

**MOUNTAIN RIDES  
TRANSPORTATION AUTHORITY**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2013**

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**Independent Auditor's Report**

To the Board of Directors  
Mountain Rides Transportation Authority  
Ketchum, ID

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain Rides Transportation Authority (MRTA), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise MRTA's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of MRTA, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MRTA's basic financial statements. The combined funds (budget to actual) information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combined funds (budget to actual) information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combined funds (budget to actual) information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of MRTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MRTA's internal control over financial reporting and compliance.

*Anderson Arritt Robins Waters*

Anderson Arritt Robins Waters, CPAs  
November 14, 2013

MOUNTAIN RIDES TRANSPORTATION AUTHORITY  
FY2013 AUDITED FINANCIALS:  
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is intended to provide an overview of Mountain Rides Transportation Authority's financial activities for the fiscal year ended September 30, 2013. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Independent Auditor's Report and the Basic Financial Statements that accompany this MD & A.

FINANCIAL HIGHLIGHTS

1. Mountain Rides continued to receive several significant sources of federal funding in FY2013. These funding sources included 5311 Rural Transportation for general transit operations; 5316 Job Access, Reverse Commute (JARC) for operating commuter services; 5317 New Freedom (NF) for operating additional demand response service and the Hailey Circulator. Under the new transportation bill, MAP-21, going forward 5316 and 5317 programs will be eliminated and funding for these activities will be consolidated into the 5311 and 5310 programs. The net effect of this consolidation will be reduced federal funding for Mountain Rides under the MAP-21 bill. In FY2013, Mountain Rides was able to carryover unused awards under the old JARC and NF programs. This resulted in federal funding at levels greater than that in FY2012. However, it is expected that these remaining funds will be fully used by the end of FY2014 and funding levels will decline significantly from that point on.
2. Funding from local tax sources in 2013 was essentially flat compared to 2012. As our single largest source of operational funds, we rely heavily on funding from our local financial partners to maintain operations and service levels, as well as provide the local match portion required to for receipt of federal funding (all federal transit funding programs require that local entities, through their local tax receipts, share in the cost of operating and maintaining transit systems). In 2013 local revenues were allocated between operating needs and capital needs. This allocation resulted in a decrease in operating funds which lead to some service reductions. Future local funding is anticipated to increase slightly, helping to offset federal funding reductions. However, due to expected increased costs and limited capital funding, FY2014 service levels were cut by 5% over FY2013 service levels. Mountain Rides is anticipating that the FY2014 service levels will be sustainable throughout FY2014 and no further reductions will be necessary.
3. Because of delays associated with the implementation of MAP 21 capital funds were limited in FY2013. Nevertheless, we were able to complete several capital acquisitions and projects in FY2013. Mountain Rides added to and replaced several of its commuter van pool vans in FY2013, which were funded through fares. We were able to complete improvements to the East Fork bus stop with the construction of a shelter and sidewalk to better access the stop. This project was funded through a capital award granted in 2011.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11 and 12) provide information about the activities of Mountain Rides as a whole and present a longer-term view of its finances. Fund financial statements start on page 13. These statements indicate how capital programs and services were financed in the short term as well as what remains for future spending.

## FINANCIAL ANALYSIS

### Government-wide Financial Statements

Mountain Rides' analysis of its operations as a whole begins on page 11. The Statement of Net Assets and the Statement of Activities report information about Mountain Rides' activities and include all assets and liabilities using accrual basis of accounting, which is similar to the accounting used by the most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Mountain Rides' net assets and changes in them. Net assets — the difference between assets and liabilities—is one way to measure Mountain Rides' financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether financial health is improving or deteriorating. Other nonfinancial factors, however, such as changes in revenue sources and the overall condition of MR's fleet, aid in assessing overall health. The Net (Expense) Revenue and Changes in Net Assets column on the Statement of Activities (on page 12) helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance Mountain Rides' programs. Mountain Rides' financial resources for FY2013 were essentially flat (an increase of \$560) over the year.

### Fund Financial Statements

The fund financial statements begin on page 13. The Balance Sheets – Governmental funds provides information about Mountain Rides consolidated position, including its Operations Fund and all Capital funds. The Statement of Revenues, Expenditures, and Changes in Fund Balance provides information on the activities of each category of Mountain Rides Funds; its operational activities in General Operations, Capital activities in Capital Projects and its Workforce Housing activities in Work Force Housing. All of Mountain Rides' basic services are reported in General Operations Fund. All funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash.

### Mountain Rides position as a whole

Mountain Rides' combined net assets in FY2012 as compared to FY2013 were virtually unchanged from \$4,503,257 to \$4,503,816 reflecting minimal capital activities for the period ended 9/30/2013 (see Table 1 below). In looking at the detail, specifically the Current Asset position, Mountain Rides' cash position has improved significantly. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints changed from \$673,972 at the end of FY2012 to \$948,089 at the end of 2013, an increase of 41%. This cash build up will assist in funding future capital projects currently in the planning stage. Construction activities planned for summer 2014 include a downtown Ketchum transportation hub, a new south valley facility in Bellevue and further improvements to the East Fork stop.

Table 1

	FY2013	FY2012
<u>Statement of Net Assets</u>		
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$676,619	\$579,721
Receivables	\$257,573	\$106,047
Inventories	\$142,858	\$145,430
Total Current Assets	\$1,077,050	\$831,198
Non-Current Assets:		
Capital Assets, net of depreciation	\$3,555,727	\$3,829,285
Total Assets	\$4,632,778	\$4,660,483
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	\$34,792	\$66,599
Payroll Liabilities	\$55,051	\$45,954
Total Current Liabilities	\$89,843	\$112,553
Non-Current Liabilities:		
Accrued Compensated Absences	\$39,118	\$44,673
Total Liabilities	\$128,962	\$157,226
<u>Net Assets</u>		
Invested in Capital Assets	\$3,555,727	\$3,829,285
Unrestricted	\$948,089	\$673,972
Total Net Assets	\$4,503,816	\$4,503,257
Total Liabilities and Fund Equity	\$4,632,778	\$4,660,483

Table 2  
Statement of Revenues, Expenditures and Changes in Fund Balance

	Total Governmental Funds	
	FY2013	FY2012
<u>Revenues</u>		
Federal Funding	\$976,411	\$1,178,151
State Funding	\$13,899	\$60,519
Local Funding	\$1,189,002	\$1,186,104
Fare Revenue	\$377,839	\$303,067
Advertising	\$67,403	\$51,690
Interest from Investments	\$1,032	\$1,159
Other Revenue	\$58,268	\$45,750
	<hr/>	<hr/>
Total Revenues	\$2,683,853	\$2,826,440
<u>Expenditures</u>		
Wages and Benefits	\$1,516,540	\$1,456,279
Fuel	\$355,288	\$334,969
Repairs and Maintenance	\$155,715	\$132,270
Rent and Utilities	\$44,941	\$52,690
Contracted Services	\$29,671	\$25,955
Marketing and Promotion	\$49,507	\$40,511
Insurance	\$80,895	\$77,852
Capital Expenditures	\$115,307	\$570,454
Supplies	\$24,639	\$22,860
Printing and Reproduction	\$12,357	\$13,493
Miscellaneous	\$27,860	\$33,377
	<hr/>	<hr/>
Total Expenditures	\$2,412,719	\$2,760,709
Excess Revenues Over Expenditures	\$271,134	\$65,731
<u>Other Financing Sources (Uses):</u>		
Authorized Fund Transfers In (Out)	\$0	\$0
	<hr/>	<hr/>
Excess (Deficit) Revenues and Other Sources Over Expenditures	\$271,134	\$65,731
Fund Balance at Beginning of Year	\$573,215	\$507,484
	<hr/>	<hr/>
Fund Balance at End of Year	\$844,349	\$573,215
	<hr/> <hr/>	<hr/> <hr/>

Mountain Rides' total revenues decreased by 5 percent. Federal funding was down from \$1,178,151 to \$976,411. This reduction of some 17% was offset by increases in Fare and Advertising revenues and reduction in expenditures. Total Expenditures, the total cost of all programs and services, decreased by 13 percent. This decrease was a result of both tight expense control and service reductions.

#### General Fund Budgetary Highlights

Over the course of the year Mountain Rides revised its General Operating Fund budget. This budget amendment was made as a result of significant changes in expected local revenues and unexpected expenses. Mountain Rides receives funding from the cities and county in which it operates. One of Mountain Rides' municipal funding partners requested a change to its contribution by \$29,000 subsequent to approval of the original FY2013 budget. This reduction in operating revenues and shift to increase capital funding resulted in cutting the Gold Route in favor of existing routes that served many of the same areas.

In addition, MR was declined a conditional use of land in Bellevue that it sought for a south valley facility. As a result of this unexpected action, MR was forced to renew a lease for its south valley needs, resulting in rent expenses of some \$22,000 higher than planned.

Despite these adjustments, Actual Revenues and Expenditures resulted in an Excess of \$27,982; very close to the original Budgeted amount. Savings in fuel and maintenance costs helped to reduce the impact of these amendments.

#### Capital Funds Budgetary Highlights

Over the course of the year Mountain Rides revised its Capital Fund budgets several times. These budget amendments were made as a result of adjustments in expected local revenues and subsequent cost savings from service reductions. A local funding partner requested that cost savings from elimination of one route be moved into capital reserves resulting in higher than expected Local Government Funding revenue. In addition, the delay in receiving approvals for the Ketchum transportation hub and the south valley facility resulted in postponement of these projects into FY2014. Federal funds available for these projects were not used in FY2013 resulting in much lower Federal Funding Revenues than budgeted. Capital Expenditures were postponed into FY2014 resulting in lower than budgeted Total Expenditures.

#### Workforce Housing Fund Budgetary Highlights

Mountain Rides maintains 5 workforce housing units, all of which were fully occupied for FY2013. Excess Revenues over Expenditures were \$2859 due to lower than budgeted expenses.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of FY2013 Mountain Rides had \$3,555,727 invested in a broad range of capital assets, including its Ketchum building, various bus shelters, vehicles and tools and equipment (see Table 4 below). This amount represents a net decrease of \$273,558, or 7% percent, as compared to last year. Depreciation and disposal of surplus vehicles accounted for the majority of the change.

Table 3

Capital Assets at Year End

	9/30/2012	9/30/2013
Governmental Activities:		
Land	\$125,000	\$125,000
Depreciable Capital Assets		
Buildings & Improvements	\$2,027,268	\$2,080,168
Buses	\$3,836,411	\$3,848,718
Equipment	\$90,441	\$90,441
	<u>\$5,954,120</u>	<u>\$6,019,327</u>
Less Accumulated Depreciation:		
Buildings & Improvements	\$625,727	\$680,377
Buses	\$1,581,073	\$1,859,095
Equipment	\$43,036	\$49,128
Total Accumulated Depreciation	<u>\$2,249,835</u>	<u>\$2,588,600</u>
Net Capital Assets	<u>\$3,829,285</u>	<u>\$3,555,727</u>

This year’s major additions were nominal but included improvements to the East Fork bus stop and additions to the van pool fleet.

Mountain Rides fiscal-year 2014 capital budget includes \$1,400,000 for capital projects, principally for the Ketchum transportation plaza, \$440,000, and the construction of a south valley facility, \$965,000. Funding for these projects is in place and consists of federal funds, Mountain Rides’ cash reserves and local funds.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND FARES**

Mountain Rides board of directors considered many factors when setting the FY2014 budget and fare structure. The single biggest consideration was the anticipated decline in federal funding over the coming years. Mountain Rides is doing its best to figure out how to offset this decline by looking at ways to reduce costs and improve delivery of service. While the federal funding appears to slip by 5-10% per year over the coming 3-5 years, the local funding picture has improved somewhat and can, perhaps, offset the declines in federal funding. Additionally, Mountain Rides must determine an alternate course for capital equipment needs that is probably more focused on refurbishing existing equipment, as opposed to purchasing new equipment.

When setting fares for the Valley Route and vanpool routes, Mountain Rides board and staff have been keenly aware of the potential negative impacts to existing riders if fare rates were to increase. As a result, Mountain Rides has been holding fares steady with no fare increases in recent years. The discussion about whether all routes should have a fare charged continues to come up and is anticipated to be a discussion topic as the board develops the FY2015 budget.

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide all Blaine County citizens and taxpayers, Mountain Rides’ customers, and its financial partners with a general overview of its finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jason Miller, Executive Director at (208)788-7433 or [Jason@mountinarides.org](mailto:Jason@mountinarides.org).

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## STATEMENT OF NET ASSETS SEPTEMBER 30, 2013

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	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	676,619
Receivables	257,573
Inventories	142,858
Total Current Assets	<u>1,077,050</u>
Non Current Assets:	
Capital Assets, net of depreciation	<u>3,555,727</u>
Total Assets	4,632,778
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts Payable	34,792
Payroll Liabilities	55,051
Total Current Liabilities	<u>89,843</u>
Non Current Liabilities:	
Accrued Compensated Absences	<u>39,118</u>
Total Liabilities	<u>128,962</u>
<b><u>Net Assets</u></b>	
Invested in Capital Assets	3,555,727
Unrestricted	<u>948,089</u>
Total Net Assets	<u><u>4,503,816</u></u>

See accompanying notes to financial statements.

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
<b>Governmental Activities</b>					
<b>General</b>					
General Operations	2,284,805	408,198	951,483	-	(925,124)
Reserve	-	-	-	-	-
<b>Special Services</b>					
Capital Projects	355,677	37,044	-	38,827	(279,806)
Work Force Housing	9,624	30,438	-	-	20,814
Total Governmental Activities	<u>2,650,106</u>	<u>475,680</u>	<u>951,483</u>	<u>38,827</u>	(1,184,117)
<b>General Revenues:</b>					
					1,189,002
					1,250
					(6,607)
					1,032
					-
					<u>1,184,677</u>
					560
					<u>4,503,256</u>
					<u>4,503,816</u>

See accompanying notes to financial statements.

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## BALANCE SHEET - GOVERNMENTAL FUNDS SEPTEMBER 30, 2013

	<u>General</u>	<u>Capital Reserve</u>	<u>Work Force Housing (Non Major)</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and Cash Equivalents	329,464	316,510	30,645	676,619
Accounts Receivable	7,343	50,000	-	57,343
Federal Grants Receivable	200,230	-	-	200,230
Total Assets	<u>537,038</u>	<u>366,510</u>	<u>30,645</u>	<u>934,192</u>
<b><u>Liabilities</u></b>				
Accounts Payable	34,330	-	462	34,792
Payroll Liabilities	55,051	-	-	55,051
Total Liabilities	89,381	0	462	89,843
<b><u>Fund Balance</u></b>				
Assigned:				
Special Revenue Funds		366,510	30,183	396,692
Contingency	244,375			244,375
Unassigned	203,282			203,282
Total Fund Balance	<u>447,656</u>	<u>366,510</u>	<u>30,183</u>	<u>844,349</u>
Total Liabilities and Fund Balance	<u>537,038</u>	<u>366,510</u>	<u>30,645</u>	<u>934,192</u>

See accompanying notes to financial statements.

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES SEPTEMBER 30, 2013

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<b>Total Governmental Fund Balance</b>	844,349
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Inventory is not considered a financial resource to meet current expenditures, and is therefore, not included in the fund balance sheet.	142,858
Governmental fund capital assets are not financial resources and therefore are not reported in the funds.	3,555,727
Accrued personal leave liabilities are not reported in Governmental Funds.	<u>(39,118)</u>
<b>Net assets of Governmental Activities</b>	<u><u>4,503,816</u></u>

See accompanying notes to financial statements.

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>General</u>	<u>Capital Reserve</u>	<u>Work Force Housing (Non Major)</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Federal Funding	937,584	38,827	-	976,411
State Funding	13,899	-	-	13,899
Local Funding	936,199	252,803	-	1,189,002
Fare Revenue	340,795	37,044	-	377,839
Advertising	67,403	-	-	67,403
Interest from Investments	686	300	46	1,032
Other Revenue	19,205	8,625	30,438	58,268
	<u>2,315,771</u>	<u>337,599</u>	<u>30,483</u>	<u>2,683,853</u>
<b><u>Expenditures</u></b>				
Wages and Benefits	1,516,540	-	-	1,516,540
Fuel	355,288	-	-	355,288
Repairs and Maintenance	151,462	-	4,252	155,715
Rent and Utilities	39,569	-	5,372	44,941
Contracted Services	29,671	-	-	29,671
Marketing and Promotion	49,507	-	-	49,507
Insurance	80,895	-	-	80,895
Capital Expenditures	-	115,307	-	115,307
Supplies	24,639	-	-	24,639
Printing and Reproduction	12,357	-	-	12,357
Miscellaneous	27,860	-	-	27,860
	<u>2,287,788</u>	<u>115,307</u>	<u>9,624</u>	<u>2,412,719</u>
Excess Revenues Over Expenditures	27,982	222,292	20,859	271,134
<b><u>Other Financing Sources (Uses):</u></b>				
Authorized Fund Transfers In (Out)	18,000	-	(18,000)	-
Excess (Deficit) Revenues and Other Sources Over Expenditures	45,982	222,292	2,859	271,134
Fund Balance at Beginning of Year	<u>401,674</u>	<u>144,218</u>	<u>27,323</u>	<u>573,215</u>
Fund Balance at End of Year	<u><u>447,656</u></u>	<u><u>366,510</u></u>	<u><u>30,183</u></u>	<u><u>844,349</u></u>

See accompanying notes to financial statements.

## MOUNTAIN RIDES TRANSPORTATION AUTHORITY

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2013

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**Excess (Deficit) Revenue over Expenditures - Total Governmental Funds** 271,134

Amounts reported for governmental activities in the statement of activities are different because:

Change in inventory is not included in the governmental fund statements. (2,572)

Governmental funds report capital outlays as current expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of current year capital asset expenditures. 115,307

This is the amount of current year depreciation. (355,677)

This is the amount of loss on disposed fixed assets (33,188)

Liability for accrued compensation is not recorded in the governmental funds.

This is the change during the year. 5,555

**Change in Net Assets of Governmental Activities** 560

## MOUNTAIN RIDES TRANSPORTATION AUTHORITY

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND (NON-GAAP BASIS) FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>Revenues</u></b>				
Federal Funding	955,000	955,000	937,584	(17,416)
State Funding	21,500	21,500	13,899	(7,601)
Local Funding	965,434	936,199	936,199	0
Fare Revenue	340,000	340,000	340,795	795
Advertising	52,500	52,500	67,403	14,903
Interest from Investments	550	550	686	136
Other Revenue	17,000	17,000	19,205	2,205
	<u>2,351,984</u>	<u>2,322,749</u>	<u>2,315,771</u>	<u>(6,978)</u>
Total Revenues	2,351,984	2,322,749	2,315,771	(6,978)
<b><u>Expenditures</u></b>				
Wages and Benefits	1,489,700	1,491,700	1,516,540	(24,840)
Fuel	367,334	370,088	355,288	14,800
Repairs and Maintenance	170,600	168,000	151,462	16,538
Rent and Utilities	53,000	73,500	39,569	33,931
Contracted Services	41,800	35,800	29,671	6,129
Marketing and Promotion	47,000	43,950	49,507	(5,557)
Insurance	101,500	93,000	80,895	12,105
Supplies	21,900	32,400	24,639	7,761
Printing and Reproduction	15,500	15,500	12,357	3,143
Contingency	-	-	-	-
Miscellaneous	21,600	21,600	27,860	(6,260)
	<u>2,329,934</u>	<u>2,345,538</u>	<u>2,287,788</u>	<u>57,750</u>
Total Expenditures	2,329,934	2,345,538	2,287,788	57,750
Excess (Deficit) Revenues Over Expenditures	22,050	(22,789)	27,982	50,771
<b><u>Other Funding Sources (Uses):</u></b>				
Authorized Fund Transfers In (Out)	18,000	(138,908)	18,000	156,908
Excess (Deficit) Revenues and Other Sources Over Expenditures	40,050	(161,697)	45,982	207,679
Fund Balance at Beginning of Year	<u>180,000</u>	<u>244,839</u>	<u>401,674</u>	<u>156,835</u>
Fund Balance at End of Year	<u>220,050</u>	<u>83,142</u>	<u>447,656</u>	<u>364,514</u>

See accompanying notes to financial statements.

## MOUNTAIN RIDES TRANSPORTATION AUTHORITY

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - CAPITAL RESERVE FUND (NON-GAAP BASIS) FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>Revenues</u></b>				
Federal Funding	1,156,000	1,172,000	38,827	(1,133,173)
State Funding	6,000	6,000	-	(6,000)
Local Government Funding	220,676	260,911	252,803	(8,108)
Fare Revenue	35,000	35,000	37,044	2,044
Advertising	-	-	-	-
Interest from Investments	350	350	300	(50)
Other Revenue	-	2,700	8,625	5,925
Total Revenues	<u>1,418,026</u>	<u>1,476,961</u>	<u>337,599</u>	<u>(1,139,362)</u>
<b><u>Expenditures</u></b>				
Wages and Benefits	-	-	-	-
Fuel	-	-	-	-
Repairs and Maintenance	-	-	-	-
Rent and Utilities	-	-	-	-
Contracted Services	-	-	-	-
Marketing and Promotion	-	-	-	-
Insurance	-	-	-	-
Capital Expenditures	1,555,500	1,571,500	115,307	1,456,193
Miscellaneous	-	-	-	-
Total Expenditures	<u>1,555,500</u>	<u>1,571,500</u>	<u>115,307</u>	<u>1,456,193</u>
Excess (Deficit) Revenues Over Expenditures	(137,474)	(94,539)	222,292	316,831
<b><u>Other Funding Sources (Uses):</u></b>				
Authorized Fund Transfers In (Out)	-	156,908	-	(156,908)
Excess (Deficit) Revenues and Other Sources Over Expenditures	(137,474)	62,369	222,292	159,923
Fund Balance at Beginning of Year	<u>130,000</u>	<u>130,000</u>	<u>144,218</u>	<u>14,218</u>
Fund Balance at End of Year	<u>(7,474)</u>	<u>192,369</u>	<u>366,510</u>	<u>174,141</u>

See accompanying notes to financial statements.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - WORK FORCE HOUSING FUND (NON MAJOR FUND) (NON-GAAP BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>Revenues</u></b>				
Federal Funding	-	-	-	-
State Funding	-	-	-	-
Local Government Funding	-	-	-	-
Fares Revenue	-	-	-	-
Advertising	-	-	-	-
Interest from Investments	50	50	46	(4)
Rent Revenue	31,100	31,100	30,438	(662)
	<u>31,150</u>	<u>31,150</u>	<u>30,483</u>	<u>(667)</u>
Total Revenues	31,150	31,150	30,483	(667)
<b><u>Expenditures</u></b>				
Wages and Benefits	-	-	-	-
Fuel	-	-	-	-
Repairs and Maintenance	2,500	2,400	4,252	(1,852)
Rent and Utilities	10,750	10,750	5,372	5,378
Contracted Services	-	-	-	-
Marketing and Promotion	-	-	-	-
Insurance	-	-	-	-
Capital Expenditures	-	-	-	-
Miscellaneous	-	-	-	-
	<u>13,250</u>	<u>13,150</u>	<u>9,624</u>	<u>3,526</u>
Total Expenditures	13,250	13,150	9,624	3,526
Excess (Deficit) Revenues Over Expenditures	17,900	18,000	20,859	2,859
<b><u>Other Funding Sources (Uses):</u></b>				
Authorized Fund Transfers In (Out)	(18,000)	(18,000)	(18,000)	-
Excess (Deficit) Revenues and Other Sources Over Expenditures	(100)	-	2,859	2,859
Fund Balance at Beginning of Year	25,000	25,000	27,323	2,323
Fund Balance at End of Year	<u>24,900</u>	<u>25,000</u>	<u>30,183</u>	<u>5,183</u>

See accompanying notes to financial statements.

# MOUNTAIN RIDES TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2013

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### Introduction

The Mountain Rides Transportation Authority (MRTA) is a local government entity created by a joint powers agreement between Blaine County and the Cities of Ketchum, Sun Valley, Hailey, Bellevue, and Carey – as prescribed under Idaho code. MRTA was formerly known as the Ketchum-Sun Valley Public Transit Authority. MRTA serves transportation needs in the Wood River Valley, extending along the valley corridor from Ketchum/Sun Valley on the north to Bellevue on the south.

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

#### Scope of Entity

The District's financial statements include the accounts of all operations under the oversight authority of the Board. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on the foregoing criteria, no component units are included in the District's financial statements.

#### Basis of Accounting/Measurement Focus

The accounts of MRTA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. MRTA has a general operating fund, a capital reserve fund, and a work force housing fund.

#### **Government-wide Financial Statements:**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the District.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each activity. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the district.

#### **Fund Financial Statements:**

Governmental funds are accounted for using the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Under modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Available for purposes of revenue recognition is defined as sixty days. Revenue sources susceptible to accrual include property taxes and intergovernmental revenues. Expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include the accrual of payroll and related payroll liabilities.

#### Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statements of Net Assets.

Depreciation of buildings, buses, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20-40 Years
Buses	10-12 Years
Machinery and Equipment	5-15 Years

**Restricted Net Assets**

Restricted net assets are those for which a constraint has been imposed either externally or by law. MRTA recognized the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

**Budgets and Budgetary Accounting**

Annual appropriated budgets are adopted for each fund before October 1 of each year in accordance with Idaho code. The budgets are prepared in accordance with the modified accrual basis of accounting. Budgeted amounts shown are as originally adopted and as amended by MRTA.

**Cash and Cash Equivalents**

MRTA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of less than 90 days.

**Investments**

State statutes authorize MRTA to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements, and the Idaho State Treasurer Local Government Investment Pool. All investments of MRTA are placed in the State Investment Pool and stated at fair value as provided by the Pool.

**Inventories**

Inventory is valued at cost using the first in, first out method. Inventory consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed and is reflected in the government-wide financial statements only. Inventory items are reported as expenditures in the fund statements when purchased.

**Subsequent Events**

Any subsequent events have been evaluated as of November 14, 2013, the date the financial statements were available to be issued.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents balances at September 30, 2013:

	<u>Book Balance</u>	<u>Bank Balance</u>
Petty cash/undeposited funds	100	-
Mountain West Bank checking accounts (FDIC Insured)	85,494	99,782
	<u>85,594</u>	<u>99,782</u>
State of Idaho Local Govt Investment Pool	591,026	591,026
Total Cash/Cash Equivalents	<u><u>676,619</u></u>	<u><u>690,808</u></u>

Investments in the Local Government Investment Pool are valued at fair value. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

An annual audit is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the pool.

Risk Exposure

Interest Rate Risk – MRTA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – MRTA has no formal investment policy which would further limit its investment choices beyond those stated in the Idaho Code.

Concentration of Credit Risk – MRTA places no formal limits on the amount the Treasurer may invest in any one issuer.

Custodial Credit Risk, Deposits – Custodial credit risk is the risk that funds would be lost in the event of bank failure. MRTA does not have a formal deposit policy to limit custodial credit risk.

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2013, is as follows:

	<b>Balance 9/30/2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/2013</b>
Governmental Activities:				
Land	125,000	-	-	125,000
Depreciable Capital Assets				
Buildings & Improvements	2,027,268	52,900		2,080,168
Buses	3,836,411	62,407	(50,100)	3,848,718
Equipment	90,441		-	90,441
	<u>5,954,120</u>	<u>115,307</u>	<u>(50,100)</u>	<u>6,019,327</u>
Less Accumulated Depreciation:				
Buildings & Improvements	625,727	54,651		680,377
Buses	1,581,073	294,934	(16,913)	1,859,095
Equipment	43,036	6,092		49,128
Total Accumulated Depreciation	<u>2,249,835</u>	<u>355,677</u>	<u>(16,913)</u>	<u>2,588,600</u>
Net Capital Assets	<u><u>3,829,285</u></u>	<u><u>(240,370)</u></u>	<u><u>(33,187)</u></u>	<u><u>3,555,727</u></u>

**NOTE 4 – ACCRUED COMPENSATED ABSENCES**

This amount includes personal leave time earned by employees, but not used as of fiscal year end.

**NOTE 5 – EMPLOYEE RETIRMENT PLAN**

MRTA has a noncontributory defined contribution pension plan covering substantially all employees who have been employed for the lesser of twelve months or 1,000 hours. MRTA’s contributions are made at the discretion of the board of directors. Vesting of accrued benefits occurs at the rate of 20% after two years of service, plus 20% for each year of service, thereafter. Contributions to the plan for the years ended September 30, 2013, 2012 and 2011 were \$86,693, \$62,488 and \$84,680, respectively.

**NOTE 6- COMMITMENTS AND CONTINGENCIES**

MRTA receives a significant portion of its support from the cities of Ketchum and Sun Valley. Should the cities decrease their share of participation, MRTA would be forced to find other sources of revenue or make a significant reduction in services.

**NOTE 7 - RISK MANAGEMENT**

MRTA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. MRTA carries insurance coverage through One Beacon. MRTA defends itself when claims arise through local law firms and its insurance carrier. MRTA is subject to three pending lawsuits and one potential claim; any judgment against MRTA arising from these matters would not exceed its insurance coverage.

**NOTE 8 – ENVIRONMENTAL FACTORS**

MRTA owns land and facilities to provide repair and maintenance of their transportation equipment. These items carry a responsibility for environmental issues, which, if violated, would be a liability to MRTA. There has been no environmental study to determine the existence of any such liabilities.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Mountain Rides Transportation Authority  
Ketchum, ID

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain Rides Transportation Authority (MRTA), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise MRTA's basic financial statements, and have issued our report thereon dated November 14, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MRTA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MRTA's internal control. Accordingly, we do not express an opinion on the effectiveness of MRTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MRTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Anderson Arritt Robins Waters*

Anderson Arritt Robins Waters, CPAs  
November 14, 2013

Phone: (208) 678-1040  
(208) 678-9014  
(208) 436-3139  
Fax: (208) 878-1065

Website : [www.ara-cpas.com](http://www.ara-cpas.com)  
Email: [info@ara-cpas.com](mailto:info@ara-cpas.com)

1734 Overland  
Burley, ID 83318

**OMB CIRCULAR A-133, SUPPLEMENTARY FINANCIAL REPORT**



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors  
Mountain Rides Transportation Authority  
Ketchum, ID

**Report on Compliance for Each Major Federal Program**

We have audited Mountain Rides Transportation Authority (MRTA)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MRTA's major federal programs for the year ended September 30, 2013. MRTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of MRTA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MRTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of MRTA's compliance.

***Opinion on Each Major Federal Program***

In our opinion, MRTA, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

**Report on Internal Control Over Compliance**

Management of MRTA, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered MRTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MRTA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Anderson Arritt Robins Waters*

Anderson Arritt Robins Waters, CPAs

November 14, 2013

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR END SEPTEMBER 30, 2013**

Description	Federal CFDA Number	Pass-Through Grantor's Number	Accrued (Deferred) Grant Revenue 9/30/2012	Cash Receipts 10/1/12 thru 9/30/2013	Cash Expenditures 10/1/12 thru 9/30/2013	Accrued (Deferred) Grant Revenue 9/30/2013
<b>Department of Transportation</b>						
Public Transportation for Non Urbanized Areas *	20.509	1722	38,683	473,061	549,388	115,010
Nonurbanized Area Formula Program (ARRA) *	20.509	1722	4,501	4,501	-	-
Highway Planning and Construction	20.205	1722	-	8,391	10,129	1,738
Federal Transit Capital Investment Grants	20.500	1722	-	65,124	65,124	-
Job Access - Reverse Commute	20.516	1722	20,858	223,205	281,753	79,406
New Freedom Program	20.521	1722	10,724	63,294	56,646	4,076
Total Dept of Transportation			74,766	837,576	963,040	200,230
Total Federal Financial Assistance			74,766	837,576	963,040	200,230

\* Major Programs

## **MOUNTAIN RIDES TRANSPORTATION AUTHORITY**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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#### **NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of the activity of MRTA's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Mountain Rides Transportation Authority.
2. There were no material weaknesses or other significant deficiencies identified during the basic financial statement audit.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. The auditor's report on compliance for the Major Federal Award Programs for Mountain Rides Transportation Authority expresses an unqualified opinion.
5. The audit did not disclose any audit findings required to be reported in accordance with Section 510(a) of Circular A-133.
6. The audit did not disclose any material weaknesses in internal control over major programs.
7. The programs tested as major programs include:  
Public Transportation for NonUrbanized Areas,  
Nonurbanized Area Formula Program (ARRA) CFDA # 20.509
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. Mountain Rides Transportation Authority was determined to be a low-risk auditee.

**B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

Findings - None  
Questioned Costs - None

**C. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**OTHER SUPPLEMENTARY INFORMATION**

## MOUNTAIN RIDES TRANSPORTATION AUTHORITY

### COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - ALL FUNDS (NON-GAAP BASIS) FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Federal Funding	2,111,000	2,127,000	976,411	(1,150,589)
State Funding	27,500	27,500	13,899	(13,601)
Local Government Funding	1,186,110	1,197,110	1,189,002	(8,108)
Fare Revenue	375,000	375,000	377,839	2,839
Advertising	52,500	52,500	67,403	14,903
Interest from Investments	950	950	1,032	82
Other Revenue	48,100	50,800	58,268	7,468
Total Revenues	<u>3,801,160</u>	<u>3,830,860</u>	<u>2,683,853</u>	<u>(1,147,007)</u>
<b>Expenditures</b>				
Wages and Benefits	1,489,700	1,491,700	1,516,540	(24,840)
Fuel	367,334	370,088	355,288	14,800
Repairs and Maintenance	173,100	170,400	155,715	14,685
Rent and Utilities	63,750	84,250	44,941	39,309
Contracted Services	41,800	35,800	29,671	6,129
Marketing and Promotion	47,000	43,950	49,507	(5,557)
Insurance	101,500	93,000	80,895	12,105
Supplies	21,900	32,400	24,639	7,761
Printing and Reproduction	15,500	15,500	12,357	3,143
Miscellaneous	21,600	21,600	27,860	(6,260)
Contingency	-	-	-	-
Capital Expenditures	1,555,500	1,571,500	115,307	1,456,193
Total Expenditures	<u>3,898,684</u>	<u>3,930,188</u>	<u>2,412,719</u>	<u>1,517,469</u>
Excess (Deficit) Revenues Over Expenditures	(97,524)	(99,328)	271,134	370,462
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out)	-	-	-	-
Excess (Deficit) Revenues and Other Sources Over Expenditures	(97,524)	(99,328)	271,134	370,462
Fund Balance at Beginning of Year	<u>335,000</u>	<u>399,839</u>	<u>573,215</u>	<u>173,376</u>
Fund Balance at End of Year	<u><u>237,476</u></u>	<u><u>300,511</u></u>	<u><u>844,349</u></u>	<u><u>543,838</u></u>

See independent auditor's report on other supplementary information