapter 165.570, Florida Statutes, allows the Authority to levy up to a three mil levy, subject to public referendum. The Authority's ad valorem taxes are assessed as part of the annual assessment of Hillsborough County which levies its taxes November 1 of each year. Collection of taxes is scheduled for November through the following March. Taxes become delinquent April 1 and tax certificates placing liens on the property are sold May 31.

Additional revenues and funding are received from passenger fares and grants from the Federal Government, the State of Florida, City of Tampa and Hillsborough County.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

Basis of Presentation - Fund Accounting

The Authority uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES: (Continued)

Basis of Presentation - Fund Accounting (Continued)

Standards Board of the Financial Accounting Foundation (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The Authority utilizes the modified accrual basis of accounting, similar to that prescribed for proprietary operations of state and local governments. The more significant accounting policies are described below. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures/expenses.

The main activities of the Authority utilize the "Governmental Fund" type as a recording and reporting vehicle. Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the governmental unit not accounted for in some other fund.

Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into three fund types and one account group as follows:

General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. The tax anticipation note payable in the amount of \$5,000,000 was not refinanced on a long term basis subsequent to September 30, 1996. Thus, the related principal, accrued interest, and interest expense have been accounted for in the general fund in accordance with generally accepted governmental accounting standards.

Special Revenue Funds are used to account for financial resources that have been designated for a specific use.

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

Agency Fund accounts for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations or other governmental units or funds.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES: (Continued)

Basis of Presentation - Fund Accounting (Continued)

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

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

Memorandum Only - Total Columns

Columns on the statements which are captioned "Totals - Memorandum Only" are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. **Neither is such data comparable to a consolidation.** Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Basis of Accounting

The Authority uses the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES: (Continued)

Basis of Presentation - Fund Accounting (Continued)

A. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenues funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the capital projects funds. Encumbrances outstanding at year end are reported as a reservation of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during subsequent years.

B. Cash and Investments

The Authority maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and investments."

C. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

D. Inventory

Inventory, principally consisting of vehicle replacement parts and operating supplies, is stated at averaged cost.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES: (Continued)

Basis of Presentation - Fund Accounting (Continued)

E. Property and Equipment

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Public domain ("infrastructure") general fixed assets are capitalized along with the general fixed assets.

F. Compensated Absences

Vacation pay is accrued when earned; vested or accumulated vacation leave up to a maximum of 240 hours, per employee, is reported as an expenditure and a fund liability of the general fund; the employee is allowed to transfer accumulated hours in excess of 240 to the sick leave pool. The portion of sick leave that is payable at retirement is accrued when vested; the Authority allows employees to accumulate unused sick leave at varying rates depending on several factors, including the employee's union representation and length of employment.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board (GASB), "Accounting for Compensated Absences", the compensated absences liability is calculated based on the pay or salary rates in effect at the balance sheet date (September 30, 1996). Additionally, accruals have been made for salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date. The salary related payments subject to this accrual are those items for which an employer is liable to make a payment directly and incrementally associated with payments made for compensated absences on termination. Accordingly, the Authority has recognized 7.65% of the compensated absences liability, representing its share of the Social Security and Medicare taxes. An accrual is also made for the pension cost related to the compensated absences amount because the Authority's employees are covered under the Florida Retirement System.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 2 - DEPOSITS AND INVESTMENTS:

Unrestricted cash consists of the following components at September 30, 1996:

Undeposited fare receipts and cash on hand	\$ 17,620
Deposits with commercial banks	353,775
Deposits with trustee for payment of settlements of claims under self insurance programs	75,000
Deposit with State of Florida Local Government Surplus Trust Funds Investment Pool	<u>6,521,390</u>
Total unrestricted cash	<u>\$ 6,967,785</u>

Deposits are maintained with a commercial bank which is organized under the laws of the United States and are insured by the Federal Deposit Insurance Corporation to legal limits. Security for deposits in excess of insured levels is provided by the requirements of the "Florida Security for Public Deposits Act" Chapter 280, Florida Statutes.

The State of Florida Local Government Surplus Trust Fund ("the Trust Fund") is administered by the State Board of Administration under Chapter 218, Part IV, Florida Statutes. Participants in the Trust Fund with accounts less than \$20,000,000 are placed in a pooled investment account. The deposits are neither insured nor collateralized. Their carrying value approximates market value at September 30, 1996.

Throughout the year and as of September 30, 1996, the Surplus Funds Investment Pool contained certain floating rate notes which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments, representing approximately 2% of the Surplus Funds Investment Pool portfolio at September 30, 1996, were purchased to add relative value to the portfolio.

NOTE 3 - CHANGES IN PROPERTY AND EQUIPMENT:

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the fiscal year:

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 3 - CHANGES IN PROPERTY AND EQUIPMENT: (Continued)

General Fixed Assets (Continued)

<u>Description</u>	Balance, September 30, 1995	Transfers In and <u>Acquisitions</u>	Transfers Out and <u>Retirements</u>	Balance, September 30, 1996
Land	\$ 9,700,444	\$ 725,904	\$ -	\$ 10,426,348
Buildings and improvements	24,666,597	(1,146,864)	-	23,519,733
Revenue vehicles	28,926,077	3,845,676	545,171	32,226,582
Operating and transit related equipment	8,322,698	2,664,071	274,916	10,711,853
Other equipment, fixtures and other vehicles	<u>1,828,603</u>	<u>566,221</u>	<u>18,799</u>	<u>2,376,025</u>
 Total general fixed assets	 <u>\$ 73,444,419</u>	 <u>\$ 6,655,008</u>	 <u>\$ 838,886</u>	 <u>\$ 79,260,541</u>
 General fund revenue	 \$ 104,416	 \$ 8,573	 \$ 30	 \$ 112,959
City and county grants	1,833,889	306,504	281,783	1,858,610
Federal grants	53,975,777	5,265,157	433,203	58,807,731
State grants	9,895,120	602,482	54,240	10,443,362
Ad valorem taxes	<u>7,635,217</u>	<u>472,292</u>	<u>69,630</u>	<u>8,037,879</u>
 Total investment in general fixed assets	 <u>\$ 73,444,419</u>	 <u>\$ 6,655,008</u>	 <u>\$ 838,886</u>	 <u>\$ 79,260,541</u>

During the year ended September 30, 1995, the Authority established a policy to capitalize only those assets with a cost in excess of \$300. Prior to this change, all assets purchased under capital grants were capitalized as fixed assets in the General Fixed Assets Account Group.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 4 - PENSION PLANS:

The Authority contributes to two public employee retirement systems. Approximately four hundred employees are covered under the Florida Retirement System and three employees are covered by the General Employees' Pension plan for the City of Tampa.

A. Florida Retirement System

Most full-time employees of the Authority participate in the Florida Retirement System ("the System"), a multiple- employer public employee retirement system ("PERS").

Effective July 1, 1996, the Authority pays all regular contributions equal to 17.43% of employee earnings and senior management contributions equal to 22.24% of earnings. The retirement contribution for employees covered by the System for the year ended September 30, 1996 was \$2,093,764. The actuarial funding method, significant assumptions, membership data, and ten year historical trend information are included in the system's July 30, 1996 Annual Report (the latest available date).

Employees of the Authority who retire at or after age 62 with ten years of credited service or, 30 years of service, regardless of age, are entitled to a retirement benefit, payable monthly for life. Benefits are computed on the basis of age, average final compensation and service credit.

Average final compensation ("AFC") is the average of the five highest fiscal years of earnings. Each year of service is expressed as a percentage of AFC. The total percentage value received is determined by calculating the total value of all service, which is based on the retirement plan to which the member belonged when the service was earned.

The System provides vesting of benefits after ten years of creditable service. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 4 - PENSION PLANS: (Continued)

The pension benefit obligation at July 31, 1996 (the latest available date), for the System as a whole, determined through an actuarial valuation performed as of that date, was \$47.3 billion. The System's net assets available for benefits on that date (valued at market) were \$41.6 billion, leaving an unfunded pension benefit obligation of \$5.7 billion.

B. General Employees' Pension Plan for the City of Tampa

Three of the Authority's employees participate in the General Employees' Pension Plan for the City of Tampa ("the Plan"), a single employer pension plan. These employees participate in this plan because the City of Tampa formerly operated a transit system predecessor to the Authority's and these employees were employed then and chose to remain covered by the Plan.

This pension plan is authorized by the Laws of Florida, administered by an independent Board of Trustees and accounted for by the City of Tampa. The Authority pays all contributions equal to 7.3% and the employees contribute 7% of their current earnings. The retirement contribution for employees covered by the System for the year ended September 30, 1996 was \$6,618.

For participants in this plan vesting occurs at age 55 with ten or more years of service. Benefit amounts are calculated based on the highest three years' salary within the last ten years of employment. The participant will receive a benefit amount equal to 2% for each of the first 15 years of service, and 2.5% for each remaining year for employees hired after January 1, 1975. A maximum of 30 years of service is recognized.

The pension benefit obligation at October 1, 1995 (the latest available date), for the Plan as a whole, determined through an actuarial valuation performed as of that date, was \$244.6 million. The Plan's net assets available for benefits on that date (valued at market) were \$314.9 million; assets in excess of pension benefit obligation at October 1, 1996 were \$70.3 million. The actuarial funding method, significant assumptions, membership data, and ten year historical trend information are included in the City's actuarial valuation as of October 1, 1995.

Contributions for retired participants' prior service cost was \$163,599 and \$161,978 for the years ended September 30, 1996, and 1995, respectively.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 5 - DEFERRED COMPENSATION PLAN:

The Authority offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 which permits them to defer a portion of their compensation until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Authority has employees which are classified as bargaining or non-bargaining, depending on their union membership status. The Authority contributes an amount equal to 2% of all eligible non-bargaining employee annual compensation to the plan. The plan expense for the year ended September 30, 1996 was \$29,657.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or other beneficiary) solely the property and rights of the Authority (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Authority's general creditors.

NOTE 6 - SELF INSURANCE AND LOSS CONTINGENCIES:

During 1987 the Authority established a self insurance program for general and vehicle liability claims. Additionally, during 1990 the Authority established a self insurance program for its workers' compensation claims. Claims are administered internally by the Authority and a third-party claims settlement agency.

The liabilities currently provided are based upon the Authority's estimate after considering the available facts. The claims estimation process involves substantial uncertainties, including the ultimate outcome of certain legal actions that may affect the adequacy of amounts provided; however, management feels the amounts provided are appropriate.

Self insured claims, liability limitations and methods used to limit the exposures are as follows:

General and vehicle liability claims -

The Authority's exposure for general and vehicle liability claims is subject to the State of Florida sovereign immunity laws which provide loss limits of \$100,000 per individual and \$200,000 per occurrence.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 6 - SELF INSURANCE AND LOSS CONTINGENCIES: (Continued)

Workers' compensation claims -

The Authority self insures workers' compensation claims, however, claims over \$400,000 per occurrence are covered by an outside insurance policy.

Property damage and bodily injury claims -

The Authority's exposure for property damage and bodily injury claims is also subject to the State of Florida sovereign immunity laws which provide loss limits of \$100,000 per individual and \$200,000 per occurrence.

Unemployment compensation -

The Authority is fully self-insured and charges are made quarterly as the Florida Department of Labor and Employment Security assesses the Authority based on actual claims.

Group Medical -

Effective December 1, 1995, employees of the Authority are covered under Health Options Blue Cross/Blue Shield of Florida.

NOTE 7 - TAX ANTICIPATION NOTES PAYABLE:

The Authority had outstanding on September 30, 1996 a Tax Anticipation Note, dated April 30, 1996, in the principal amount of \$5,000,000. This note was issued by the Authority pursuant to Article VII, Section 12, of the Constitution of the State of Florida; Chapter 163.565, et seq., Florida Statutes, as amended, and Resolution R96-04-25 adopted by the Authority on April 25, 1996. This note bears interest from its date at the rate equal to 52.25% of the rate announced by NationsBank of Florida, N.A. ("NationsBank") from time to time as its "prime rate."

Principal and interest on the note is due and payable on April 30, 1997. The note is secured by liens upon and pledges of the ad valorem tax revenues of the Authority for the fiscal year beginning on October 1, 1996, as such taxes are collected by the office of the Tax Collector of Hillsborough County and received by the Authority, any other revenues legally appropriated by the Authority for payment of the note, the proceeds of the notes and thereon, and the moneys on deposit.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 7 - TAX ANTICIPATION NOTES PAYABLE: (Continued)

The note constitutes a "qualified tax-exempt obligation" pursuant to the Internal Revenue Code Section 265(b)(3). The Authority is not obligated in any manner for special assessment debt.

NOTE 8 - COMMITMENTS AND CONTINGENCIES:

Lease commitments -

On December 2, 1994, the Authority entered into a noncancellable operating lease for 6,260 square feet of office space. The term of the lease is for the period December 1, 1994, through November 30, 1998, with an option to renew at the Authority's option for up to two additional one year terms. The minimum annual rentals under the lease agreement are as follows:

<u>Fiscal year ended</u> <u>September 30,</u>	<u>Minimum Annual</u> <u>Rental Amount</u>
1997	\$ 83,467
1998	89,727
1999	<u>15,128</u>
Total	<u>\$ 188,322</u>

Environmental clean-up costs -

During the year ended September 30, 1988, the Authority discovered and began the clean-up of major underground diesel and unleaded gasoline fuel spills. Clean-up and associated costs incurred during the year ended September 30, 1996 totaled approximately \$32,590. Of the total costs incurred to date, an estimated \$383,560 is expected to be recouped from the State of Florida Department of Environmental Protection and has been recorded and included as part of Other Receivables in the enclosed balance sheet.

The Authority is unable to reasonably estimate the additional clean-up costs, if any, that will be incurred in the future relating to this incident therefore no liability has been accrued.

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 8 - COMMITMENTS AND CONTINGENCIES: (Continued)

Legal actions -

The Authority is a defendant in various legal actions which in the opinion of management will not have a significant effect on the financial position of the Authority.

NOTE 9 - PARATRANSIT SERVICE:

During the fiscal year ended September 30, 1993, the Authority initiated a door-to-door paratransit service. This level of service was contracted with Hillsborough County, Florida, under an interlocal agreement dated February 18, 1993. During the fiscal year ended September 30, 1996 the cost to the Authority was \$81,014.

NOTE 10 - TRANSFERS:

Nonrecurring or nonroutine transfers associated with the liquidation of a Capital Projects Fund, once the capital asset has been completed and is ready to be placed in operation, are classified as residual equity transfers.

NOTE 11 - RESTATEMENT OF FUND BALANCE:

The beginning fund balance for the capital projects funds has been restated to correct an overstatement of revenues for the prior period for the Fiscal Year 1989 Program of Projects Fund. For the fiscal period ended September 30, 1995, \$103,125 of local revenue was recognized for the 1989 Program of Projects fund that should have been reflected as deferred revenue. In order to reestablish the deferred revenue balance for this fund, the opening balance of this fund has been restated as follows:

Fund equity at September 30, 1995, as previously reported	\$ 129,292
Adjustment overstatement of revenues	<u>(103,125)</u>
Fund equity at September 30, 1995, as restated	<u>\$ 26,167</u>

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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 11 - RESTATEMENT OF FUND BALANCE: (Continued)

In addition to the restatement of fund equity for the 1989 Program of Projects, the Franklin Street Tram was classified as a Capital Projects Fund for the fiscal period ended September 30, 1995. For the fiscal period ended September 30, 1996, this fund has been recategorized into a Special Revenue Fund. The combined effect of this change and the restatement of fund equity for the 1989 Program of Projects on the overall fund equity of the combined funds is as follows:

Fund equity of total capital projects funds at September 30, 1995, as previously stated	\$1,002,715
Adjustment for overstatement of revenues	(103,125)
Reclassification of the Franklin Street Tram fund	<u>(816)</u>
Fund equity of total capital projects funds at September 30, 1995, as restated	<u>\$ 898,774</u>
Fund equity of total special revenue funds at September 30, 1995, as previously stated	\$(43,232)
Reclassification of the Franklin Street Tram fund	<u>816</u>
Fund equity of total special revenue funds at September 30, 1995, as restated	<u>\$(42,416)</u>

SUPPLEMENTARY INFORMATION

**HILLSBOROUGH TRANSIT AUTHORITY
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COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

SEPTEMBER 30, 1996

	<u>Westshore Shuttle</u>	<u>Ybor/Downtown Trolley</u>	<u>Franklin Street Tram</u>	<u>South County Circulator</u>	<u>Total Special Revenue Funds</u>
<u>ASSETS</u>					
Accounts receivable:					
United States Government	\$ 5,297	\$ 4,635	\$ -	\$ 4,554	\$ 14,486
State of Florida	13,720	20,000	-	-	33,720
Local Governments	85,512	120,000	-	10,500	216,012
Other	-	31,200	-	-	31,200
Due from other funds	-	24,055	-	-	24,055
Total assets	<u>\$ 104,529</u>	<u>\$ 199,890</u>	<u>\$ -</u>	<u>\$ 15,054</u>	<u>\$ 319,473</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 52,408	\$ 94,535	\$ -	\$ 1,194	\$ 148,137
Due to other funds	29,129	-	-	10,796	39,925
Deferred revenue	22,992	105,355	-	564	128,911
Total liabilities	<u>104,529</u>	<u>199,890</u>	<u>-</u>	<u>12,554</u>	<u>316,973</u>
Fund equity (deficit):					
Reserve for encumbrances	167,889	143,128	-	2,500	313,517
Undesignated	(167,889)	(143,128)	-	-	(311,017)
Total fund equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Total liabilities and fund equity	<u>\$ 104,529</u>	<u>\$ 199,890</u>	<u>\$ -</u>	<u>\$ 15,054</u>	<u>\$ 319,473</u>

See independent auditors' report.

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COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 1996
(Page 1 of 3)

	Fiscal Year 1990 Program of Projects	CMAQ Program	State Funded Capital Projects	Central Business District Terminal	Fiscal Year 1989 Program of Projects	Fiscal Year 1992 Program of Projects
<u>ASSETS</u>						
Accounts receivable:						
United States Government	\$ 7,897	\$ 83,372	\$ -	\$ -	\$ -	\$ 1
State of Florida	-	20,843	13,979	671	-	91
Local governments	67,602	236	-	-	-	469
Other	-	1,268	-	-	-	-
Due from other funds	-	-	68,125	55,845	160,297	75,654
Total assets	<u>\$ 75,499</u>	<u>\$ 105,719</u>	<u>\$ 82,104</u>	<u>\$ 56,516</u>	<u>\$ 160,297</u>	<u>\$ 76,215</u>
<u>LIABILITIES AND FUND EQUITY</u>						
Liabilities:						
Accounts payable	\$ -	\$ 13,142	\$ 210	\$ 7,000	\$ -	\$ -
Due to other funds	61,322	92,577	-	-	-	-
Deferred revenue	-	-	-	-	103,125	-
Total liabilities	<u>61,322</u>	<u>105,719</u>	<u>210</u>	<u>7,000</u>	<u>103,125</u>	<u>-</u>
Fund equity (deficit):						
Reserve for encumbrances	63	-	15,009	-	-	-
Fund balance (deficit)	14,114	-	66,885	49,516	57,172	76,215
Total fund equity (deficit)	<u>14,177</u>	<u>-</u>	<u>81,894</u>	<u>49,516</u>	<u>57,172</u>	<u>76,215</u>
Total liabilities and fund equity	<u>\$ 75,499</u>	<u>\$ 105,719</u>	<u>\$ 82,104</u>	<u>\$ 56,516</u>	<u>\$ 160,297</u>	<u>\$ 76,215</u>

(Continued)

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COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 1996
(Page 2 of 3)

	<u>Fiscal Year 1993 Program of Projects</u>	<u>Bus Replacement Program</u>	<u>Project Action</u>	<u>Kennedy Bridge Shuttle</u>	<u>Fiscal Year 1994 Program of Projects</u>	<u>CMAQ Bus Purchase Program</u>
<u>ASSETS</u>						
Accounts receivable:						
United States Government	\$ 9,366	\$ 928	\$ -	\$ -	\$ 458,311	\$ 2,359
State of Florida	-	1,693	-	-	-	718
Local governments	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	305,006	-
Total assets	<u>\$ 9,366</u>	<u>\$ 2,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,317</u>	<u>\$ 3,077</u>
<u>LIABILITIES AND FUND EQUITY</u>						
Liabilities:						
Accounts payable	\$ -	\$ 390	\$ -	\$ -	\$ 376,627	\$ 756
Due to other funds	8,699	2,231	-	-	-	2,321
Deferred revenue	-	-	-	-	210,473	-
Total liabilities	<u>8,699</u>	<u>2,621</u>	<u>-</u>	<u>-</u>	<u>587,100</u>	<u>3,077</u>
Fund equity (deficit):						
Reserve for encumbrances	-	-	-	-	55,562	1,313,079
Fund balance (deficit)	667	-	-	-	120,655	(1,313,079)
Total fund equity (deficit)	<u>667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,217</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 9,366</u>	<u>\$ 2,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,317</u>	<u>\$ 3,077</u>

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
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COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 1996

(Page 3 of 3)

	Fiscal Year 1995 Program of Projects	Fiscal Year 1996 Program of Projects	Energy Project	Mobility Enhancement	Total Capital Project Funds
<u>ASSETS</u>					
Accounts receivable:					
United States Government	\$ 159,217	\$ 426,453	\$ -	\$ -	\$ 1,147,904
State of Florida	-	-	-	-	37,995
Local governments	-	-	-	85,000	153,307
Other	-	-	-	-	1,268
Due from other funds	182,225	-	5,500	15,000	867,652
Total assets	<u>\$ 341,442</u>	<u>\$ 426,453</u>	<u>\$ 5,500</u>	<u>\$ 100,000</u>	<u>\$ 2,208,126</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 90,915	\$ 3,948	\$ -	\$ -	\$ 492,988
Due to other funds	-	422,505	-	-	589,655
Deferred revenue	198,927	-	5,500	100,000	618,025
Total liabilities	<u>289,842</u>	<u>426,453</u>	<u>5,500</u>	<u>100,000</u>	<u>1,700,668</u>
Fund equity (deficit):					
Reserve for encumbrances	88,498	-	-	-	1,472,211
Fund balance (deficit)	(36,898)	-	-	-	(964,753)
Total fund equity (deficit)	<u>51,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,458</u>
Total liabilities and fund equity	<u>\$ 341,442</u>	<u>\$ 426,453</u>	<u>\$ 5,500</u>	<u>\$ 100,000</u>	<u>\$ 2,208,126</u>

See independent auditors' report.

**HILLSBOROUGH TRANSIT AUTHORITY
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**COMBINING STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS**

SEPTEMBER 30, 1996

	Westshore Shuttle	Ybor/Downtown Trolley	Franklin Street Tram	South County Circulator	Total Special Revenue Funds
Revenues					
Intergovernmental:					
United States Government	\$ 37,843	\$ 4,635	\$ -	\$ 9,916	\$ 52,394
State of Florida	33,704	20,000	2,455	-	56,159
City and county	33,149	106,747	-	9,936	149,832
Ad valorem taxes	-	-	-	2,500	2,500
Other revenues	82,753	194,903	2,058	227	279,941
Total revenues	187,449	326,285	4,513	22,579	540,826
Expenditures					
Fuel and lubricants	10,472	12,832	-	-	23,304
Contracted services	135,055	311,355	3,958	20,079	470,447
Marketing and promotion	42,843	1,757	555	-	45,155
Other	(384)	340	816	-	772
Total expenditures	187,986	326,284	5,329	20,079	539,678
Excess (deficiency) of revenues over expenditures	(537)	1	(816)	2,500	1,148
Other financing sources (uses):					
Operating transfers in	22,003	21,765	-	-	43,768
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	22,003	21,765	-	-	43,768
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	21,466	21,766	(816)	2,500	44,916
Fund balance (deficit)					
Beginning of year (as restated)	(21,466)	(21,766)	816	-	(42,416)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

See independent auditors' report.

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1996

(Page 1 of 3)

	Fiscal Year 1990 Program of Projects	CMAQ Program	State Funded Capital Projects	Central Business District Terminal	Fiscal Year 1989 Program of Projects	Fiscal Year 1992 Program of Projects
Revenues						
Intergovernmental:						
United States Government	\$ 85,126	\$ 418,881	\$ -	\$ 77,165	\$ 365,696	\$ 94,408
State of Florida	-	104,720	111,778	12,872	35,556	9,406
City and county	2,131	-	-	-	2,373	469
Ad valorem taxes	24,700	-	157,250	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>111,957</u>	<u>523,601</u>	<u>269,028</u>	<u>90,037</u>	<u>403,625</u>	<u>104,283</u>
Expenditures						
Capital expenditures	<u>106,408</u>	<u>523,601</u>	<u>172,880</u>	<u>102,886</u>	<u>407,120</u>	<u>117,610</u>
Excess (deficiency) of revenues over expenditures	<u>5,549</u>	<u>-</u>	<u>96,148</u>	<u>(12,849)</u>	<u>(3,495)</u>	<u>(13,327)</u>
Other financing sources (uses):						
Operating transfers in	-	-	10,055	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,055</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	5,549	-	106,203	(12,849)	(3,495)	(13,327)
Fund balance (deficit)						
Beginning of year (as restated)	8,628	-	(24,309)	62,365	26,167	29,542
Residual equity transfer in	-	-	-	-	34,500	60,000
Residual equity transfer out	-	-	-	-	-	-
End of year	<u>\$ 14,177</u>	<u>\$ -</u>	<u>\$ 81,894</u>	<u>\$ 49,516</u>	<u>\$ 57,172</u>	<u>\$ 76,215</u>

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1996

(Page 2 of 3)

	Fiscal Year 1993 Program of Projects	Bus Replacement Program	Project Action	Kennedy Bridge Shuttle	Fiscal Year 1994 Program of Projects	CMAQ Bus Purchase Project
Revenues						
Intergovernmental:						
United States Government	\$ 69,741	\$ 1,922,409	\$ -	\$ -	\$ 2,439,285	\$ 3,950
State of Florida	1,171	480,602	-	-	-	988
City and county	13,226	-	-	-	184,053	-
Ad valorem taxes	29,633	-	-	-	(62,500)	-
Other	-	-	18,629	-	-	-
Total revenues	<u>113,771</u>	<u>2,403,011</u>	<u>18,629</u>	<u>-</u>	<u>2,560,838</u>	<u>4,938</u>
Expenditures						
Capital expenditures	<u>87,176</u>	<u>2,403,011</u>	<u>18,629</u>	<u>-</u>	<u>3,004,553</u>	<u>4,938</u>
Excess (deficiency) of revenues over expenditures	<u>26,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(443,715)</u>	<u>-</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	26,595	-	-	-	(443,715)	-
Fund balance (deficit)						
Beginning of year (as restated)	(32,995)	-	-	101,567	619,932	-
Residual equity transfer in	7,067	-	-	-	-	-
Residual equity transfer out	-	-	-	(101,567)	-	-
End of year	<u>\$ 667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,217</u>	<u>\$ -</u>

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1996
(Page 3 of 3)

	Fiscal Year 1995 Program of Projects	Fiscal Year 1996 Program of Projects	Energy Project	Mobility Enhancement	Total Capital Project Funds
Revenues					
Intergovernmental:					
United States Government	\$ 1,103,804	\$ 451,940	\$ -	\$ -	\$ 7,032,405
State of Florida	-	-	-	-	757,093
City and county	136,073	-	-	-	338,325
Ad valorem taxes	79,198	-	-	-	228,281
Other	-	-	-	-	18,629
Total revenues	<u>1,319,075</u>	<u>451,940</u>	<u>-</u>	<u>-</u>	<u>8,374,733</u>
Expenditures					
Capital expenditures	<u>1,375,352</u>	<u>451,940</u>	<u>-</u>	<u>-</u>	<u>8,776,104</u>
Excess (deficiency) of revenues over expenditures	<u>(56,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(401,371)</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	10,055
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,055</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(56,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(391,316)</u>
Fund balance (deficit)					
Beginning of year (as restated)	107,877	-	-	-	898,774
Residual equity transfer in	-	-	-	-	101,567
Residual equity transfer out	-	-	-	-	(101,567)
End of year	<u>\$ 51,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,458</u>

See independent auditors' report.

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
-SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1996

(Page 1 of 2)

	Westshore Shuttle			Ybor/Downtown Trolley		
	Budget	Actual to Date	Variance Favorable (Unfavorable)	Budget	Actual to Date	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental:						
United States Government	\$ 43,500	\$ 37,843	\$ (5,657)	\$ 50,000	\$ 4,635	\$ (45,365)
State of Florida	36,500	33,704	(2,796)	20,000	20,000	-
City and county	123,845	33,149	(90,696)	130,000	106,747	(23,253)
Ad valorem taxes	-	-	-	-	-	-
Other revenues	12,000	82,753	70,753	150,000	194,903	44,903
Total revenues	<u>215,845</u>	<u>187,449</u>	<u>(28,396)</u>	<u>350,000</u>	<u>326,285</u>	<u>(23,715)</u>
Expenditures:						
Fuel and lubricants	-	10,472	(10,472)	-	12,832	(12,832)
Contracted services	215,845	135,055	80,790	350,000	311,355	38,645
Marketing and promotion	-	42,843	(42,843)	-	1,757	(1,757)
Other	-	(384)	384	-	340	(340)
Total expenditures	<u>215,845</u>	<u>187,986</u>	<u>27,859</u>	<u>350,000</u>	<u>326,284</u>	<u>23,716</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(537)</u>	<u>(537)</u>	<u>-</u>	<u>1</u>	<u>1</u>
Other financing sources (uses):						
Operating transfers in	-	22,003	(22,003)	-	21,765	(21,765)
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>22,003</u>	<u>(22,003)</u>	<u>-</u>	<u>21,765</u>	<u>(21,765)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>21,466</u>	<u>(22,540)</u>	<u>-</u>	<u>21,766</u>	<u>(21,764)</u>
Fund balance (deficit)						
Beginning of year (as restated)		<u>(21,466)</u>			<u>(21,766)</u>	
End of year		<u>\$ -</u>			<u>\$ -</u>	

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
-SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1996

(Page 2 of 2)

	Franklin Street Tram			South County Circulator		
	Budget	Actual to Date	Variance Favorable (Unfavorable)	Budget	Actual to Date	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental:						
United States Government	\$ -	\$ -	\$ -	\$ 13,000	\$ 9,916	\$ (3,084)
State of Florida	4,000	2,455	(1,545)	-	-	-
City and county	-	-	-	10,500	9,936	(564)
Ad valorem taxes	-	-	-	2,500	2,500	-
Other revenues	4,000	2,058	(1,942)	-	227	227
Total revenues	8,000	4,513	(3,487)	26,000	22,579	(3,421)
Expenditures:						
Fuel and lubricants	-	-	-	-	-	-
Contracted services	8,000	3,958	4,042	26,000	20,079	5,921
Marketing and promotion	-	555	(555)	-	-	-
Other	-	816	(816)	-	-	-
Total expenditures	8,000	5,329	2,671	26,000	20,079	5,921
Excess (deficiency) of revenues over expenditures	-	(816)	(816)	-	2,500	2,500
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(816)	(816)	-	2,500	2,500
Fund balance (deficit)						
Beginning of year (as restated)		816			-	
End of year		\$ -			\$ 2,500	

See independent auditors' report.

**HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 1996

FEDERAL GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED OR (DEFERRED) REVENUE 9/30/95	RECEIPTS	PROGRAM EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE 9/30/96
<u>FEDERAL TRANSIT ADMINISTRATION</u>							
Suburban Mobility	20.505	FL-03-4500	\$ 200,000	\$ 24,606	\$ 24,606	\$ -	\$ -
Bus Shelters	20.507	FL-90-X141-01	2,992,791	301	77,530	85,126	7,897
Marion Street Transitway/Terminals	20.500	FL-03-0093-02	21,776,250	1,544	78,709	77,165	-
12 Small Buses	20.507	FL-90-X119-92	4,887,321	342,715	668,411	325,696	-
FY 92 Program of Projects	20.507	FL-90-X189	5,913,226	170,022	264,430	94,408	-
FY 93 Program of Projects	20.507	FL-90-X208	3,079,361	191,212	251,587	69,741	9,366
CMAQ/ Bus Purchases	20.507	FL-90-X226	2,078,400	47,975	1,969,456	1,922,409	928
FY 94 Program of Projects	20.507	FL-90-X238	8,691,827	836,773	2,817,747	2,439,285	458,311
CMAQ/Bus Purchases	20.507	FL-90-X251	6,800,000	3,190	4,781	3,950	2,359
FY 95 Program of Projects	20.507	FL-90-X278	4,837,851	91,042	1,035,629	1,103,804	159,217
FY 96 Program of Projects	20.507	FL-90-X295	6,016,993	-	1,167,041	1,593,493	426,452
Total direct federal assistance				1,709,380	8,359,927	7,715,077	1,064,530
<u>METROPOLITAN PLANNING ORGANIZATION (pass through)</u>							
DBE Assessment/Disparity Study	20.505	FL-08-0276	131,250	202	9,394	9,192	-
<u>FLORIDA DEPARTMENT OF TRANSPORTATION (pass through)</u>							
Section 18 FY 95	20.509	FL-18-X013	147,600	11,799	11,799	-	-
Section 18 FY 96	20.509	FL-18-X014	295,200	-	135,788	147,600	11,812
Section 18 FY 96	20.509	FL-18-X014	26,000	-	5,362	9,916	4,554
Transit Promotion	20.205	CM-8888(96)	720,000	19,672	269,747	302,361	52,286
Guaranteed Ride Home/Vanpools	20.205	CM-8888(95)	920,000	47,046	132,479	116,520	31,087
<u>FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS (pass through)</u>							
Westshore Shuttle			155,000	23,235	95,780	77,843	5,298
Tampa-Ybor Trolley			95,000	50,000	50,000	4,635	4,635
<u>U.S. DEPARTMENT OF ENERGY (pass-through)</u>							
Franklin Street Tram			1,000	-	1,000	1,000	-
Total pass through federal assistance				151,954	711,349	669,067	109,672
Total Federal Assistance				\$ 1,861,334	\$ 9,071,276	\$ 8,384,144	\$ 1,174,202

See independent auditors' report (Page 44).

**HILLSBOROUGH TRANSIT AUTHORITY
D/W/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY**

SCHEDULE OF STATE GRANTS AND AIDS APPROPRIATIONS

YEAR ENDED SEPTEMBER 30, 1996

STATE GRANTOR PROGRAM TITLE	STATE GRANT NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED OR (DEFERRED) REVENUE 9/30/95	RECEIPTS	PROGRAM EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE 9/30/96
<u>STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION</u>						
State Block Grant FY 95/96	7814012	\$ 2,756,035	\$ 2,756,035	\$ 2,756,035	\$ -	\$ -
State Block Grant FY 96/97	7813924	2,551,005	-	1,053,346	2,859,405	1,806,059
Courtney Campbell Causeway (200X)	7813923	2,020,000	84,490	205,359	161,334	40,465
U.S. 41 Corridor	7810010	1,269,493	67,612	321,839	335,005	80,778
Sensitivity Training	7816590	200,000	16,734	41,123	24,389	-
Transit Promotion	7813977	180,000	4,918	67,437	75,590	13,071
Guaranteed Ride Home/Vanpools	7813978	230,000	11,761	33,120	29,130	7,771
Reflective Safety Striping	7814007	93,000	431	67,815	68,855	1,471
Park and Ride	7813974	246,980	545	30,960	35,423	5,008
North Terminal and Marion St. Transitway	7814034	88,500	-	-	7,500	7,500
South Terminal and Marion St. Transitway	7813829	3,004,375	520	-	151	671
North Terminal and Marion St. Transitway	7813894	625,000	110	12,832	12,722	-
Construction of Preventative Maint. Facility	7813840	300,000	3,660	3,660	-	-
System Support	7813971	101,000	3,626	6,809	3,183	-
Purchase 15 Buses	7813969	222,430	-	-	-	-
Westshore Shuttle Capital	7810025	90,000	57,627	90,000	32,373	-
Purchase 15 Buses	7813969	-	3,130	12,445	9,406	91
Wheelchair Lift Retrofit	7814020	50,000	1,625	1,625	-	-
Transit Planning	7810088	26,500	1,363	2,533	1,170	-
Bus Replacement	7813987	459,600	241	455,874	457,325	1,692
Bus Engine Air Quality Upgrade	7813982	60,000	6,645	29,922	23,277	-
CMAQ Bus Purchases	7814017	1,700,000	798	1,067	988	719
Westshore Shuttle - operating	7810025	136,250	7,314	27,298	33,704	13,720
Ybor Trolley	7814005	166,250	9,911	9,911	20,000	20,000
Total State of Florida Department of Transportation			3,039,096	5,231,010	4,190,930	1,999,016
<u>DEPARTMENT OF COMMUNITY AFFAIRS (pass through)</u>						
Franklin Street Tram		4,000	-	2,455	2,455	-
Total State Assistance			\$ 3,039,096	\$ 5,233,465	\$ 4,193,385	\$ 1,999,016

See independent auditors' report (Pages 52 - 53).

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS

(Page 1 of 4)

	Fiscal Year 1990 Program of Projects		CMAQ Program		State Fund Projects		Central Business District Terminal	
	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date
Revenues								
Intergovernmental:								
United States Government	\$ 1,052,540	\$ 915,586	\$ 1,688,000	\$ 633,192	\$ -	\$ -	\$ 21,776,250	\$ 19,944,133
State of Florida	17,500	17,500	422,000	158,298	428,480	115,977	3,615,692	3,310,356
City and county	421,435	401,141	-	-	-	-	429,648	192,900
Ad valorem taxes	52,200	52,200	-	-	157,250	157,250	2,341,330	2,341,330
Other	-	-	-	-	204,480	-	-	-
Total revenues	<u>1,543,675</u>	<u>1,386,427</u>	<u>2,110,000</u>	<u>791,490</u>	<u>790,210</u>	<u>273,227</u>	<u>28,162,920</u>	<u>25,788,719</u>
Expenditures								
Capital expenditures	<u>1,543,675</u>	<u>1,372,250</u>	<u>2,110,000</u>	<u>791,490</u>	<u>790,210</u>	<u>201,387</u>	<u>28,162,920</u>	<u>26,814,553</u>
Excess (deficiency) of revenues over expenditures	-	14,177	-	-	-	71,840	-	(1,025,834)
Other financing sources (uses):								
Appropriations of general fund balance	-	-	-	-	-	-	1,075,350	1,075,350
Operating transfers in	-	-	-	-	-	10,055	-	-
Fund balance (deficit):								
Residual equity transfers in	-	-	-	-	-	-	-	-
Residual equity transfers out	-	-	-	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ 14,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,895</u>	<u>\$ 1,075,350</u>	<u>\$ 49,516</u>

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS

(Page 2 of 4)

	Fiscal Year 1989 Program of Projects		Fiscal Year 1992 Program of Projects		Fiscal Year 1993 Program of Projects		Bus Replacement Program	
	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date
Revenues								
Intergovernmental:								
United States Government	\$ 2,820,904	\$ 1,853,505	\$ 3,738,000	\$ 3,188,575	\$ 736,800	\$ 734,134	\$ 2,078,400	\$ 2,078,282
State of Florida	228,518	187,465	230,466	215,668	26,500	26,500	519,600	519,570
City and county	60,000	60,000	128,000	103,253	47,000	47,000	-	-
Ad valorem taxes	188,583	188,584	313,533	313,534	103,633	103,633	-	-
Other	178,125	-	60,000	-	7,067	-	-	-
Total revenues	<u>3,476,130</u>	<u>2,289,554</u>	<u>4,469,999</u>	<u>3,821,030</u>	<u>921,000</u>	<u>911,267</u>	<u>2,598,000</u>	<u>2,597,852</u>
Expenditures								
Capital expenditures	<u>3,476,130</u>	<u>2,266,882</u>	<u>4,469,999</u>	<u>3,804,815</u>	<u>921,000</u>	<u>917,667</u>	<u>2,598,000</u>	<u>2,597,852</u>
Excess (deficiency) of revenues over expenditures	-	22,672	-	16,215	-	(6,400)	-	-
Other financing sources (uses):								
Appropriations of general fund balance	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-
Fund balance (deficit):								
Residual equity transfers in	-	34,500	-	60,000	-	7,067	-	-
Residual equity transfers out	-	-	-	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ 57,172</u>	<u>\$ -</u>	<u>\$ 76,215</u>	<u>\$ -</u>	<u>\$ 667</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS

(Page 3 of 4)

	Project Action		Kennedy Bridge Shuttle		Fiscal Year 1994 Program of Projects		CMAQ Bus Purchase Project	
	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date
Revenues								
Intergovernmental:								
United States Government	\$ -	\$ -	\$ -	\$ -	\$ 6,343,100	\$ 4,165,404	\$ 6,800,000	\$ 7,140
State of Florida	-	-	270,000	272,277	-	-	1,700,000	1,786
City and county	-	27,591	-	-	515,000	251,527	-	-
Ad valorem taxes	-	-	-	-	916,400	916,400	-	-
Other	50,000	18,629	-	-	42,500	-	-	-
Total revenues	50,000	46,220	270,000	272,277	7,817,000	5,333,331	8,500,000	8,926
Expenditures								
Capital expenditures	50,000	46,220	270,000	170,710	7,817,000	5,157,114	8,500,000	8,926
Excess (deficiency) of revenues over expenditures	-	-	-	101,567	-	176,217	-	-
Other financing sources (uses):								
Appropriations of general fund balance	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-
Fund balance (deficit):								
Residual equity transfers in	-	-	-	-	-	-	-	-
Residual equity transfers out	-	-	-	(101,567)	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,217	\$ -	\$ -

(Continued)

HILLSBOROUGH TRANSIT AUTHORITY
D/B/A HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY

CUMULATIVE STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS

(Page 4 of 4)

	Fiscal Year 1995		Fiscal Year 1996		Energy Project		Mobility Enhancement	
	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date	Total Budget	Actual to Date
Revenues								
Intergovernmental:								
United States Government	\$ 2,758,590	\$ 1,212,297	\$ 4,875,440	\$ 451,940	\$ -	\$ -	\$ 990,240	\$ -
State of Florida	-	-	-	-	-	-	50,000	-
City and county	403,200	136,073	-	-	-	-	100,000	-
Ad valorem taxes	214,198	214,198	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>3,375,988</u>	<u>1,562,568</u>	<u>4,875,440</u>	<u>451,940</u>	<u>-</u>	<u>-</u>	<u>1,140,240</u>	<u>-</u>
Expenditures								
Capital expenditures	<u>3,375,988</u>	<u>1,510,968</u>	<u>4,875,440</u>	<u>451,940</u>	<u>-</u>	<u>-</u>	<u>1,140,240</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	51,600	-	-	-	-	-	-
Other financing sources (uses):								
Appropriations of general fund balance	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-
Fund balance (deficit):								
Residual equity transfers in	-	-	-	-	-	-	-	-
Residual equity transfers out	-	-	-	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ 51,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

REGULATORY REPORTS



VALIENTE, HERNANDEZ & Co., P.A.

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**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL
PURPOSE FINANCIAL STATEMENTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Authority for the year ended September 30, 1996, we obtained an understanding of the design of relevant policies and procedures, whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Authority in a separate letter dated December 31, 1996.

This report is intended for the use of the Board of Directors, management, and applicable governmental agencies. This restriction is not intended to limit the distribution of the this report, which is a matter of public record.

Valiente Hernandez & Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



VALIENTE, HERNANDEZ & Co., P.A.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the general purpose statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

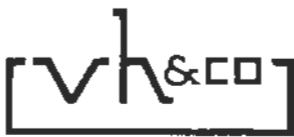
The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Regional Transit Authority

This report is intended for the information of the Board of Directors, management, and applicable governmental agencies. However, this report is a matter of public record and its distribution is not limited.

Valiente, Hernandez + Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



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INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Authority taken as a whole. The accompanying Schedule of Federal Financial Assistance, as shown on Page 34 herein, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Valiente, Hernandez & Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



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INDEPENDENT AUDITORS' REPORT ON THE
INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996. We have also audited the compliance of the Authority with requirements applicable to its major federal financial assistance programs and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Authority complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended September 30, 1996, we considered the internal control structure of the Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Authority and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 31, 1996.

The management of the Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

- Cash receipts and revenues
- Cash disbursements and procurement
- Payroll and related liabilities

For all of the internal control structure categories listed in the preceding paragraph, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1996, the Authority expended 92% of its total federal financial assistance under major federal award programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Authority's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance (Page 34 herein). Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

Our consideration of the internal control structure policies and procedures would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the Authority in a separate letter dated December 31, 1996.

This report is intended for the information of the Board of Trustees, management, and grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Valiente, Hernandez + Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors
Hillsborough Transit Authority
d/b/a/ Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996.

We have applied procedures to test the compliance of the Authority with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance (Page 34 herein), for the year ended September 30, 1996:

- Political Activity
- Davis-Bacon Act (not applicable)
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Acquisition (not applicable)
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug-free Workplace Act
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the U. S. Office of Management and Budget's (OMB) "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

believe that the Authority had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management, and grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Valiente, Hernandez + Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996.

We have also audited the compliance of the Authority with the requirements governing types of services allowed or not allowed; eligibility; matching, level of effort, or earmarking; reporting; implementation of an approved disadvantaged business enterprise program; certification of use of project facilities under Urban Mass Transportation Act (UMTA) Circular 5010.1A; proper disposal of realty and transit related equipment under UMTA circular 5010.1A; UMTA restrictions on charter and school bus service; the basic "Buy America" requirement for federal funds; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance for the year ended September 30, 1996 (Page 34 herein). The management of the Authority is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and U. S. Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

In our opinion, the Authority complied, in all material respects, with the specific requirements referred to above that are applicable to its major federal financial assistance programs for the year ended September 30, 1996.

This report is intended for the information of the Board of Directors, management, and grantor agencies. However, this report is a matter of public record, and its distribution is not limited.

Valiente, Hernandez + Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



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**INDEPENDENT AUDITORS' REPORT ON THE
SUPPLEMENTARY SCHEDULE OF STATE GRANTS AND AIDS
APPROPRIATIONS**

To the Board of Directors
Hillsborough Transit Authority
D/B/A Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996. These financial statements are the responsibility of the management of the Authority.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of U. S. Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Authority taken as a whole. The accompanying Schedule of State Grants and Aids Appropriations for the year ended September, 30, 1996, as shown on Page 35 herein, which is also the responsibility of the management of the Authority, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

This report is intended for the information of the Board of Directors, management, officials of the Florida Department of Transportation and other state agencies. However, this report is a matter of public record and its distribution is not limited.

Valiente, Hernandez & Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996



VALIENTE, HERNANDEZ & Co., P.A.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS APPLICABLE TO
STATE GRANTS AND AIDS APPROPRIATIONS**

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

We have audited the general purpose financial statements of the Hillsborough Transit Authority, d/b/a Hillsborough Area Regional Transit Authority ("the Authority") as of and for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of U. S. Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Authority's compliance with laws, regulations, contracts, and grants applicable to state grant and aids appropriations is the responsibility of the Authority's management. As required by *Rules of the Auditor General, Chapter 10.600, Audits of State Grant and Aid Appropriations*, we performed tests of the Authority's compliance with certain provisions of laws and regulations applicable to its state grant and aids appropriations, which are identified in the accompanying Schedule of State Grants and Aids Appropriations for the year ended September 30, 1996 (Page 35 herein). However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Authority complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us

Board of Directors
Hillsborough Transit Authority
d/b/a Hillsborough Area Regional Transit Authority

to believe that the Authority had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors, management and various state agencies. However, this report is a matter of public record, and its distribution is not limited.

Valiente, Hernandez + Co., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Tampa, Florida

December 31, 1996