



**C-TRAN**

**Clark County  
Public Transportation  
Benefit Area**

**2011 Comprehensive  
Annual Financial Report**

Fiscal Year Ended December 31, 2011  
Clark County, Washington  
[www.c-tran.com](http://www.c-tran.com)



**C-TRAN**

Clark County Public Transportation Benefit Area




# **2011 Comprehensive Annual Financial Report**

Report Prepared By  
Administrative Services Department  
For Fiscal Year Ended December 31, 2011





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## Introduction



February, 2012

Board of Directors and  
Executive Director/CEO  
Clark County PTBA  
PO Box 2529  
Vancouver, WA 98668-2529

Transmitted herewith is the Comprehensive Annual Financial Report (CAFR) of the Clark County Public Transportation Benefit Area (PTBA) for the fiscal year ended December 31, 2011. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the PTBA. In order to meet this responsibility, management of the PTBA has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the PTBA's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the PTBA's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatements. To the best of my knowledge and belief, the financial statements are accurate in all material respects and are reported in a manner designed to fairly present the financial position and the results of operations of the PTBA. All disclosures necessary to enable the reader to gain an understanding of the PTBA's financial activities have been included.

This CAFR was prepared under the guidelines of Government Accounting Standards Board (GASB) Statement Number 34, which provides, among other requirements, for a statement of net assets. The Management Discussion and Analysis (MD&A) on page 20 provides an overview of the financial statements.

The PTBA's financial statements have been audited by the Office of the State Auditor of the State of Washington. The goal of the independent audit was to provide a reasonable

assurance that the financial statements of the PTBA for the fiscal year ended December 31, 2011, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used in the significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the PTBA's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The State Auditor's Report is presented on page 18. The independent audit of the financial statements of the PTBA was part of a broader, federally mandated, single audit designed to meet the special needs of the federal grantor agency, the Federal Transit Administration (FTA) of the U.S. Department of Transportation. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls in compliance with the legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the PTBA's Single Audit Report.

### ***PROFILE OF THE PTBA***

The Clark County PTBA is a transportation benefit area established and operated in accordance with Chapter 36.57A of the Revised Code of Washington (RCW). Clark County PTBA's taxing authority was granted by the voters in the 1980 general election. The PTBA was established as a public transportation system January 1, 1981. The PTBA first assumed the employees and equipment of the City of Vancouver's Transit System and later expanded service throughout Clark County and into the Portland, Oregon, area. Formal operations as C-TRAN began on July 6, 1981. In 2005, the PTBA's service and taxing boundary was reduced to include only the more urbanized areas within the county.

The PTBA uses a fleet of 108 vehicles to provide fixed route service on 422.05 route miles and 58 vehicles to provide demand response paratransit service within the Vancouver Urban Growth Boundary and the Cities of Battle Ground, Camas, and Washougal. The PTBA also utilizes a fleet of 20 vehicles to provide vanpool service for customers originating in Southwest Washington. In addition, the PTBA provides a Dial-a-Ride and Connector Service in the cities of Camas, Ridgefield, and La Center using a mixture of vehicles from the above-referenced fleets.

The PTBA is governed by a Board of Directors whose membership is comprised of elected officials from the local general purpose governments and one labor representative. See Note 1A, page 34, for further details of its governing structure. The PTBA has separate legal standing from other local governments and is also fiscally independent of them.

The PTBA's operation is accounted for under a single enterprise fund, which uses the same accrual accounting method as private enterprise. Under revenue recognition and matching principles of the accrual accounting method, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for the benefits provided. Note 1B, page 35, provides further details of accounting policies.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

As with the national economy, the local economy experienced slow economic improvement in 2011. At 12.4 percent in 2011, Clark County's average unemployment rate remains significantly higher than the state average of 9.2 percent and is 3.9 percent higher than neighboring Portland, Oregon's rate of 8.5 percent in December 2011. However, while local unemployment rates are still high, they have dropped almost two percent compared to the average for 2010. Over the past twelve months, an approximate net total of 1,300 jobs were added in Clark County.

Clark County's population at the time of the 2010 census was 425,363. The population is now estimated to be 428,000, representing a 0.6 percent increase over the 2010 census and positioning Clark County as the fifth largest county in the state. The PTBA boundary area is smaller than the county's, with the population in the PTBA estimated to be 365,750. Most of the county's growth has been due to residents moving in from out of state, most notably from Oregon.

The PTBA's main source of revenue is sales tax, which also serves as an economic barometer. Construction and retail sales are both primary drivers for tax revenue. While construction took a step back from its 2010 growth spurt, retail sales continued to show a slow recovery in 2011. Over the past year, the Consumer Price Index for Urban Wage Earners in Portland-Salem, OR-WA, increased 2.9 percent.

In construction, Clark County saw a 10-year low in new housing starts with a 32.4 percent drop in permits issued for single family homes. This is a significant reversal from the 24.1 percent increase seen in 2010. In addition, the median home sale price decreased by approximately 7 percent, from \$200,000 in 2010, to \$186,000 in 2011.

Taxable retail sales for Clark County showed a growth of approximately 4 percent in 2011. This growth in retail sales is consistent with the growth experienced in 2010 and is indicative of the gradual economic recovery in retail in Clark County. Discount-based retailers have continued to perform well with shopper habits over the last few years leaning towards less expensive options. However, consumers are also showing a greater willingness to spend more on their shopping endeavors in 2011 than in 2010. Furthermore, in 2011, demonstrating the retailer confidence for continued growth, the first New Seasons store opened in Clark County, SEH America announced it would be

expanding its production capacity in the area, and Chuck's Produce began moving forward with plans for a second store location.

## **Long-Term Financial Planning**

C-TRAN's 20-Year Plan, adopted on June 8, 2010, provides a framework for what steps need to be taken in order to achieve the agency's long-term vision. The 20-Year Plan "C-TRAN 2030" is a comprehensive strategy for enhancing public transportation for Clark County residents over the next 20 years. Guided by the Board of Directors' 50-Year Vision, "C-TRAN 2030" is designed to respond to growing transportation needs and the need to provide expanded, reliable, and safe service. Maintaining and expanding transit service is vital for ensuring the economic vitality and quality of life in the region.

Over the 20 years of "C-TRAN 2030", the agency would need to raise revenue equivalent to an additional 0.5 (five tenths) percent sales tax. This would fund fixed route bus service improvements, anticipated growth of C-TRAN's paratransit service, and introduce High Capacity Transit (HCT) to C-TRAN's system, including both Columbia River Crossing (CRC) light rail operating costs and the operating and capital costs for the Fourth Plain Bus Rapid Transit (BRT) Project. The introduction of BRT leverages the hours available for fixed route bus service since those hours currently assigned to the Fourth Plain route could be reinvested in fixed route service.

The Board of Directors took action on the first phase of improvement by placing a ballot measure on the November 8, 2011, general election requesting an additional 0.2 percent sales tax increase to preserve the fixed route bus and paratransit services. It is anticipated that a second vote will occur in November 2012 to determine the funding for the HCT system improvement. The second phase of the "C-TRAN 2030" plan will require an additional 0.2 percent increase in approximately 10 years.

In addition to a number of noteworthy projects that had progress in 2011 and will continue into 2012, the Board of Directors also approved a handful of new projects to move forward in 2012. These projects include:

- Provide an in-depth operational assessment of bus stop locations and amenities for local routes and facilitate improvements consistent with ADA regulations and best practices in the industry.
- Obtain traffic signal priority in a pilot project at intersections along our Mill Plain corridor in cooperation with the City of Vancouver and Clark County.
- Introduce fuel price predictability into the budget through the implementation of a fuel-hedging instrument.
- Completion of a Fourth Plain high capacity transit alternatives and environmental analysis.



- Development and implementation of a Technology Road Map to establish well-targeted upgrades, deliver risk reduction, and improve business continuity.
- Purchase replacement farebox equipment and related software, including technology enhancements for an electronic fare system.
- Implementation of complementary ADA paratransit (C-VAN) cost control initiatives such as more stringent screening processes for client eligibility certification, the provision of a Travel Training program, and fare policy changes.
- Define and advance the PTBA's interest on the high capacity transit design related to the CRC Project to build a replacement bridge between Oregon and Washington along Interstate 5.
- Focus on containing costs by maintaining all facilities and equipment in a state of good repair.

The 2011-2012 Biennial Budget was developed around five themes intended to address the challenges posed by the current economic decline, growth in ridership, demands for new service, and the need to make strategic investments for the future. These include:

- **Revenue:** This theme centers on developing measures to counter sluggish sales tax revenue and preparing for a sales tax ballot measure. It focuses on the pursuit of new revenue sources, grant opportunities, and modest annual fare increases.
- **Cost Containment and Reduction:** This theme advances projects that will create greater cost efficiencies for the agency. Some cost containment projects may have added expenses in the short-term to save costs in the long-term.
- **Safety/Loss Control:** This theme was created to improve our safety and security programs, address compliance concerns, and better manage risks.
- **Planning and High Capacity Transit (HCT) Project Development:** This theme centers on preparing the agency for the future by implementing the 20-Year TDP, including related policies and procedures.
- **Technology Efficiency, Maintenance, and Support:** Like most medium-sized transit agencies throughout the country, C-TRAN has invested in new technology to improve customer service, realize greater operating efficiencies, and make travel on public transit more safe and secure. This theme focuses on completion and full implementation of projects underway, which are likely to produce high value to C-TRAN customers.

Additional major capital projects planned for 2013-2015 include the replacement of vehicles that have reached the end of their useful life, the purchase and installation of passenger amenities such as benches and shelters, and strategic investment in technology to improve operating efficiencies.

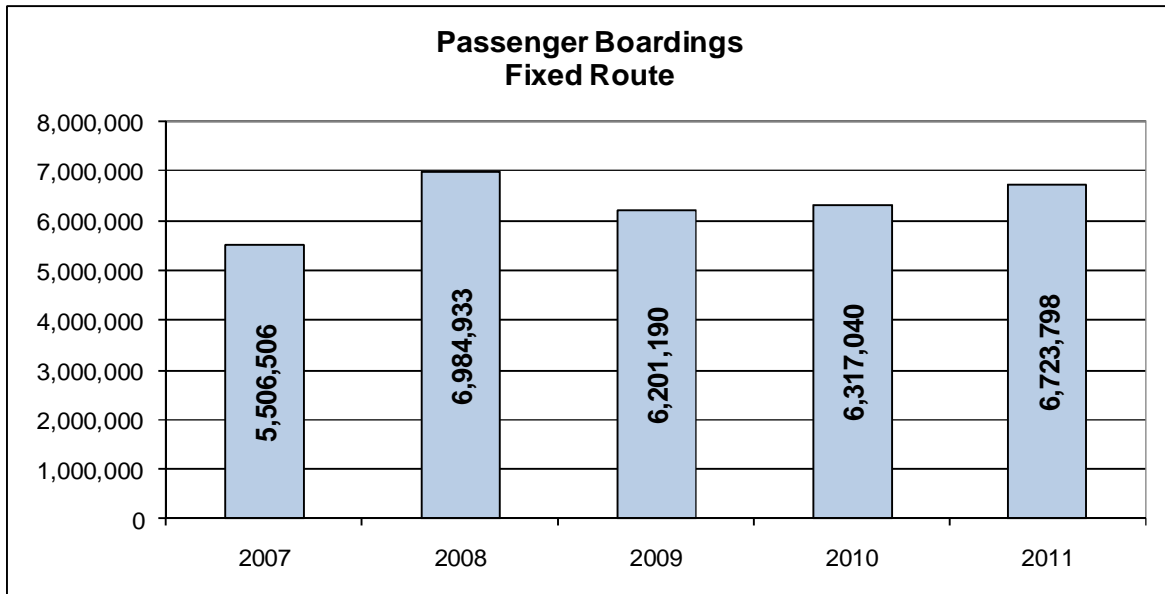
## **PERFORMANCE INDICATORS**

Given the magnitude of changes, which have occurred over the last five years, this section will discuss the impact on a variety of measurements. In summary, the major impacts have been:

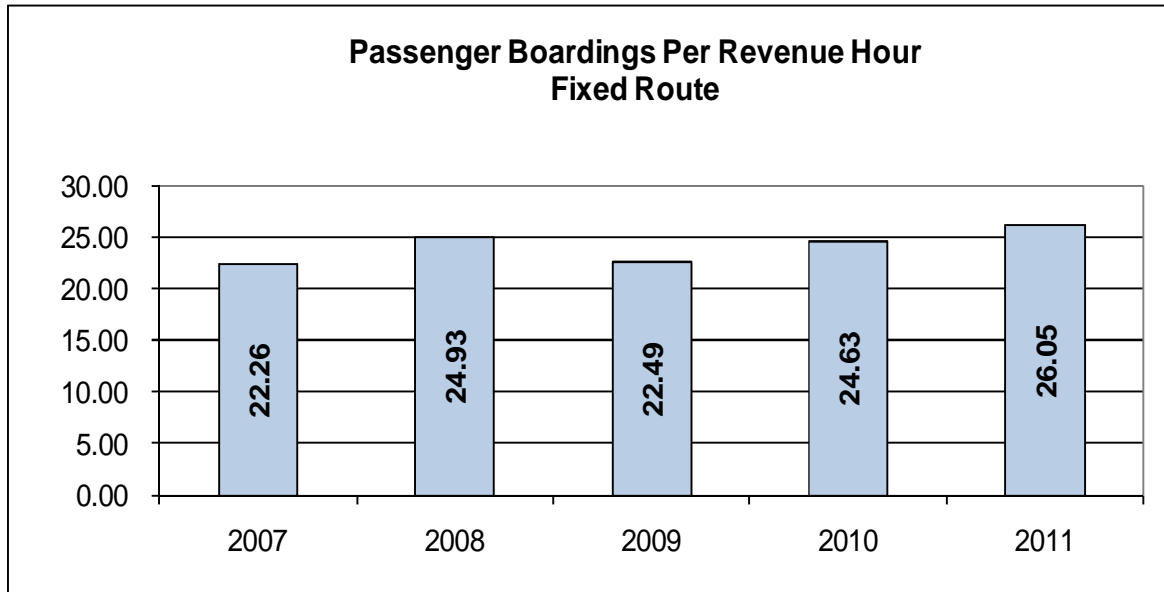
- Voter approval in 2011 of a 0.2 percent sales tax increase bringing the PTBA's sales tax funding to 0.7 percent effective April 1, 2012;
- Small, regular fare increases in May 2008, March 2009, September 2010, and September 2011;
- About a 40 percent drop in commuter ridership as a result of the 2005 fare increase;
- Ridership volatility due to fare increases, service cuts, fuel prices, and loss of jobs due to the economy;
- A 36.8 percent increase in diesel fuel prices from a 2007 average of \$2.28 per gallon to a 2011 average of \$3.12 per gallon;
- Consumption of available service hours for costly, mandatory paratransit service; and
- A significant decline in sales tax revenue due to the unstable economy, high unemployment, slowed construction activity, and other recessionary factors.

The following graphs show five major performance indicators used by transit agencies for the years 2007 through 2011. Fixed route services are provided on a repetitive fixed schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations: each fixed route trip serves the same origin and destination.

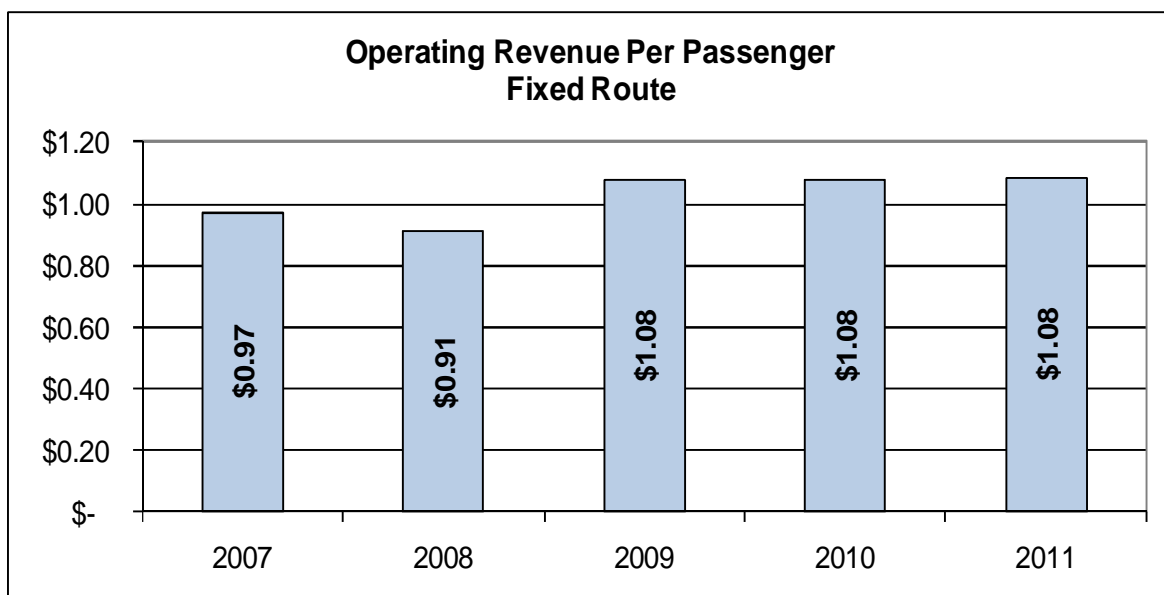
Total Passenger Boardings for Fixed Route is the first performance indicator. In 2011, passenger boardings increased by approximately 6.4 percent. This increase can likely be attributed to the slow economic recovery and the steady rise in the cost of fuel.



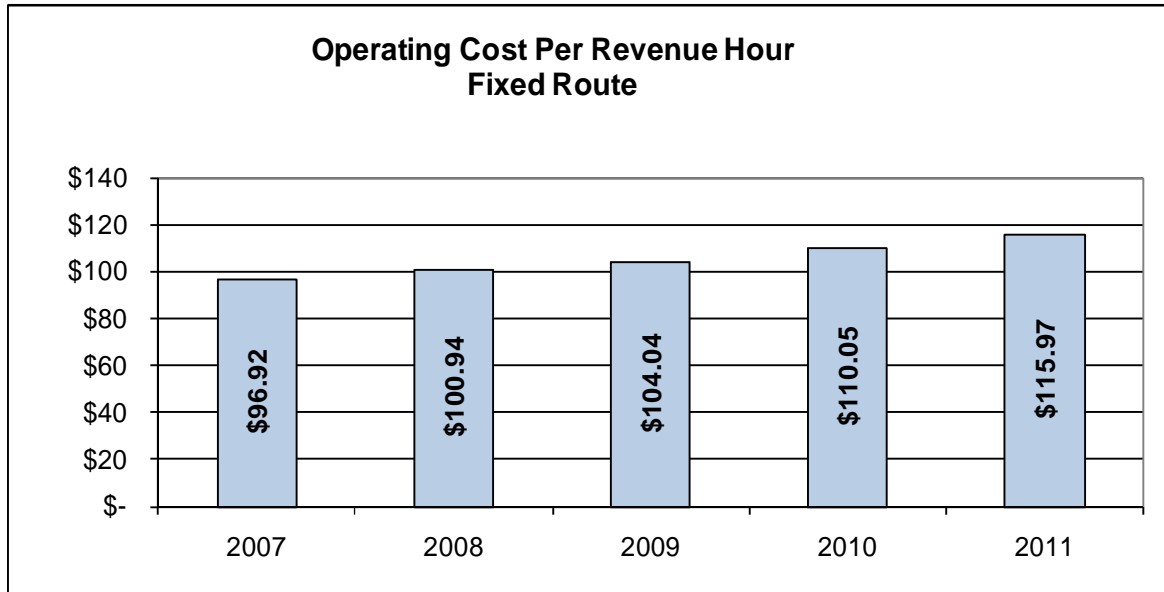
Passenger Boardings Per Revenue Hour is another standard performance indicator widely used by transit agencies. The PTBA uses this ratio to identify lower performing routes and make service level decisions. In 2011, this ratio increased 5.7 percent due to the growth in passenger boardings, with little change to total annual revenue hours.



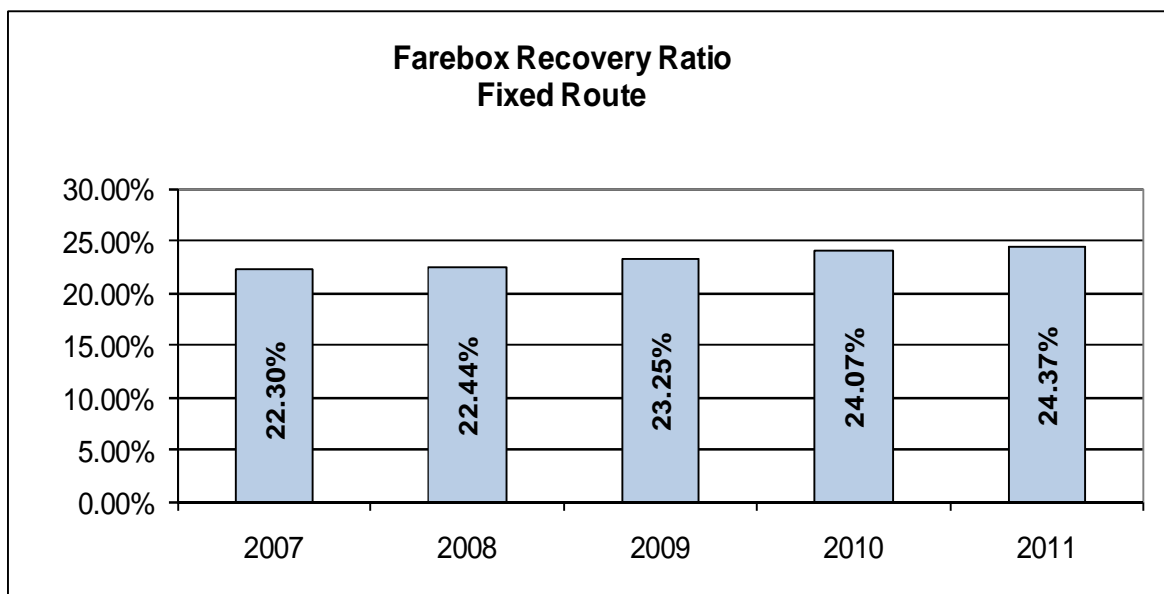
In 2011, the Operating Revenue Per Passenger ratio remained consistent with the prior two years. This is the result of both operating revenue and passenger boardings increasing by similar percentages (approximately 6-7 percent).



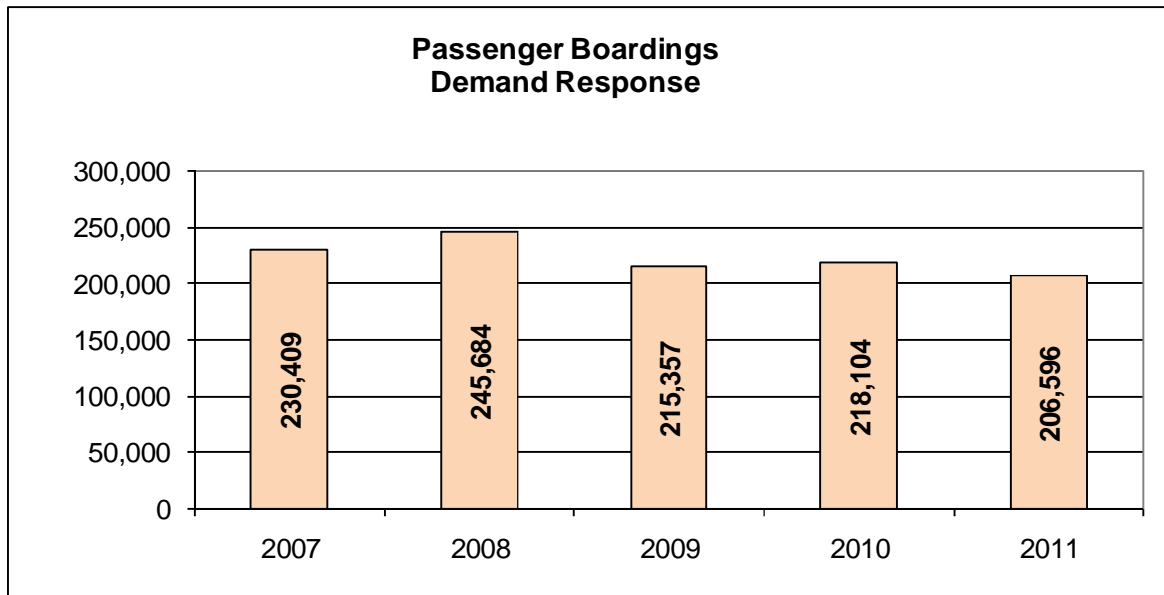
Operating Cost Per Revenue Hour increased about 5.4 percent in 2011. The primary driver of this is the 6.1 percent increase in operating costs reflecting the growth in the cost of benefits and the price per gallon for fuel, combined with little change to the total annual revenue hours.



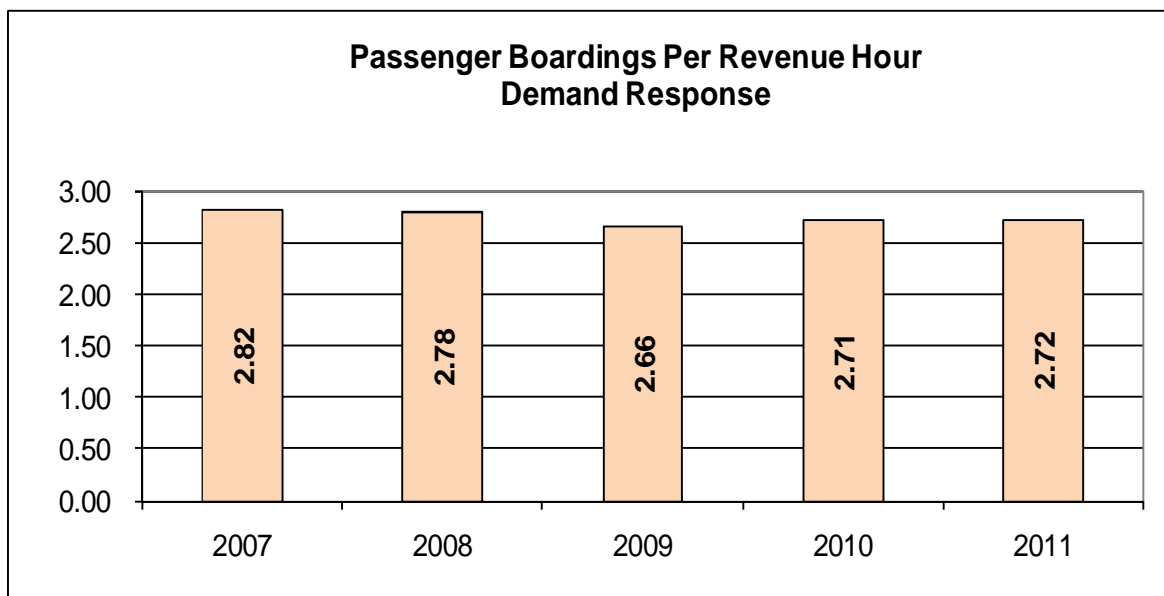
The Farebox Recovery Ratio is calculated by taking operating revenue divided by operating costs. In 2011, the Farebox Recovery Ratio increased by about 1.2 percent. This reflects the September 2010 and 2011 fare increases, with the growth in passenger boardings, offset by the increase in operating costs as a result of the growth in the cost of benefits and the price per gallon for fuel.



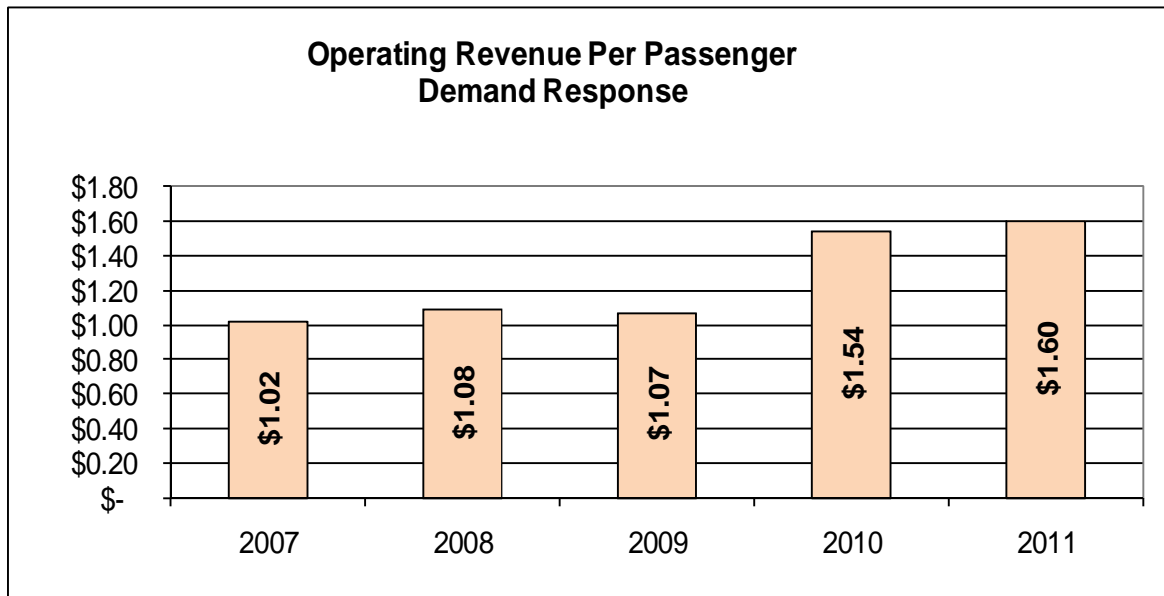
Demand Response is complementary ADA paratransit service, which is not limited by budget but must be adequate to meet all demand without exception as mandated by the Federal Transit Administration. This service is in response to calls from passengers or their agents to the transit operator, who schedules a vehicle to pick up the passenger to transport them to their destination. The following graphs show the same five previous performance indicators for Demand Response. Total Passenger Boardings decreased 5.3 percent in 2011 primarily due to a fare increase, but also as a result of Travel Training efforts to help transition passengers from Demand Response to Fixed Route.



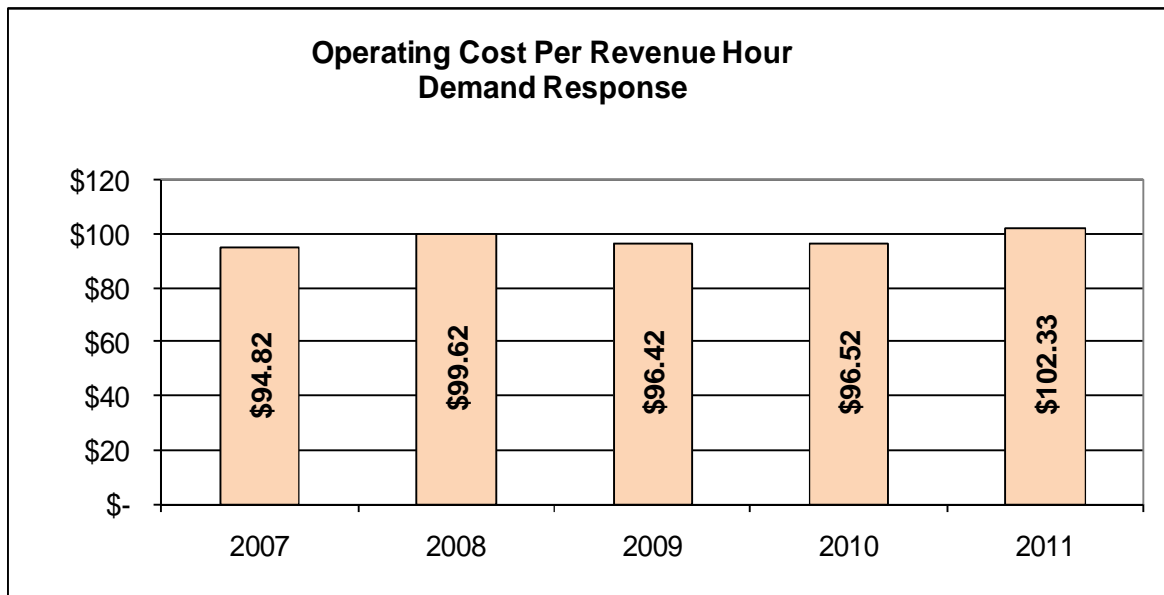
Demand Response Boardings Per Revenue Hour remained consistent in the 2.7 range for 2011. This meets expectations, as there were no unusual changes in Demand Response scheduling.



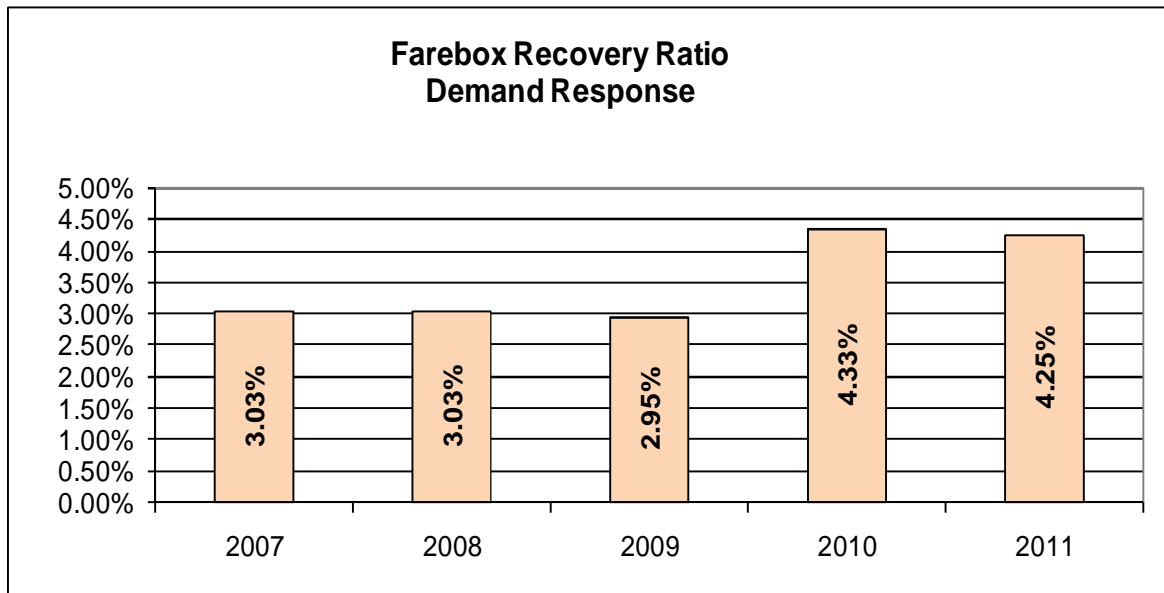
Demand Response Operating Revenue Per Passenger increased approximately 3.5 percent in 2011. This increase can be attributed to the September 2010 and 2011 fare increases.



Operating Cost Per Revenue Hour increased 6.0 percent in 2011. This increase reflects the growth in the cost of benefits and the price per gallon for fuel, combined with a 5.7 percent decrease in revenue hours. The decrease in revenue hours is a result of the January 2011 transition of the Camas Connector from being a Demand Response service to a deviated Fixed Route service.



The Farebox Recovery Ratio decreased 1.9 percent in 2011. This is due to the fare increase being offset by the reduction in Passenger Boardings, as well as being offset by the increase in the Operating Cost Per Revenue Hour.



While in 2011, C-TRAN saw some decline in the passenger demand for the agency's complementary ADA paratransit service, the PTBA anticipates the eventual need to reduce fixed route service in order to accommodate the increased costs associated with paratransit as baby boomers age. As part of the planning process for the 20-Year Transit Development Plan, a task force was convened to identify ways of containing costs of the complementary ADA paratransit service. Several initiatives that came from this task force have already been implemented. These initiatives include more stringent screening processes for client eligibility certification, the provision of a Travel Training program, and fare policy changes.



## DISCUSSION OF FINANCIAL CHANGES

The following table sets forth the percentage relationship to total operating expenses of certain items from the Statement of Revenues, Expenses, and Changes in Net Assets. Also, data on the percent of operating expense by mode is provided.

	<b>YEARS ENDED</b>					
	<b>Dec. 31, 2011</b>		<b>Dec. 31, 2010</b>		<b>Dec. 31, 2009</b>	
<b>OPERATING REVENUE</b>						
Passenger Fares	16.6	%	16.1	%	15.6	%
Other Transit Revenue	<u>0.8</u>		<u>0.9</u>		<u>0.9</u>	
TOTAL OPERATING REVENUE	<u>17.4</u>	%	<u>17.0</u>	%	<u>16.5</u>	%
<b>OPERATING EXPENSES</b>						
Operations	50.2	%	50.9	%	51.8	%
Maintenance	24.6		22.6		22.5	
Administration	11.5		12.9		13.6	
Depreciation	<u>13.7</u>		<u>13.6</u>		<u>12.1</u>	
TOTAL OPERATING EXPENSES	<u>100.0</u>	%	<u>100.0</u>	%	<u>100.0</u>	%
OPERATING LOSS	<u>82.7</u>	%	<u>83.0</u>	%	<u>83.5</u>	%
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>						
Sales Tax	51.2	%	52.0	%	50.1	%
Interest Income	0.7		0.9		1.2	
Other Nonoperating Revenue	0.1		0.0		0.1	
State Assistance	1.5		2.7		1.3	
Federal Assistance	11.5		12.4		14.5	
Contributions to Road Projects	(0.1)		(0.0)		(0.2)	
Gain/Loss on Sale of Asset	<u>(0.0)</u>		<u>(0.2)</u>		<u>(0.1)</u>	
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>64.9</u>	%	<u>67.8</u>	%	<u>66.9</u>	%
NET INCOME (Loss)	(17.7)	%	(15.2)	%	(16.6)	%
Capital Grants	<u>2.1</u>	%	<u>14.3</u>	%	<u>10.7</u>	%
CHANGE IN NET ASSETS	<u>(15.6)</u>	%	<u>(0.9)</u>	%	<u>(5.9)</u>	%

	<b>YEARS ENDED</b>					
	<b>Dec. 31, 2011</b>		<b>Dec. 31, 2010</b>		<b>Dec. 31, 2009</b>	
<b>OPERATING EXPENSES BY MODE:</b>						
Fixed Route	79.5	%	78.5	%	78.7	%
Demand Response	19.7		20.5		20.0	
Vanpool	0.4		0.5		0.9	
HCT Studies	<u>0.4</u>		<u>0.5</u>		<u>0.4</u>	
TOTAL OPERATING EXPENSES	<u>100.0</u>	%	<u>100.0</u>	%	<u>100.0</u>	%

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the PTBA for its Comprehensive Annual Financial Report (CAFR) for the fiscal year December 31, 2010. This was the 23rd continuous year the PTBA has received this prestigious award. In order to be awarded a Certificate of Achievement, the PTBA published an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current CAFR continues to meet the Certificate of Achievement program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

A wide variety of skills are required to provide the excellence in service, efficiency, and responsiveness for which the PTBA is known. The preparation of the CAFR on a timely basis was made possible by the dedicated and capable staff of the Administrative Services Department throughout the year. We express our sincere appreciation for the entire department's efforts.

Special thanks are also extended to the Office of the State Auditor, which provided a timely audit and opinion so this CAFR could be submitted to the GFOA for its review and evaluation in accordance with that organization's program.

Finally, special recognition is extended to the Board of Directors without whose leadership and support the preparation of this report would not have been possible.

Sincerely,

Clark County PTBA



Jeff Hamm  
Executive Director/CEO



Diane Coey O'Regan  
Director of Administrative Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clark County Public Transportation  
Benefit Area Authority  
Washington

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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



*Linda C. Davidson*

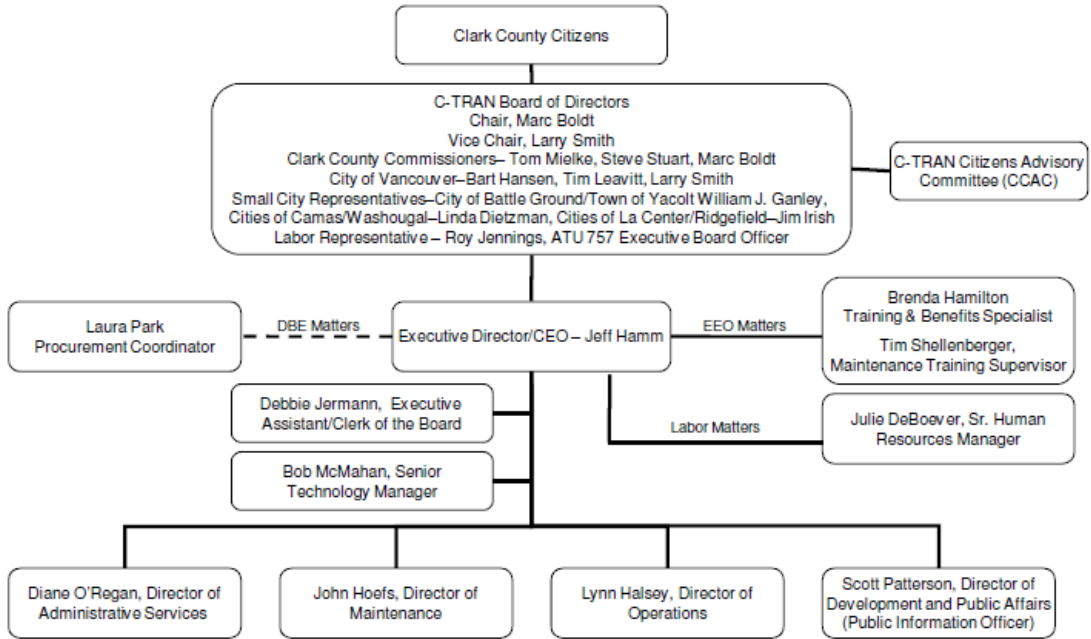
President

*Jeffrey R. Emer*

Executive Director

# C-TRAN Organizational Chart

December, 2011



**CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA  
DIRECTORY OF OFFICIALS**

<u>Board Member</u>	<u>Affiliation</u>	<u>Term</u>	<u>Expires</u>
Marc Boldt (Chair)	Clark County Commissioner	4 yrs.	12/31/12
Linda Dietzman	Camas City Council	1 yr.	12/31/11
Bill Ganley	Battle Ground City Council	1 yr.	12/31/11
Bart Hansen	Vancouver City Council	1 yr.	12/31/11
Jim Irish	La Center Mayor	1 yr.	12/31/11
Tim Leavitt	Vancouver City Council	1 yr.	12/31/11
Tom Mielke	Clark County Commissioner	4 yrs.	12/31/12
Larry Smith (Vice-Chair)	Vancouver City Council	1 yr.	12/31/11
Steve Stuart	Clark County Commissioner	4 yrs.	12/31/14
Roy Jennings	Union Representative (Non-Voting)	1 yr.	12/31/11

**APPOINTED**

Executive Director/CEO	Jeff Hamm
Executive Assistant/Clerk of the Board	Debbie Jermann
Director of Administrative Services	Diane O'Regan
Director of Maintenance & Technology	John Hoefs
Director of Operations	Lynn Halsey
Director of Development & Public Affairs	Scott Patterson
Legal Counsel	Thomas Wolfendale

**MAILING ADDRESS**

Clark County PTBA  
PO Box 2529  
Vancouver, WA 98668-2529

Kirkpatrick & Lockhart Preston Gates Ellis LLP  
925 Fourth Avenue, Suite 2900  
Seattle, WA 98104-1158



## Financial





## Washington State Auditor Brian Sonntag

### INDEPENDENT AUDITOR'S REPORT

June 1, 2012

Board of Directors  
C-TRAN  
Vancouver, Washington

We have audited the accompanying basic financial statements of Clark County Public Transportation Benefit Area (C-TRAN), Clark County, Washington, as of and for the years ended December 31, 2011 and 2010 as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C-TRAN, Clark County, Washington, as of December 31, 2011 and 2010, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 1, 2012, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the Authority's Single Audit Report. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 29 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 the 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.

The information identified in the table of contents as the Introductory and Statistical Sections are presented for purposes of additional analysis and is not a required part of the basic financial statements of the Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is stylized and cursive.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR



## CLARK COUNTY PTBA

### Management Discussion and Analysis

This section of the Clark County Public Transportation Benefit Area (PTBA) Comprehensive Annual Financial Report (CAFR) presents management's overview and analysis of the PTBA's financial performance for the fiscal year ended December 31, 2011. This section should be read in conjunction with the financial statements, which follow this section.

#### Financial Highlights

- The assets of the PTBA exceeded its liabilities at December 31, 2011, by \$107,835,573. Of this amount, \$47,479,221 may be used to meet the PTBA's ongoing obligations to provide services to the public, including the capital program, and to meet the obligations of creditors. At December 31, 2010, assets exceeded liabilities by \$114,751,751, and \$49,717,245 of this amount could have been used to meet the PTBA's ongoing obligations.
- In 2011, the PTBA's total net assets decreased by \$6,916,178. A net loss of \$7,866,787 was offset by capital contributions of \$950,609. In 2010, total net assets decreased by \$405,205. A net loss of \$6,434,341 was offset by capital contributions of \$6,029,136.
- The PTBA remained free of long-term debt in both 2011 and 2010.
- For 2011, Washington State Department of Revenue collected sales tax for the PTBA at 0.5 percent, which includes a 0.2 percent increase approved by voters in 2005. On November 8, 2011, Clark County voters passed a ballot measure to allow the PTBA to collect an additional 0.2 percent in sales tax within the benefit area. The additional 0.2 percent has an effective date of April 1, 2012.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the PTBA's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the PTBA report information about the PTBA using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Assets presents information on all of the PTBA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the PTBA is improving or deteriorating. The Statement of Revenues, Expenses, and Changes in Net Assets present information showing how the PTBA's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the

change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded in this statement for some items that will only result in cash flows in future periods (for example, sales tax collected by merchants but not yet remitted to the PTBA).

The financial statements are found on pages 30 through 33 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within financial statements. The notes to the financial statements are found on pages 34 through 53 of this report.

## Financial Analysis

Overall, the financial position of the PTBA deteriorated in 2011. At year end, assets exceeded liabilities by \$107,835,573 as compared to \$114,751,751 at the end of 2010.

Transit is a capital-intensive enterprise. In 2011, 56 percent of the net assets were invested in capital assets with an additional 14 percent being held for the capital program. This compares to 2010, where 57 percent of the net assets were invested in capital assets with an additional 14 percent being held for the capital program.

Following is a summary of the PTBA's net assets:

### Statement of Net Assets

	2011	2010	2009
Assets:			
Current Assets	\$54,148,385	\$56,274,820	\$57,672,745
Other Noncurrent Assets	82,123	61,200	61,200
Capital Assets (Net)	60,274,229	64,973,306	63,771,949
Total Assets	<u>114,504,737</u>	<u>121,309,326</u>	<u>121,505,894</u>
Liabilities:			
Current Liabilities	6,340,414	5,805,700	5,823,000
Noncurrent Liabilities	328,750	751,875	525,938
Total Liabilities	<u>6,669,164</u>	<u>6,557,575</u>	<u>6,348,938</u>
Net Assets:			
Invested in Capital Assets	60,274,229	64,973,306	63,771,949
Restricted for Capital	82,123	61,200	61,200
Unrestricted	47,479,221	49,717,245	51,323,807
Total Net Assets	<u>\$107,835,573</u>	<u>\$114,751,751</u>	<u>\$115,156,956</u>

The PTBA's net assets decreased by \$6,916,178 during 2011 (compared to a decrease of \$405,205 during 2010). The following summary statement of revenues, expenses, and change in net assets shows how the changes in net assets occurred.

<b>Statement of Revenues, Expenses, and Changes in Net Assets</b>			
	<b>2011</b>	<b>2010</b>	<b>2009</b>
Operating Revenues			
Passenger Fares	\$7,323,984	\$6,802,151	\$6,575,758
Other Transit Revenue	369,332	375,176	363,211
Total Operating Revenues	<u>7,693,316</u>	<u>7,177,327</u>	<u>6,938,969</u>
Nonoperating Revenues:			
Taxes	22,724,638	22,008,102	21,179,904
Interest Income	296,650	388,556	528,076
Non Capital Grants	5,772,679	6,359,031	6,679,187
Other (Net)	65,150	17,254	37,482
Total Nonoperating Revenues	<u>28,859,117</u>	<u>28,772,943</u>	<u>28,424,649</u>
Total Revenues	<u>36,552,433</u>	<u>35,950,270</u>	<u>35,363,618</u>
Operating Expenses:			
Operations	22,236,282	21,514,937	21,884,973
Maintenance	10,932,776	9,575,812	9,515,578
Administration	5,108,670	5,459,022	5,730,109
Depreciation	6,090,722	5,744,744	5,122,488
Total Operating Expenses	<u>44,368,450</u>	<u>42,294,515</u>	<u>42,253,148</u>
Total Nonoperating Expenses	<u>50,770</u>	<u>90,096</u>	<u>140,095</u>
Total Expenses	<u>44,419,220</u>	<u>42,384,611</u>	<u>42,393,243</u>
Net Income (Loss) Before Contributions	(7,866,787)	(6,434,341)	(7,029,625)
Capital Contributions	950,609	6,029,136	4,513,785
Total Change in Net Assets	<u>(6,916,178)</u>	<u>(405,205)</u>	<u>(2,515,840)</u>
Total Net Assets, Beginning	<u>114,751,751</u>	<u>115,156,956</u>	<u>117,672,796</u>
Total Net Assets, Ending	<u>\$107,835,573</u>	<u>\$114,751,751</u>	<u>\$115,156,956</u>

## Revenues

The following two tables show revenue compared to the prior year.

<b>REVENUES</b>	<b>2011</b>	<b>PERCENT</b>	<b>2010</b>	<b>PERCENT</b>	<b>INCREASE</b>	<b>PERCENT</b>
	<b>AMOUNT</b>	<b>OF TOTAL</b>	<b>AMOUNT</b>	<b>OF TOTAL</b>	<b>(DECREASE)</b>	<b>INCREASE</b>
					<b>FROM 2010</b>	<b>(DECREASE)</b>
Operating Revenue	\$7,693,316	21.0 %	\$7,177,327	20.0 %	\$515,989	7.2 %
Interest Income	296,650	0.8	388,556	1.1	(91,906)	(23.7)
Sales Tax	22,724,638	62.2	22,008,102	61.2	716,536	3.3
State Assistance	678,057	1.9	1,122,382	3.1	(444,325)	(39.6)
Federal Assistance	5,094,622	13.9	5,236,649	14.6	(142,027)	(2.7)
Miscellaneous	65,150	0.2	17,254	0.0	47,896	277.6
TOTAL REVENUE	<u>\$36,552,433</u>	<u>100.0 %</u>	<u>\$35,950,270</u>	<u>100.0 %</u>	<u>\$602,163</u>	<u>1.7 %</u>

REVENUES	2010	PERCENT	2009	PERCENT	INCREASE	PERCENT
	AMOUNT	OF TOTAL	AMOUNT	OF TOTAL	(DECREASE) FROM 2009	INCREASE (DECREASE)
Operating Revenue	\$7,177,327	20.0 %	\$6,938,969	19.7 %	\$238,358	3.4 %
Interest Income	388,556	1.1	528,076	1.5	(139,520)	(26.4)
Sales Tax	22,008,102	61.2	21,179,904	59.9	828,198	3.9
State Assistance	1,122,382	3.1	540,168	1.5	582,214	107.8
Federal Assistance	5,236,649	14.6	6,139,019	17.3	(902,370)	(14.7)
Miscellaneous	17,254	0.0	37,482	0.1	(20,228)	(54.0)
<b>TOTAL REVENUE</b>	<b>\$35,950,270</b>	<b>100.0 %</b>	<b>\$35,363,618</b>	<b>100.0 %</b>	<b>\$586,652</b>	<b>1.7 %</b>

- In 2011, operating revenue increased by 7.2 percent. Contributing to this growth are the modest fare increases from September 2011 and September 2010 and the approximately 6.2 percent overall growth in ridership. In 2010, operating revenue increased by approximately 3.4 percent. This growth was affected by the fare increase implemented in September 2010, as well as an almost 2 percent grow in ridership.
- Interest rates remained low in 2011 following a significant decrease in 2010. This was the major driver behind lower interest income for both years.
- Sales tax revenue for 2011 increased 3.3 percent demonstrating a continuation of the slow recovery in taxable retail sales that was seen in the 3.9 percent growth in 2010.
- State assistance decreased by 39.6 percent in 2011. This decrease is the result of the completion of two Washington State Department of Transportation (WSDOT) grant awards. The first award was for the 2009-2011 WSDOT Regional Mobility Grant which incurred its final expenditure in April 2011. The second award was for the 2009-2011 WSDOT Special Needs Grant which also incurred its final expenditure in April 2011. Because C-TRAN did not begin accessing the WSDOT Special Needs Grant funds until 2010, it was also the primary driver for the 107.8 percent growth in state assistance realized in 2010.
- Federal assistance, which primarily consists of the allocation of Federal Transit Administration (FTA) funds that are made available to the PTBA on a formula basis (including ARRA funds), decreased by 2.7 percent in 2011. The allocation is based on factors such as ridership, passenger miles, and population, and is awarded annually. The funds may be used for operations or for capital purchases. In the last two years, the PTBA has designated these funds for operations.

## Expenses

Expenses are most directly impacted by the number of hours of operation that the PTBA provides. The amount of operating hours provided compared to prior year and the increase and decrease in hours and percentages is shown in the following tables:

	2011	PERCENT	2010	PERCENT	INCREASE	PERCENT
<u>OPERATING HOURS</u>	<u>AMOUNT</u>	<u>OF TOTAL</u>	<u>AMOUNT</u>	<u>OF TOTAL</u>	<u>(DECREASE)</u>	<u>INCREASE</u>
					<u>FROM 2010</u>	<u>(DECREASE)</u>
Fixed Route	282,552	77.4 %	279,432	76.1 %	3,120	1.1 %
Demand Response	82,554	22.6	87,973	23.9	(5,419)	(6.2)
TOTAL OPERATING HOURS	<u>365,106</u>	<u>100.0 %</u>	<u>367,405</u>	<u>100.0 %</u>	<u>(2,299)</u>	<u>(0.6) %</u>

	2010	PERCENT	2009	PERCENT	INCREASE	PERCENT
<u>OPERATING HOURS</u>	<u>AMOUNT</u>	<u>OF TOTAL</u>	<u>AMOUNT</u>	<u>OF TOTAL</u>	<u>(DECREASE)</u>	<u>INCREASE</u>
					<u>FROM 2009</u>	<u>(DECREASE)</u>
Fixed Route	279,432	76.1 %	299,243	76.4 %	(19,811)	(6.6) %
Demand Response	87,973	23.9	92,255	23.6	(4,282)	(4.6)
TOTAL OPERATING HOURS	<u>367,405</u>	<u>100.0 %</u>	<u>391,498</u>	<u>100.0 %</u>	<u>(24,093)</u>	<u>(6.2) %</u>

In 2011, fixed route operating hours increased as the result of minor service adjustments implemented throughout the year, including the January 2011 move of the Camas Connector service from Demand Response to Fixed Route. The move of this service also is the primary driver for the 2011 decrease in Demand Response operating hours. In 2010, operating hours for both Fixed Route and Demand Response decreased due to the service reduction implemented in January 2010.

## Expenses by Mode

The following two tables show expenses compared to the prior year by mode of service and the increase or decrease in expenses.

	2011	PERCENT	2010	PERCENT	INCREASE	PERCENT
<u>MODE</u>	<u>AMOUNT</u>	<u>OF TOTAL</u>	<u>AMOUNT</u>	<u>OF TOTAL</u>	<u>(DECREASE)</u>	<u>INCREASE</u>
					<u>FROM 2010</u>	<u>(DECREASE)</u>
Fixed Route	\$35,303,448	79.5 %	\$33,198,647	78.4 %	\$2,104,801	6.3 %
Demand Response	8,719,876	19.6	8,683,601	20.5	36,275	0.4
Vanpool	188,252	0.4	225,455	0.5	(37,203)	(16.5)
Other Operating Expenses	156,874	0.4	186,812	0.4	(29,938)	(16.0)
Total Operating	<u>\$44,368,450</u>	<u>99.9 %</u>	<u>\$42,294,515</u>	<u>99.8 %</u>	<u>\$2,073,935</u>	<u>4.9 %</u>
Road Contributions	39,723	0.1	8,324	0.0	31,399	377.2
Loss on Sale of Capital Assets	11,048	0.0	81,772	0.2	(70,724)	(86.5)
TOTAL EXPENSES	<u>\$44,419,221</u>	<u>100.0 %</u>	<u>\$42,384,611</u>	<u>100.0 %</u>	<u>\$2,034,610</u>	<u>4.8 %</u>

MODE	2010	PERCENT	2009	PERCENT	INCREASE	PERCENT
	AMOUNT	OF TOTAL	AMOUNT	OF TOTAL	(DECREASE) FROM 2009	INCREASE (DECREASE)
Fixed Route	\$33,198,647	78.4 %	\$33,247,083	78.4 %	(\$48,436)	(0.1) %
Demand Response	8,683,601	20.5	8,429,088	19.9	254,513	3.0
Vanpool	225,455	0.5	399,493	1.0	(174,038)	(43.6)
Other Operating Expenses	186,812	0.4	177,484	0.4	9,328	5.3
Total Operating	\$42,294,515	99.8 %	\$42,253,148	99.7 %	\$41,367	0.1 %
Road Contributions	8,324	0.0	101,509	0.2	(93,185)	(91.8)
Loss on Sale of Capital Assets	81,772	0.2	38,586	0.1	43,186	111.9
TOTAL EXPENSES	\$42,384,611	100.0 %	\$42,393,243	100.0 %	(\$8,632)	(0.0) %

- As shown, the fixed route mode constitutes almost 80 percent of the total expenses. In 2011, fixed route expenses grew approximately 6.3 percent. This growth is due to increases in benefits and maintenance costs, but can also be attributed to the move of the Camas Connector service from Demand Response to Fixed Route. In January 2010, C-TRAN implemented a service reduction, which decreased the number of fixed route hours and miles. The reduced hours and miles resulted in a decrease in maintenance and operating expenses for the fleet.
- Demand Response expenses increased in 2011 by about 0.4 percent. This increase is due to increases in benefits and maintenance costs but is offset in part by the move of the Camas Connector service from Demand Response to Fixed Route. The 2010 increase of about 3 percent is also due to increases in benefits and maintenance costs.
- Vanpool expenses reduced in 2011 by about 16.5 percent. This is mostly a reflection of a reduction in depreciation expenses caused by the transfer of vehicles to Ben Franklin Transit in 2010 and Asotin County PTBA in 2011. The 2010 reduction in expenses can also be attributed to one-time-only implementation costs that were incurred in 2009 but not in 2010.

## Expenses by Department

Expenses compared to prior year by department are listed in the following tables:

DEPARTMENT	2011	PERCENT	2010	PERCENT	INCREASE	PERCENT
	AMOUNT	OF TOTAL	AMOUNT	OF TOTAL	(DECREASE) FROM 2010	INCREASE (DECREASE)
Operations	\$22,236,282	50.1 %	\$21,514,937	50.7 %	\$721,345	3.4 %
Maintenance	10,932,776	24.6	9,575,812	22.6	1,356,964	14.2
Administration	5,108,670	11.5	5,459,022	12.9	(350,352)	(6.4)
Contributions to Road Projects	39,723	0.1	8,324	0.0	31,399	377.2
Depreciation	6,090,722	13.7	5,744,744	13.6	345,978	6.0
Gain/Loss on Sale of Asset	11,048	0.0	81,772	0.2	(70,724)	(86.5)
TOTAL EXPENSES	\$44,419,221	100.0 %	\$42,384,611	100.0 %	\$2,034,610	4.8 %

<u>DEPARTMENT</u>	<u>2010</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>OF TOTAL</u>	<u>2009</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>OF TOTAL</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>FROM 2009</u>	<u>PERCENT</u> <u>INCREASE</u> <u>(DECREASE)</u>
Operations	\$21,514,937	50.7 %	\$21,884,973	51.6 %	(\$370,036)	(1.7) %
Maintenance	9,575,812	22.6	9,515,578	22.5	60,234	0.6
Administration	5,459,022	12.9	5,730,109	13.5	(271,087)	(4.7)
Contributions to Road Projects	8,324	0.0	101,509	0.2	(93,185)	(91.8)
Depreciation	5,744,744	13.6	5,122,488	12.1	622,256	12.1
Gain/Loss on Sale of Asset	81,772	0.2	38,586	0.1	43,186	111.9
<b>TOTAL EXPENSES</b>	<b>\$42,384,611</b>	<b>100.0 %</b>	<b>\$42,393,243</b>	<b>100.0 %</b>	<b>(\$8,632)</b>	<b>(0.0) %</b>

- Operations expenses grew in 2011 primarily due to pay step increases for contracted employees. In 2010, operations expenses decreased due to the service reduction implemented in January 2010 and the resulting reduction in work force.
- In 2011 and 2010, maintenance expenses increased as a result of continued increases in the cost of fuel.
- Administration expenses decreased in 2011 and 2010 due to retirements, the elimination of positions, and various other cost-containment efforts.
- Depreciation expense increased in both 2011 and 2010 due to the purchase and delivery of new vehicles.

### Expenses by Object

The object is the classification of expenses by type of item. Expenses compared to prior year by object follow:

<u>OBJECT</u>	<u>2011</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>OF TOTAL</u>	<u>2010</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>OF TOTAL</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>FROM 2010</u>	<u>PERCENT</u> <u>INCREASE</u> <u>(DECREASE)</u>
Wages	\$16,934,160	38.2 %	\$16,993,920	40.1 %	(\$59,760)	(0.4) %
Benefits	11,913,220	26.9	11,508,304	27.2	404,915	3.5
Services	2,177,519	4.9	2,178,095	5.2	(576)	(0.0)
Supplies & Materials	5,682,347	12.8	4,304,880	10.2	1,377,467	32.0
Utilities	482,096	1.1	489,798	1.2	(7,702)	(1.6)
Casualty & Liability	550,069	1.2	621,865	1.5	(71,797)	(11.5)
Taxes	5,396	0.0	7,718	0.0	(2,322)	(30.1)
Transit Services	0	0.0	0	0.0	0	0.0
Miscellaneous	236,568	0.5	213,859	0.5	22,709	10.6
Leases	296,353	0.7	231,332	0.5	65,021	28.1
Depreciation	6,090,722	13.7	5,744,744	13.6	345,979	6.0
<b>TOTAL OPERATING BY OBJECT</b>	<b>\$44,368,450</b>	<b>100.0 %</b>	<b>\$42,294,515</b>	<b>100.0 %</b>	<b>\$2,073,935</b>	<b>4.9 %</b>

<u>OBJECT</u>	<u>2010</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>OF TOTAL</u>	<u>2009</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>OF TOTAL</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>FROM 2009</u>	<u>PERCENT</u> <u>INCREASE</u> <u>(DECREASE)</u>
Wages	\$16,993,920	40.1 %	\$17,450,508	41.3 %	(\$456,588)	(2.6) %
Benefits	11,508,304	27.2	11,328,151	26.8	180,153	1.6
Services	2,178,095	5.2	2,445,535	5.8	(267,440)	(10.9)
Supplies & Materials	4,304,880	10.2	4,191,223	9.9	113,657	2.7
Utilities	489,798	1.2	509,420	1.2	(19,622)	(3.9)
Casualty & Liability	621,865	1.5	636,644	1.5	(14,779)	(2.3)
Taxes	7,718	0.0	6,228	0.0	1,490	23.9
Transit Services	0	0.0	0	0.0	0	0.0
Miscellaneous	213,859	0.5	358,482	0.9	(144,623)	(40.3)
Leases	231,332	0.5	204,469	0.5	26,864	13.1
Depreciation	5,744,744	13.6	5,122,488	12.1	622,256	12.1
<b>TOTAL OPERATING BY OBJECT</b>	<u>\$42,294,515</u>	<u>100.0 %</u>	<u>\$42,253,148</u>	<u>100.0 %</u>	<u>\$41,367</u>	<u>0.1 %</u>

- Wages and benefits represent the largest expense categories. The decrease in wages in 2011 was largely the result of employee turnover and hiring freezes on some open positions. In 2010, the decrease was mostly due to the January 2010 service reduction and the subsequent reduction in labor. Other factors, including a wage freeze for nonrepresented management employees and nonservice-related staffing cuts, also contributed to the expense decrease. In both years, the decrease is partly offset by the increase in benefit costs primarily due to higher medical premiums.
- Spending for services remained consistent with 2010 as the agency maintained the organizational tightening on the use of expense items like surveys, studies, contract maintenance, and printing. These are the items which facilitated the 2010 reduction of 10.9 percent as compared to 2009.
- In 2011, supplies and materials expenses grew 32.0 percent primarily as the result of the increase in fuel prices from an average of \$2.28 in 2010, to an average \$3.12 in 2011. In 2010, supplies and materials increased 2.7 percent due to higher fuel prices compared to 2009, during which fuel prices decreased significantly.
- C-TRAN's membership and participation in the American Bus Benchmarking Group (ABBG) was a primary contributor to the 10.6 percent increase in miscellaneous expenses in 2011. In 2010, miscellaneous expenses decreased 40.3 percent due to a 68.7 percent reduction in advertising compared to 2009.



## Capital Assets

The PTBA's investment in capital assets as of December 31, 2011, amounted to \$60,274,229 net of accumulated depreciation. As of December 31, 2010, the investment in capital assets equaled \$64,973,306. Capital assets consist of transit coaches and other vehicles, buildings, equipment, transit centers, and park and ride lots. Depreciable capital assets decreased by 0.7 percent in 2011, compared to an increase of 5.0 percent in 2010. In 2011, the decrease consisted of \$576,803 of additions and \$1,254,365 of retirements, which compares to the \$7,126,047 of additions and \$2,827,947 of retirements that occurred in 2010. In addition, depreciation expense was recorded at \$6,090,722 in 2011 and \$5,744,744 in 2010. Accumulated depreciation in the amount of \$1,225,317 was removed for assets disposed of in 2011, and \$2,698,077 was removed for assets disposed of in 2010. Major capital asset acquisition during 2011 and 2010 included the following:

- In 2011, there were no new vehicle acquisitions. However, in 2010, major vehicle acquisitions included nine replacement 25-foot paratransit vehicles (\$850,652), four replacement 35-foot fixed route vehicles (\$1,675,804), and four replacement 40-foot fixed route vehicles (\$2,581,684).
- 2011 major equipment acquisitions included a diesel exhaust fluid system (\$48,430), a maintenance utility trailer (\$11,232), a distributed network recorder (\$32,952), real time passenger information (\$172,753), interactive voice response systems for paratransit (\$132,962) and fixed route (\$165,360), and a router for Salmon Creek (\$13,114).
- 2010 major equipment acquisitions included paratransit data coverage upgrades (\$779,315), automated bus stop announcements (\$524,328), maintenance bus lifts (\$414,465), maintenance work canopies (\$66,908), fuel focus system (\$157,482), hot water pressure washers (\$19,114), and technology software and servers (\$56,295).

Additional information on the PTBA's capital assets is in Note 6 to the financial statements on page 42 of this report.

## **Economic Factors**

- The average annual unemployment rate in Clark County decreased from an average of 14.0 percent in 2010 to 12.4 percent in 2011.
- Sales tax revenues for the PTBA increased by about 3.3 percent in 2011 but are still about 12.9 percent lower than the peak revenues realized in 2006. In addition, because the PTBA borders Oregon, which has no sales tax, achieving sales tax revenues indicative of population levels will continue to be a challenge.
- Because fuel is a major expense for the PTBA, oil and natural gas prices affect the financial outlook. Oil and natural gas prices continued to steadily increase in 2011 compared to 2010.
- The Board of Directors made a decision as part of the Biennial Budget process to continue the same level of fixed route service hours in 2011-2012. Declining sales tax revenues has required that the budget be balanced with the aid of redirecting annual urbanized area apportionment funds from capital to operating and filling the gap with noncommitted cash and cash equivalents.

## **Request for Information**

This financial report is designed to provide a general overview of the PTBA's finances for all those who have an interest in this agency's finances. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the C-TRAN Executive Office, PO Box 2529, Vancouver, WA 98668, telephone (360) 906-7303.

**CLARK COUNTY PTBA**  
**COMPARATIVE STATEMENT OF NET ASSETS**  
*As of December 31, 2011 and 2010*

	2011	2010
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$25,685,348	\$26,500,719
Receivables (net allowance for uncollectibles)	5,534,421	7,004,772
Investments	20,586,111	20,351,540
Inventories	1,705,331	1,808,943
Prepaid Expenses	637,174	608,846
Total Current Assets	54,148,385	56,274,820
Noncurrent Assets:		
Temporarily Restricted Asset:		
Cash and Cash Equivalents	82,123	61,200
Capital Assets not being depreciated:		
Work in Progress	2,560,800	1,716,909
Land	15,357,558	15,357,558
Capital Assets being depreciated:		
Vehicles	46,566,328	47,815,443
Buildings	8,458,177	8,458,177
Equipment and Furnishings	16,345,717	15,774,165
Land Improvements	18,794,129	18,794,129
Less Accumulated Depreciation	(47,808,480)	(42,943,075)
Total Capital Assets Net of Accumulated Depreciation	60,274,229	64,973,306
Total Noncurrent Assets	60,356,352	65,034,506
TOTAL ASSETS	114,504,737	121,309,326
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	935,721	913,837
Accrued Wages and Benefits	3,900,437	3,915,013
Prepaid Fares	1,271,729	916,883
Claims and Judgments Payable	154,375	0
Other Payables	78,152	59,967
Total Current Liabilities	6,340,414	5,805,700
Noncurrent Liabilities:		
Claims and Judgments Payable	328,750	751,875
Total Noncurrent Liabilities	328,750	751,875
TOTAL LIABILITIES	6,669,164	6,557,575
<b>NET ASSETS</b>		
Invested in Capital Assets	60,274,229	64,973,306
Restricted for Capital Assets	82,123	61,200
Unrestricted	47,479,221	49,717,245
TOTAL NET ASSETS	\$107,835,573	\$114,751,751

The notes to the financial statement are an integral part of this statement.

## CLARK COUNTY PTBA

### COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS For the Fiscal Years Ended December 31, 2011 and 2010

	2011	2010
Operating Revenues:		
Passenger Fares	\$7,323,984	\$6,802,151
Other Transit Revenue	369,332	375,176
Total Operating Revenues	7,693,316	7,177,327
Operating Expenses:		
Operations	22,236,282	21,514,937
Maintenance	10,932,776	9,575,812
Administration	5,108,670	5,459,022
Depreciation	6,090,722	5,744,744
Total Operating Expenses	44,368,450	42,294,515
Operating Income (Loss)	(36,675,134)	(35,117,188)
Nonoperating Revenues (Expenses):		
Sales Tax	22,724,638	22,008,102
Interest Income	296,650	388,556
Other Nonoperating Revenues	65,150	17,254
State Assistance	678,057	1,122,382
Federal Assistance	5,094,622	5,236,649
Contributions to Road Projects	(39,723)	(8,324)
Gain/Loss on Sale of Asset	(11,048)	(81,772)
Total Nonoperating Revenues (Expenses):	28,808,347	28,682,847
Net Income (Loss) Before Contributions	(7,866,787)	(6,434,341)
Capital Contributions - Federal	950,609	6,029,136
Capital Contributions - State	0	0
Capital Contributions - Non Govt	0	0
Change in Net Assets	(6,916,178)	(405,205)
Total Net Assets, Beginning	114,751,751	115,156,956
Total Net Assets, Ending	\$107,835,573	\$114,751,751

The notes to the financial statements are an integral part of this statement.

**CLARK COUNTY PTBA**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**For the Fiscal Years Ended December 31, 2011 and 2010**

	2011	2010
Cash Flows from Operating Activities:		
Cash Received from Customers	\$7,982,235	\$7,342,600
Cash Payments to Suppliers for Goods and Services	(17,762,573)	(16,209,180)
Cash Payments to Employees for Services	(20,386,861)	(20,435,169)
Other Cash Receipts	65,150	17,254
Net Cash Provided (Used) by Operating Activities	(30,102,049)	(29,284,495)
Cash Flows from Noncapital Financing Activities:		
Sales Tax Received	22,574,256	21,862,484
State Assistance Received	982,776	871,861
Federal Operating Grants Received	5,571,590	5,504,751
Net Cash Provided (Used) by Noncapital and Related Financing Activities	29,128,622	28,239,096
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(1,768,929)	(7,165,970)
Capital Grants and Contributions	1,870,709	5,717,100
Proceeds From Sale of Equipment	18,000	48,099
Net Cash Provided (Used) by Capital and Related Financing Activities	119,780	(1,400,771)
Cash Flows from Investing Activities:		
Purchase of Investment Securities	(234,571)	(351,540)
Proceeds from Investment Securities	0	1,000,000
Interest on Investments	293,769	483,972
Net Cash Provided (Used) by Investing Activities	59,198	1,132,432
Net Increase (Decrease) in Cash and Cash Equivalents	(794,448)	(1,313,738)
Cash and Cash Equivalents, Beginning	26,561,919	27,875,657
Cash and Cash Equivalents, Ending	\$25,767,471	\$26,561,919

The notes to the financial statements are an integral part of this statement.

**CLARK COUNTY PTBA**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**For the Fiscal Years Ended December 31, 2011 and 2010**

	2011	2010
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Loss	(\$36,675,134)	(\$35,117,188)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	6,090,722	5,744,744
Nonoperating Expenses	(39,723)	(8,324)
Miscellaneous Nonoperating Revenue	65,150	17,254
(Decrease) Increase in Provision for Uncollectible Accounts	(12,247)	8,700
Change in Assets and Liabilities		
Decrease (Increase) in Accounts Receivable	(65,926)	96,390
Decrease (Increase) in Inventories	103,613	(467,254)
Decrease (Increase) in Prepaid Expenses	(28,328)	142,549
Increase (Decrease) in Accounts Payable	384,906	(27,861)
Increase (Decrease) in Wages and Benefits Payable	(14,576)	32,391
Increase (Decrease) in Prepaid Fares	354,845	68,883
Increase (Decrease) in Other Payables	3,399	(716)
Increase (Decrease) in Claims and Judgments Payable	(268,750)	225,937
Total Adjustments	<u>6,573,085</u>	<u>5,832,693</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$30,102,049)</u>	<u>(\$29,284,495)</u>

Noncash Transactions:

The PTBA had accounts payable for capital assets of \$691,466 at December 31, 2010 and \$328,443 at December 31, 2011.

The notes to the financial statements are an integral part of this statement.

**CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA  
(C-TRAN)**

**NOTES TO THE FINANCIAL STATEMENTS**

**January 1, 2011, through December 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Clark County Public Transportation Benefit Area commenced operation on July 6, 1981, and operates under the laws of the state of Washington applicable to a Municipal Corporation. The accounting policies of the PTBA conform to generally accepted accounting principles (GAAP) applicable to governmental enterprise units. The following summary of the more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

**A. Reporting Entity**

The PTBA is a special-purpose government organized to provide public transportation services for Clark County. The PTBA operates both fixed route public transportation services under the name of C-TRAN and demand response services under the name of C-VAN.

As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. Based on the standards set by Governmental Accounting Standards Board (GASB) Statement 14, there were no component units of Clark County PTBA. The PTBA is a separate legal entity and is fiscally independent from all other units of government.

The Clark County PTBA is governed by an appointed Board of Directors. No primary government appoints the voting majority of the PTBA's Board of Directors. The PTBA's Board consists of ten members: three are appointed from and by the City Council of Vancouver; one member is appointed jointly from the City Councils of Camas and Washougal by the mayors of these cities; one member is appointed from the City Council of Battle Ground and Town Council of Yacolt by the two mayors of these cities; and one member is appointed from the City Councils of La Center and Ridgefield by the two mayors of these cities, and one nonvoting member is appointed by the employees' union. In addition, all three Clark County Commissioners serve on the Board.

## B. Basis of Accounting and Reporting

The accounting records of the PTBA are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The PTBA uses the *Budgeting, Accounting and Reporting System for Transit Districts* in the state of Washington.

Funds are accounted for on a cost of services or an economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in their statements of net position (or balance sheets). Their reported fund net position is segregated into net investment in capital assets, restricted, and unrestricted components of net position. Operating statements present increases (revenues and gains) and decrease (expense and losses) in net position. The PTBA discloses changes in cash flows by a separate statement and presents their operating, noncapital financing, capital, and related financing and investing activities.

The PTBA uses a full accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized and long term liabilities are accounted for in the appropriate funds.

The transit distinguishes between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the PTBA are charges to customers in the form of bus fares. Operating expenses for the transit include the cost of providing transit service, administrative expenses, depreciation on capital assets, and gain/loss on sale of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The financial statements are prepared on the basis of GASB Statement Number 34, Basic Financial Statements, Management Discussion and Analysis for State and Local Governments and related standards. This statement provides for significant changes in terminology and includes recognition of capital grants in the Comparative Statement of Revenues, Expenses, and Changes in Net Assets; a presentation of net assets, as well as an inclusion of a management discussion and analysis; supplementary information; and other changes.

The PTBA applies GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issued on



or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

The accounting records of the PTBA are maintained in accordance with the methods prescribed by the FTA and the Washington State Auditor under the authority of RCW 43.09. The authority for FTA to prescribe an accounting and reporting system is found in Section 15 of the Federal Transit Act of 1992, as amended.

The PTBA has prepared an annual report to FTA in the National Transit Database (NTD) format and a summary report to the Washington State Department of Transportation (WSDOT), both issued under separate cover. These reports require specific information and are not prepared on the basis of generally accepted accounting principles.

### C. Assets, Liabilities, and Net Assets

#### 1. Cash and Cash Equivalents

The PTBA's cash and cash equivalents are considered to be cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes and the PTBA's investment policy permit the PTBA to invest in obligations of the United States, certificates of deposits issued by banks that are designated as public depositories by the Washington Public Deposit Protection Commission (PDPC), the Local Government Investment Pool (LGIP) of the Washington State Treasurer, or authorized investments through the Clark County Treasurer.

Investments for the PTBA are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### 2. Short-Term Investments

See Note 2, Deposits and Investments

#### 3. Receivables

Accounts receivable consist almost exclusively of bus passes and amounts due from other governments, and a limited amount of claims for damaged property. Receivables from other governments include taxes and grants. Revenue received for bus passes sold in advance is deferred and is shown as a liability for prepaid fares. The PTBA calculates its allowance for uncollectible accounts based on specific

account analysis. The direct write off method is used when an account is determined to be uncollectible. The allowance is assessed and adjusted on an annual basis. Uncollectible accounts have historically been immaterial.

#### 4. Inventory and Prepaid Expenses

Inventory consists of fuel, tires, repair parts, and supplies. Expenses are recorded as the materials are consumed. Inventory is valued on the moving, weighted average cost method. Prepaid expenses consist of normal operating expenses for which payment is due at the first of the month, such as lease and employee insurance, or expenses that are paid up front, representing several months to up to a year in advance, such as software maintenance contracts. All prepaid transactions are expensed when the benefit is received.

#### 5. Restricted Assets

Temporarily restricted cash and cash equivalents resulting from the sale of property or equipment for which the Federal Transit Administration restricts the use of the proceeds for the investment in approved capital assets.

#### 6. Capital Assets

Capital assets, which include property, facilities, and equipment, are capitalized at total acquisition cost, provided such cost exceeds \$5,000 and has an expected useful life of more than two years. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Vehicles	5-12
Buildings and structures	10-40
Equipment and furnishings	5-20
Land improvements	5-40

The PTBA has acquired certain assets with funding provided by federal assistance from the FTA grant programs. The PTBA holds title to these assets; however, the federal government retains an interest in these should the assets no longer be used for mass transit purposes.

#### 7. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The PTBA records unpaid leave

for compensated absences as an expense and liability when incurred. Vacation pay is payable upon resignation, retirement, or death; some restrictions apply based on employee class. Sick leave may accumulate to a maximum of 1,024 hours. When a management employee terminates with at least ten years of service and is in good standing, the employee will be paid 25 percent of accumulated sick leave. Retiring management employees with at least ten years of service and in good standing will be paid 50 percent of their accumulated sick leave balance. Operations and Maintenance employees who retire may cash out 35 percent of their sick leave balance in excess of 250 hours upon PERS-eligible retirement.

8. Other Accrued Liabilities

Accounts consist of accrued wages and accrued employee benefits.

9. Comparative Data for the Prior Year

Comparative data for the prior year has been presented in order to provide an understanding of the changes in the financial position and operations.

**NOTE 2. DEPOSITS AND INVESTMENTS**

A. The following is presented to reconcile the amounts shown as cash and cash equivalents and investments on the Statement of Net Assets to the note disclosures of deposits and investments.

<u>Net Assets Statement:</u>	2011	2010
Cash & Cash Equivalents	\$25,767,471	\$26,561,919
Investments	20,586,111	20,351,540
Total Cash, Cash Equivalents and Investments as presented in the Statement of Net Assets	<u>\$46,353,582</u>	<u>\$46,913,459</u>
<u>Note Disclosures:</u>		
Deposits	21,098,961	23,315,138
Investments	25,254,621	23,598,321
Total Cash, Deposits and Investments as presented in the Note Disclosures	<u>\$46,353,582</u>	<u>\$46,913,459</u>

B. Deposits

At December 31, 2011, the carrying amount of deposits was \$21,098,961, and the amount invested in the State Pool was \$25,254,621. As of December 31, 2010, the carrying amount of deposits was \$23,315,138, and the amount invested in the State Pool was \$23,598,321.

All PTBA deposits are either insured or collateralized. The PTBA's insured deposits are covered by the Federal Depository Insurance Corporation (FDIC). Collateral protection is provided by the Washington Public Deposit Protection Commission (PDPC). The PDPC, created by the Legislature per Chapter 39.58 of the Revised Code of Washington, constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC's agent in the name of the collateral pool.

### C. Investments

As of December 31, 2011, the PTBA had \$25,254,621 invested with the Washington State LGIP. The amount invested as of December 31, 2010, was \$23,598,321. The LGIP is considered extremely low risk. The pool is operated in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk. The pool's portfolio is made up of high-quality, highly liquid securities, and its relatively short average maturity reduces the pool's price sensitivity to market interest rate fluctuations. The pool also has a strong degree of asset diversification to minimize risk and maintain adequate rates of return.

All LGIP deposits are either insured or are protected by collateral held on behalf of the Washington Public Deposit Protection Commission. The operating rules of the Washington State Treasurer's LGIP require the full collateralization of all deposits. The PTBA does not have a policy for custodial credit risk.

The pool is managed and operated by the Office of the State Treasurer for the state of Washington. The LGIP publishes an annual report, which is on the Internet at the Treasurer's Web site (<http://tre.wa.gov>). As of the most recent report date, June 30, 2011, fair value approximated amortized cost. It is the policy of the LGIP to permit participants to withdraw their investments on a daily basis; therefore, the PTBA's investment balance in the pool is equal to fair value. The net annualized rate of return for the year 2011 for LGIP investments was 0.23 percent; for the month of December 2011, net annualized rate of return was 0.13 percent.

The PTBA possesses five CDs which are on deposit at Umpqua Bank. Umpqua Bank, as a PDPC approved bank, is subject to requirements to

either fully insure or fully collateralize all public deposits. The PDPC requirements ensure that the PTBA's custodial risk in regards to these investments is substantially reduced.

#### D. Investment Risks

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The PTBA manages exposure to declines in fair values from interest rates by limiting the weighted average maturity of its investment portfolio to maturities that will fulfill the cash flow needs. The portfolio is managed in a manner that ensures sufficient cash is available to meet anticipated cash flow needs, based on historical information.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Washington State Investment Pool, a 2a7-like pool, is unrated. To limit risk, Washington State law limits the amount of the portfolio invested in commercial paper, banker's acceptances, and corporate bonds.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The PTBA is invested significantly in Certificates of Deposit with Umpqua Bank. The five CDs comprise a total investment of \$20,586,111 at December 31, 2011, which is 44.4 percent of total investments at year end.

**Custodial Risk** is the risk that in the event of a failure of the counterparty to an investment transaction, by the insolvency, negligence, or fraudulent action of the custodian, the PTBA would not be able to recover the value of the investment or collateral securities. The Washington State Investment Pool limits risk by designating approved depositories as sole recipients of the pool funds, the delivery versus payment basis of purchase of securities, and use of independent, third party custodians for safekeeping of the funds.

### NOTE 3. RECEIVABLES

Receivables are reported net of the allowance for uncollectible amounts.

	December 31, 2011	December 31, 2010	December 31, 2009
Accounts	\$327,686	\$261,760	\$358,151
Allowance for Uncollectibles	(1,517)	(13,764)	(5,065)
Sales Tax	4,119,000	3,968,618	3,823,000
Interest	51,604	48,723	144,139
Operating Grants from Federal	469,085	946,053	1,214,155
Operating Grants from State	67,968	372,687	122,165
Capital Contribution from Non Govt Entity	0	0	0
Capital Grants from State	0	0	0
Capital Grants from Federal	500,595	1,420,695	1,108,659
Total Net Receivables	<u>\$5,534,421</u>	<u>\$7,004,772</u>	<u>\$6,765,204</u>

### NOTE 4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

### NOTE 5. DESIGNATION OF INVESTMENTS

In September 2009, the Board of Directors designated a special fund to provide the funds to carry out the capital program as adopted in the budget. The Board of Directors also reconfirmed the designation of a special fund to provide the ability to settle large claims.

Investments have been designated by the Board of Directors in 2010 and 2011 for the following purposes and amounts:

Purpose	Investment			Investment
	Balance Dec. 31, 2010	Increase	Decrease	Balance Dec. 31, 2011
Designated for Capital Program	\$16,003,324	\$0	(\$470,084)	\$15,533,240
Designated for Retained Risks	3,000,000	0	0	3,000,000
Designated for Dental Self Insurance	34,883	0	0	34,883
Total Designated	<u>\$19,038,207</u>	<u>\$0</u>	<u>(\$470,084)</u>	<u>\$18,568,123</u>

Purpose	Investment			Investment
	Balance	Increase	Decrease	Balance
	Dec. 31, 2009			Dec. 31, 2010
Designated for Capital Program	\$17,400,919	\$0	(\$1,397,595)	\$16,003,324
Designated for Retained Risks	3,000,000	0	0	3,000,000
Designated for Dental Self Insurance	0	34,883	0	34,883
Total Designated	\$20,400,919	\$34,883	(\$1,397,595)	\$19,038,207

## NOTE 6. CAPITAL ASSETS AND DEPRECIATION

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. All capital assets are valued at historical cost.

The PTBA has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the PTBA has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable account.

The original cost of operating property retired or otherwise disposed of and the cost of installation, less salvage, is charged to accumulated depreciation. However, in the case of the sale of a significant operating unit or system, the original cost is removed from the PTBA asset accounts, accumulated depreciation is charged with the accumulated depreciation related to the property sold, and the net gain or loss on disposition is credited or charged to income.

An allowance for funds used during construction is capitalized as part of the cost of the asset. The procedure is intended to remove the cost of financing construction activity from the operating statements and to treat such cost in the same manner as construction labor and material costs.

Depreciation expense is charged to operations to allocate the cost of capital assets over their estimated useful lives, using the straight-line depreciation method with useful lives of 5 to 40 years.

A summary of changes in capital assets during 2011 follows:

Description	Balance			Balance
	December 31, 2010	Increases	Decreases	
Capital assets not being depreciated:				
Work In Progress	\$1,716,909	\$1,363,396	(\$519,505)	\$2,560,800
Land	15,357,558	0	0	15,357,558
Total capital assets not being depreciated	17,074,467	1,363,396	(519,505)	17,918,358
Depreciable capital assets:				
Vehicles	47,815,443	0	(1,249,114)	46,566,329
Building and structures	8,458,177	0	0	8,458,177
Equipment and furnishings	15,774,165	576,803	(5,251)	16,345,717
Land Improvements	18,794,129	0	0	18,794,129
Total depreciable capital assets at cost	90,841,914	576,803	(1,254,365)	90,164,352
Less accumulated depreciation for:				
Vehicles	(23,667,061)	(3,713,706)	1,220,066	(26,160,701)
Building and structures	(3,494,863)	(224,715)	0	(3,719,578)
Equipment and furnishings	(9,516,987)	(1,554,898)	5,251	(11,066,634)
Land Improvements	(6,264,164)	(597,404)	0	(6,861,567)
Total accumulated depreciation	(42,943,075)	(6,090,722)	1,225,317	(47,808,480)
Depreciable capital assets, net	47,898,839	(5,513,919)	(29,048)	42,355,872
Total capital assets, net	\$64,973,306	(\$4,150,523)	(\$548,553)	\$60,274,229

Description	Balance			Balance
	December 31, 2009	Increases	Decreases	
Capital assets not being depreciated:				
Work In Progress	\$1,766,985	\$7,041,933	(\$7,092,009)	\$1,716,909
Land	15,357,558	0	0	15,357,558
Total capital assets not being depreciated	17,124,543	7,041,933	(7,092,009)	17,074,467
Depreciable capital assets:				
Vehicles	45,535,249	5,108,141	(2,827,947)	47,815,443
Building and structures	8,458,177	0	0	8,458,177
Equipment and furnishings	13,756,259	2,017,906	0	15,774,165
Land Improvements	18,794,129	0	0	18,794,129
Total depreciable capital assets at cost	86,543,814	7,126,047	(2,827,947)	90,841,914
Less accumulated depreciation for:				
Vehicles	(22,890,701)	(3,474,436)	2,698,076	(23,667,061)
Building and structures	(3,269,065)	(225,798)	0	(3,494,863)
Equipment and furnishings	(8,063,260)	(1,453,727)	0	(9,516,987)
Land Improvements	(5,673,381)	(590,783)	0	(6,264,164)
Total accumulated depreciation	(39,896,408)	(5,744,744)	2,698,076	(42,943,075)
Depreciable capital assets, net	46,647,406	1,381,303	(129,871)	47,898,839
Total capital assets, net	\$63,771,949	\$8,423,236	(\$7,221,879)	\$64,973,306



## NOTE 7. LEASE COMMITMENTS

The PTBA is committed under various leases for space and equipment. All leases are considered operating leases for accounting purposes because the PTBA does not acquire interests in the property. Lease expenses for the year ended December 31, 2011, totaled \$296,353. Lease expenses for the year ended December 31, 2010, totaled \$231,332. Future minimum rental commitments for leases are as follows:

Year	Amount
2012	\$85,400
2013	88,158
2014	90,510
2015	21,787
2016	7,935
2017-2022	5,132
	<u>\$298,922</u>

## NOTE 8. PENSION PLANS

Substantially all of the PTBA's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, PO Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS Web site at [www.drs.wa.gov](http://www.drs.wa.gov). The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

### A. Public Employees' Retirement System (PERS) Plans 1, 2, and 3

#### Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement System); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS Retirement benefit provisions are established in Chapters 41.34 and 41.4 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977, and by either, February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (The AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased three percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as

long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost of living allowance is granted at age 66 based upon years of service times the COLA amount. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (The AFC is the monthly average of the 60 consecutive highest-paid service months)

PERS Plan 2 members who have at least 20 years of service credit and who are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a monthly

benefit that is one percent of the AFC per year of service (AFC is the monthly average of the 60 consecutive highest-paid service months.).

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if 12 months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten years service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years, and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65, or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provided disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the PFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65 and to reflect the choice of a survivor option. There is no cap on years of service credit, and the cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be

purchased by paying the required contributions. Effective July 24, 2005, members who become totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also pursue up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time, duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

There are 2,326 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Members Nonvested	51,005
<b>Total</b>	<b><u>262,285</u></b>

### Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS

Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	7.25%**	7.25%**	7.25%***
Employee	6.00%****	4.64%****	*****

\* The employer rates include the employer administrative expense fee currently set at 0.16 percent.

\*\* The employer rate for state elected officials is 10.80 percent for Plan 1 and 7.25 percent for Plan 2 and Plan 3.

\*\*\* Plan 3 defined benefit portion only.

\*\*\*\* The employee rate for state-elected officials is 7.50 percent for Plan 1 and 4.64 percent for Plan 2.

\*\*\*\*\* Variable from 5.0 percent minimum to 15.0 percent maximum based on rate selected by the PERS 3 member.

Both PTBA and the employees made the required contributions. The PTBA's required contributions for the years ended December 31 were as follows:

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
2011	\$28,385.78	\$1,021,401.46	\$191,316.74
2010	\$37,859.17	\$873,708.12	\$148,312.34
2009	\$50,863.95	\$1,138,525.38	\$180,110.31

## B. Deferred Compensation Plan

The PTBA offers employees the option of participating in a deferred compensation plan under the provisions of the Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with the Small Business Job Protection Act of 1996, the assets of the Plan are held in a trust for the exclusive benefit of the participants. Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA CREF) is the third-party administrator and manages the 19 investment options available.

### **NOTE 9. RISK MANAGEMENT**

The Washington State Transit Insurance Pool (WSTIP) was formed by Interlocal Agreement on January 1, 1989, pursuant to Chapters 48.61 and 39.34 RCW. The purpose for forming WSTIP was to provide member transit systems programs of joint self-insurance, joint purchasing of insurance, and joint contracting for hiring of personnel to provide risk management, claims handling and administrative services. Transit authorities joining the Pool must remain members for a minimum of 36 months; a member may withdraw from the Pool after that time by giving 12 months notice. Any member who withdraws will not be allowed to rejoin the Pool for a period of 36 months. Transit authorities applying for membership in the Pool may do so on approval of a simple majority vote of the Board of the Pool. The Pool underwriting and rate-setting policies have been established after consultation with actuaries. The Pool members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Pool were to be exhausted, members would be responsible for the Pool's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited yearly by the Washington State Auditor. The PTBA joined WSTIP on January 1, 2011.

<b>Risk</b>	<b>Carrier</b>	<b>Coverage</b>
Comprehensive General Liability	WSTIP	\$12,000,000 each occurrence with no deductible
Auto Liability, Garage Keepers, & Garage Legal Liability	WSTIP	\$12,000,000 each occurrence with no deductible
Public Official Liability	WSTIP	\$12,000,000 each occurrence with \$5,000 deductible
Crime Coverage/Public Employee Dishonesty	WSTIP	\$1,000,000 each occurrence with \$10,000 deductible
Property Damage Insurance: Property-Building, Personal & Auto Physical (all vehicles)	WSTIP	\$350,000,000 blanket limit with \$10,000 deductible
Boiler & Machinery	WSTIP	\$100,000,000 blanket limit with \$10,000 deductible
Felonious Assault	Chubb	\$100,000 per accident

Between December 22, 1985, and December 31, 2010, the PTBA did not purchase any auto liability coverage. As a public transportation operator, most of the PTBA's risk exposure is in the operation of its fleet of transit coaches. For 2010 and prior incidents, claims expense and related liabilities were established if information indicates that it is probable a liability has been incurred as of the date of the financial statements, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2011, the amount of this liability estimate was \$483,125. At December 31, 2010, the amount of this liability estimate was \$751,875. This liability is the PTBA's best estimate based upon available information.

Changes in the reported liability since January 1, 2008, resulted from the following:



	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Unpaid claims and claims adjustment expenses as of January 1	\$751,875	\$525,938	\$272,242	\$338,125
Unpaid claims and claims adjustment expenses (including IBNR) as of December 31:				
Provision for current year events	0	154,516	205,412	85,519
Increases (decreases) in provision for prior years' events	(130,046)	205,031	226,358	(90,484)
Total incurred claims and claims adjustment expenses	(130,046)	359,546	431,770	(4,964)
Payments:				
Claims and claims adjustment expenses attributable to current year events	0	7,016	45,733	32,652
Claims and claims adjustment expenses attributable to prior year events	138,704	126,593	132,341	28,266
Total payments	138,704	133,609	178,074	60,919
Total unpaid claims and claims adjustment expenses as of December 31	<u>\$483,125</u>	<u>\$751,875</u>	<u>\$525,938</u>	<u>\$272,242</u>

All liabilities are estimates for which the lowest amount in a range of probable losses has been accrued, because no amount within that range is a better estimate of loss. No further discounting of the estimate is made to account for inflation, which may occur prior to settlement. All claims that have been settled have been paid in full thus far. Given the nature of ranges, it is possible the final settlement of all claims may be a multiple of the recorded liability. As discussed in Note 5, as of December 31, 2011, the Board of Directors designated \$3,000,000 of investments to pay these and future claims.

The PTBA maintains an excess liability insurance policy for claims prior to December 31, 2010, which provides coverage for claims in excess of \$2,000,000. The Board of Directors has authorized the designation of \$3,000,000 of investments for retention of the excess liability policy of \$2,000,000 and to meet the self-insurance requirements for the underground storage tank farm of \$1,000,000. The \$2,000,000 excess liability policy is anticipated to end in 2014.

The PTBA also carries a reserve for dental self insurance of \$34,883 as required by the corresponding program. The PTBA contracts with a third party administrator to manage its insurance claims. The claims are reported to the PTBA when reimbursed.

The PTBA also retains all liability for unemployment compensation claims as administered by the Washington State Employment Security Department. Workers' compensation claims are insured with the Washington State Department of Labor and Industries.

## **NOTE 10. CAPITAL CONTRIBUTIONS**

As a part of the capital program, the PTBA has received grants from FTA, as well as contributions from the Department of Homeland Security, the Washington State Department of Transportation, the City of Vancouver, and private sources. All capital grants and contributions are in the form of cash, which is then used to purchase capital assets. These grants and donations are recorded as capital contributions when earned.

The following two tables include an analysis of the capital contributions activity for 2011 and 2010:

Source	Balance Dec. 31, 2010	Grants Received	Refunded	Disposed	Balance Dec. 31, 2011
WA-03-0018	\$43,710			(2,090)	\$41,620
WA-03-0041	69,507			(69,507)	0
WA-03-0042	3,292,044			(234,808)	3,057,236
WA-03-0056	43,841			(43,841)	0
WA-03-0146	6,627,017				6,627,017
WA-03-0184	2,557,565				2,557,565
WA-03-0193	2,884,272				2,884,272
WA-04-0035	480,200				480,200
WA-05-0015	235,824			(168,138)	67,686
WA-05-0018	707,970			(35,198)	672,772
WA-05-0032	676,671			(2,499)	674,172
WA-26-0007	827,318				827,318
WA-26-0014	1,552,081	63,595			1,615,676
WA-39-0004	0	615,871			615,871
WA-77-0003	1,315,698	171,914			1,487,612
WA-90-0006	163,334			(41,760)	121,574
WA-90-0021	47,516			(29,023)	18,493
WA-90-0044	571,553			(86,454)	485,099
WA-90-0049	483,097			(44,018)	439,079
WA-90-0068	248,845			(77,160)	171,685
WA-90-0081	145,978			(78,031)	67,947
WA-90-0093	338,932			(257,129)	81,803
WA-90-0117	12,694			(12,694)	0
WA-90-0129	11,909			(11,909)	0
WA-90-0139	774,450			(341,205)	433,245
WA-90-0150	558,954			(316,640)	242,314
WA-90-0158	2,659,584			(382,609)	2,276,975
WA-90-0184	3,443,556			(211,500)	3,232,056
WA-90-0198	206,568			(9,326)	197,242
WA-90-0217	6,368,853			(41,484)	6,327,369
WA-90-0255	4,565,030				4,565,030
WA-90-0267	800,000				800,000
WA-90-0275	4,181,393				4,181,393
WA-90-0335	111,184			(31,316)	79,868
WA-90-0339	190,000				190,000
WA-90-0361	4,119,017				4,119,017
WA-90-0404	8,014,627				8,014,627
WA-95-0010	2,035,800				2,035,800
WA-95-0014	23,895			(23,895)	0
WA-95-0034	629,000				629,000
WA-96-0008	3,378,775	99,229			3,478,004
06-071	142,138				142,138
06-083	150,000				150,000
Federal Government	65,690,400	950,609	0	(2,552,234)	64,088,775
GCA5900	458,552			(48,526)	410,026
G0700026	844,006				844,006
GCA4931	600,000				600,000
State Government	1,902,558	0	0	(48,526)	1,854,032
Local Govt.	495,145				495,145
CGA 1529	86,000				86,000
Local Govt Capital Grants	581,145	0	0	0	581,145
Non Govt Grants & Donations	927,982				927,982
Total Contributed Capital	\$69,102,085	\$950,609	\$0	(\$2,600,760)	\$67,451,934

Source	Balance	Grants	Refunded	Disposed	Balance
	Dec. 31, 2009	Received			Dec. 31, 2010
WA-03-0018	\$43,710				\$43,710
WA-03-0041	69,507				69,507
WA-03-0042	3,292,044				3,292,044
WA-03-0056	43,841				43,841
WA-03-0146	6,627,017				6,627,017
WA-03-0184	2,557,565				2,557,565
WA-03-0193	2,884,272				2,884,272
WA-04-0035	0	480,200			480,200
WA-05-0015	235,824				235,824
WA-05-0018	707,970				707,970
WA-05-0032	676,671				676,671
WA-26-0007	827,318				827,318
WA-26-0014	1,507,444	44,637			1,552,081
WA-77-0003	0	1,315,698			1,315,698
WA-90-0006	163,334				163,334
WA-90-0021	47,516				47,516
WA-90-0044	571,553				571,553
WA-90-0049	483,097				483,097
WA-90-0068	248,845				248,845
WA-90-0081	145,978				145,978
WA-90-0093	338,932				338,932
WA-90-0117	126,351			(113,657)	12,694
WA-90-0129	54,474			(42,565)	11,909
WA-90-0139	1,352,908			(578,458)	774,450
WA-90-0150	558,954				558,954
WA-90-0158	3,296,313			(636,729)	2,659,584
WA-90-0184	3,605,819			(162,263)	3,443,556
WA-90-0198	496,918			(290,350)	206,568
WA-90-0217	6,432,433			(63,580)	6,368,853
WA-90-0255	4,565,030				4,565,030
WA-90-0267	800,000				800,000
WA-90-0275	4,181,393				4,181,393
WA-90-0335	138,995			(27,811)	111,184
WA-90-0339	190,000				190,000
WA-90-0361	3,511,244	607,773			4,119,017
WA-90-0404	6,800,372	1,214,255			8,014,627
WA-95-0010	1,981,059	54,741			2,035,800
WA-95-0014	23,895				23,895
WA-95-0034	0	629,000			629,000
WA-96-0008	1,695,943	1,682,832			3,378,775
06-071	142,138				142,138
06-083	150,000				150,000
Federal Government	61,576,677	6,029,136	0	(1,915,413)	65,690,400
GCA5900	652,656			(194,104)	458,552
G0700026	844,006				844,006
GCA4931	600,000				600,000
State Government	2,096,662	0	0	(194,104)	1,902,558
Local Govt.	495,145				495,145
CGA 1529	86,000				86,000
Local Govt Capital Grants	581,145	0	0	0	581,145
Non Govt Grants & Donations	927,982				927,982
Total Contributed Capital	\$65,182,466	\$6,029,136	\$0	(\$2,109,517)	\$69,102,085

## NOTE 11. GRANT ACTIVITY

The PTBA is a recipient of grants from the United States Department of Transportation (DOT). All open grants are allocations funded by the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Funds are drawn from these grants for the grant eligible expenditures as they occur.

The following two tables show open federal grant activity during 2011 and 2010:

CFDA No.	Federal ID	Total Award Amount	Balance at Dec. 31, 2010	2011 Awards & Amendments	2011 Grant	
					Revenues & Expenditures	Balance at Dec. 31, 2011
20.507	WA-04-0058	\$3,130,800	\$0	\$3,130,800	\$0	\$3,130,800
20.507	WA-26-0014	1,378,531	1,248,779	0	63,595	1,185,184
20.507	WA-37-X038	159,731	9,077	0	9,077	0
20.507	WA-37-X040	152,721	0	152,721	152,721	0
20.507	WA-37-X048	152,492	0	152,492	11,316	141,176
20.507	WA-39-0004	1,704,500	0	1,704,500	615,871	1,088,629
20.507	WA-57-X009	173,995	117,463	0	33,067	84,396
20.507	WA-57-X012	97,477	97,477	0	0	97,477
20.507	WA-90-X335	3,858,186	4,728	0	4,728	0
20.507	WA-90-X361	4,162,759	42,080	0	0	42,080
20.507	WA-90-X404	8,054,096	39,469	0	26,904	12,565
20.507	WA-90-X434	4,191,048	380	0	380	0
20.507	WA-90-X460	4,375,989	424,633	0	380,874	43,759
20.507	WA-90-X489	4,698,637	0	4,698,637	4,354,725	343,912
20.507	WA-95-X014	344,000	305,331	0	22,542	282,789
20.507	WA-95-X019	398,000	319,068	0	11,979	307,089
20.507	WA-95-X025	390,000	41,115	0	31,716	9,399
20.507	WA-95-X034	2,063,000	1,434,000	0	0	1,434,000
20.507	WA-95-X051	2,063,000	0	1,100,000	0	1,100,000
20.507	WA-96-X008	5,787,908	218,020	0	138,401	79,619
20.523	WA-77-0003	1,500,000	176,540	0	172,235	4,305
97.008	10-170	15,000	0	15,000	15,000	0
97.036	011-U6XY4-00	107,589	0	100	100	0
Total		\$48,959,459	\$4,478,160	\$10,954,250	\$6,045,231	\$9,387,179

CFDA No.	Federal ID	Total Award Amount	Balance at Dec. 31, 2009	2010 Grant		
				2010 Awards & Amendments	Revenues & Expenditures	Balance at Dec. 31, 2010
20.507	WA-03-0193	\$2,912,620	\$17,945	\$0	\$17,945	\$0
20.507	WA-04-0035	480,200	480,200	0	480,200	0
20.507	WA-26-0014	1,378,531	1,293,416	0	44,637	1,248,779
20.507	WA-37-X033	284,720	21,790	0	21,790	0
20.507	WA-37-X038	159,731	0	159,731	150,654	9,077
20.507	WA-57-X009	173,995	154,230	0	36,767	117,463
20.507	WA-57-X012	97,477	97,477	0	0	97,477
20.507	WA-90-X295	3,081,093	11,518	0	11,518	0
20.507	WA-90-X335	3,858,186	51,280	0	46,552	4,728
20.507	WA-90-X361	4,162,759	651,515	0	609,435	42,080
20.507	WA-90-X404	8,054,096	1,253,724	0	1,214,255	39,469
20.507	WA-90-X434	4,191,048	457,544	0	457,164	380
20.507	WA-90-X460	4,375,989	0	4,375,989	3,951,356	424,633
20.507	WA-95-X010	2,035,800	54,741	0	54,741	0
20.507	WA-95-X014	344,000	320,105	0	14,774	305,331
20.507	WA-95-X019	398,000	365,759	0	46,691	319,068
20.507	WA-95-X025	390,000	81,355	0	40,240	41,115
20.507	WA-95-X034	2,063,000	2,063,000	0	629,000	1,434,000
20.507	WA-96-X008	5,787,908	2,330,248	0	2,112,228	218,020
20.523	WA-77-0003	1,500,000	0	1,500,000	1,323,460	176,540
97.008	06-071	50,118	0	0	0	0
97.036	011-U6XY4-00	107,489	0	2,378	2,378	0
<b>Total</b>		<b>\$45,886,760</b>	<b>\$9,705,847</b>	<b>\$6,038,098</b>	<b>\$11,265,785</b>	<b>\$4,478,160</b>

The PTBA has received grants from state and local agencies as follows:

Grantor Agency	Program Name	Other ID	Total Award Amount	2011 Grant			
				Balance at Dec. 31, 2010	Awards & Amendments	Revenues & Expenditures	Balance at Dec. 31, 2011
Washington State Dept. of Transportation	Columbia River Crossing Project	GCA6304	\$410,541	\$33,756	(\$33,756)	\$0	\$0
Washington State Dept. of Transportation	Columbia River Crossing Project	GCA6618	260,352	46,304	117,723	129,831	34,196
Washington State Dept. of Transportation	Regional Mobility Grant - Expanded Commuter Service	GCA6128	578,496	93,082	0	93,082	0
Washington State Dept. of Transportation	Paratransit/Special Needs Transit Formula	GCA6158	1,033,124	452,644	0	452,644	0
Washington State Dept. of Transportation	Paratransit/Special Needs Transit Formula	GCA6817	952,285	0	952,285	0	952,285
Washington State Transportation Insurance Pool	Risk Management Grant	WSTIP- 2011	2,500	0	2,500	2,500	0
<b>TOTAL</b>			<b>\$3,237,298</b>	<b>\$625,786</b>	<b>\$1,038,752</b>	<b>\$678,057</b>	<b>\$986,481</b>

<b>Grantor Agency</b>	<b>Program Name</b>	<b>Other ID</b>	<b>Total Award Amount</b>	<b>Balance at Dec. 31, 2009</b>	<b>2010 Grant Awards &amp; Amendments</b>	<b>2010 Grant Revenues &amp; Expenditures</b>	<b>Balance at Dec. 31, 2010</b>
Washington State Dept. of Transportation	Columbia River Crossing Project	GCA6304	\$410,541	\$96,815	\$70,000	\$133,059	\$33,756
Washington State Dept. of Transportation	Columbia River Crossing Project	GCA6618	142,629	0	142,629	96,325	46,304
Washington State Dept. of Transportation	Regional Mobility Grant - Expanded Commuter Service	GCA6128	578,496	405,600	0	312,518	93,082
Washington State Dept. of Transportation	Paratransit/Special Needs Transit Formula	GCA6158	1,033,124	1,033,124	0	580,480	452,644
Washington State Dept. of Transportation	Vanpool Investment Program	GCA5900	676,000	15,189	(15,189)	0	0
<b>TOTAL</b>			<b>\$2,840,790</b>	<b>\$1,550,728</b>	<b>\$197,440</b>	<b>\$1,122,382</b>	<b>\$625,786</b>

In 2011, of the total \$6,723,288 of grant revenues, \$5,772,679 was available to finance operating expenses and \$950,609 was available for capital contributions. In 2010, of the total \$12,383,167 of grant revenues, \$6,359,031 was available to finance operating expenses and \$6,029,136 was available for capital contributions.



**Statistical**





**CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA  
(C-TRAN)**

**STATISTICAL SECTION**

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

**CONTENTS**

**PAGE**

**Financial Trends:** These schedules contain trend information to help the reader understand how the PTBA's financial performance and well-being have changed over time.

- Net Assets 60
- Changes in Net Assets 61

**Revenue Capacity:** These schedules contain information to help the reader assess the PTBA's most significant local revenue source, the sales tax.

- Taxable Sales by Category 62
- Direct and Overlapping Sales Tax Rates 63

**Demographic and Economic Information:** These schedules offer demographic and economic indicators to help the reader understand the environment within which the PTBA's financial activities take place.

- Demographic and Economic Statistics 64
- Principal Employers 65

**Operating Information:** This schedule contains service and infrastructure data to help the reader understand how the information in the PTBA's financial report relates to the services the PTBA provides and the activities it performs.

- Operating Information 66

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CLARK COUNTY PTBA**

*NET ASSETS*

*Last Ten Fiscal Years  
(accrual basis of accounting)*

	<b>Fiscal Year</b>									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
NET ASSETS										
Invested in capital assets	\$60,274,229	\$64,973,306	\$63,771,949	\$62,974,281	\$51,585,761	\$43,751,089	\$43,936,168	\$46,001,466	\$45,215,891	\$35,333,196
Restricted for capital assets	82,123	61,200	61,200	61,200	-	-	-	-	-	-
Unrestricted	47,479,221	49,717,245	51,323,807	54,637,315	62,596,956	60,869,695	58,349,922	57,905,473	62,937,248	71,428,623
<b>TOTAL NET ASSETS</b>	<b>\$107,835,573</b>	<b>\$114,751,751</b>	<b>\$115,156,956</b>	<b>\$117,672,796</b>	<b>\$114,182,717</b>	<b>\$104,620,784</b>	<b>\$102,286,090</b>	<b>\$103,906,939</b>	<b>\$108,153,139</b>	<b>\$106,761,819</b>

## CLARK COUNTY PTBA

### CHANGES IN NET ASSETS

**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>										
Fixed Route	\$35,303,448	\$33,198,647	\$33,247,083	\$32,271,700	\$28,255,489	\$26,182,380	\$24,935,117	\$24,637,761	\$23,816,701	\$22,638,308
Demand Responses	8,719,876	8,683,601	8,429,088	9,000,526	8,067,501	7,108,788	5,524,843	5,561,804	4,671,327	4,487,217
Vanpool	188,252	225,455	399,493	0	0	0	\$26,488	103,957	145,111	166,840
Rideshare	0	0	0	0	0	0	30,709	109,697	196,741	161,745
<b>Total Operating</b>	<b>44,211,576</b>	<b>42,107,703</b>	<b>42,075,664</b>	<b>41,272,226</b>	<b>36,322,990</b>	<b>33,291,168</b>	<b>30,517,157</b>	<b>30,413,219</b>	<b>28,829,880</b>	<b>27,454,110</b>
HCT Studies	156,874	186,812	177,484	118,763	53,131	52,172	0	0	0	0
Vanpool	0	0	0	150,864	0	0	0	0	0	0
Road Contributions	39,723	8,324	101,509	8,100	18,981	0	10,000	183,000	22,500	20,000
Gains (Loss) on Sale of Capital Assets	11,048	81,772	38,586	(25,881)	8,400	147,426	(7,100)	(12,536)	0	0
<b>Total Expenses</b>	<b>\$44,419,220</b>	<b>\$42,384,611</b>	<b>\$42,393,243</b>	<b>\$41,524,072</b>	<b>\$36,403,502</b>	<b>\$33,490,766</b>	<b>\$30,520,057</b>	<b>\$30,583,683</b>	<b>\$28,852,380</b>	<b>\$27,474,110</b>
<b>Operating Revenues</b>										
Passenger Fares	\$7,323,984	\$6,802,151	\$6,575,758	\$6,126,288	\$5,221,971	\$4,786,044	\$4,568,676	\$3,806,500	\$3,645,554	\$3,591,053
Other Transit Revenue	369,332	375,176	363,211	488,027	361,393	286,994	211,018	283,698	308,506	116,532
<b>Total Operating Revenues</b>	<b>\$7,693,316</b>	<b>\$7,177,327</b>	<b>\$6,938,969</b>	<b>\$6,614,315</b>	<b>\$5,583,364</b>	<b>\$5,073,038</b>	<b>\$4,779,694</b>	<b>\$4,090,198</b>	<b>\$3,954,060</b>	<b>\$3,707,585</b>
<b>Nonoperating Revenues</b>										
Taxes										
Sales Tax	\$22,724,638	\$22,008,102	\$21,179,904	\$24,256,571	\$25,852,664	\$26,086,132	\$16,287,514	\$14,583,396	\$12,972,872	\$11,939,105
Interest Income	296,650	388,556	528,076	1,560,755	3,103,071	2,970,928	1,859,591	909,253	1,036,272	2,156,009
Other Nonoperating Revenues	65,150	17,254	37,482	12,031	12,060	7,548	10,937	13,331	13,874	2,859
Commute Trip Reduction Grants	0	0	0	0	0	0	0	78,213	130,643	47,253
State Assistance	678,057	1,122,382	540,168	672,552	732,861	517,505	572,999	485,532	135,980	0
Federal Assistance	5,094,622	5,236,649	6,139,019	1,052,852	191,776	486,303	3,835,477	3,070,477	3,091,163	3,027,319
Capital Grants - FTA Grants	950,609	6,029,136	4,059,139	10,220,755	8,698,860	684,006	1,552,996	3,107,083	8,908,836	511,383
Capital Grants - State Grants	0	0	454,646	624,320	942,779	0	0	0	0	0
Capital Grants - Non Govt	0	0	0	0	848,000	0	0	0	0	0
<b>Total General Revenues</b>	<b>\$29,809,726</b>	<b>\$34,802,079</b>	<b>\$32,938,434</b>	<b>\$38,399,836</b>	<b>\$40,382,071</b>	<b>\$30,752,422</b>	<b>\$24,119,514</b>	<b>\$22,247,285</b>	<b>\$26,289,640</b>	<b>\$17,683,928</b>
<b>Change in Net Assets</b>	<b>(\$6,916,178)</b>	<b>(\$405,205)</b>	<b>(\$2,515,840)</b>	<b>\$3,490,079</b>	<b>\$9,561,933</b>	<b>\$2,334,694</b>	<b>(\$1,620,849)</b>	<b>(\$4,246,200)</b>	<b>\$1,391,320</b>	<b>(\$6,082,597)</b>

**CLARK COUNTY PTBA**  
**TAXABLE SALES BY CATEGORY**

*Last Ten Calendar Years*  
*(in thousands of dollars)*

<b>CATEGORY</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Building Materials and Hardware	\$194,657	\$201,121	\$186,642	\$215,533	\$262,694	\$285,649	\$298,695	\$254,719	\$204,679	\$168,550
General Merchandise	546,385	543,235	537,552	529,772	539,986	539,559	505,739	434,142	382,657	237,315
Food	231,341	237,401	226,108	224,663	223,368	210,783	200,931	181,466	178,158	298,999
Auto Dealers/Gas Stations	404,959	382,092	361,522	416,687	494,502	492,850	480,696	425,559	409,830	384,490
Apparel/Accessories	110,235	108,468	106,082	118,429	126,248	114,125	95,389	85,153	79,222	67,448
Furniture/Furnishings	131,262	115,262	115,040	133,424	143,163	128,325	113,071	102,645	93,869	82,423
Eating/Drinking Places	483,583	466,858	453,962	465,489	460,920	435,273	397,013	342,254	316,666	293,787
Misc. Retail Stores	281,904	273,191	263,786	292,753	309,191	287,257	243,582	238,388	221,151	213,552
Services	373,083	349,639	350,557	365,961	392,473	361,902	343,041	394,481	368,307	375,750
Contracting	629,133	574,319	533,000	912,393	1,016,443	1,145,695	1,054,513	871,035	740,443	688,678
Manufacturing	60,056	60,126	69,641	95,853	118,614	119,642	114,312	97,915	87,869	79,310
Transportation, Communication and Utilities	296,236	275,411	253,431	258,833	253,275	233,601	231,804	200,726	197,868	195,845
Wholesaling	266,437	258,722	260,744	321,783	316,694	311,516	304,110	292,124	299,687	281,956
Finance, Insurance, and Real Estate	116,676	124,860	135,963	154,293	156,679	163,735	167,734	81,805	91,018	76,180
Other Business	71,385	65,622	39,017	43,068	35,492	36,864	30,605	60,990	52,251	45,938
<b>TOTAL RETAIL SALES</b>	<b>\$4,197,332</b>	<b>\$4,036,328</b>	<b>\$3,893,047</b>	<b>\$4,548,933</b>	<b>\$4,849,743</b>	<b>\$4,866,777</b>	<b>\$4,581,236</b>	<b>\$4,063,402</b>	<b>\$3,723,675</b>	<b>\$3,490,221</b>
Sales Tax at Applicable Rate (0.5%):	20,987	20,182	19,465	22,745	\$24,249	\$24,334	\$13,744	\$12,190	\$11,171	\$10,471
<small>(Note: Effective 2006 Tax Rate Increased from Prior Rate of 0.3%)</small>										
Sales and Use Tax Revenue	22,725	22,008	21,180	24,257	\$25,853	\$26,086	\$16,288	\$14,583	\$12,973	\$11,939
Percent of Tax from Retail Sales (Balance is from Use Tax)	92.4%	91.7%	91.9%	93.8%	93.8%	93.3%	84.4%	83.6%	86.1%	87.7%

Source: Quarterly Business Review, Washington Department of Revenue.

**CLARK COUNTY PTBA**  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Direct PTBA Sales Tax Rate</b>		<b>Other Local Sales Tax Rate</b>		<b>State Sales Tax Rate</b>		<b>Total Sales Tax Rate</b>	
2011	0.5	%	1.2	%	6.5	%	8.2	%
2010	0.5		1.2		6.5		8.2	
2009	0.5		1.2		6.5		8.2	
2008	0.5		1.2		6.5		8.2	
2007	0.5		1.2		6.5		8.2	
2006	0.5		1.1		6.5		8.1	
2005	0.3		0.9		6.5		7.7	
2004	0.3		0.9		6.5		7.7	
2003	0.3		0.9		6.5		7.7	
2002	0.3		0.9		6.5		7.7	

Local rate based on City of Vancouver and Urban Growth Boundry.

**CLARK COUNTY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
*Last Ten Calendar Years*

<b>Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2011	428,000	not available	not available	12.4%
2010	425,363	15,677,813	36,715	14.0%
2009	431,200	15,131,577	35,027	13.2%
2008	424,200	15,520,101	36,547	7.1%
2007	415,000	14,733,160	35,360	5.6%
2006	403,500	13,750,478	33,691	5.7%
2005	391,500	12,832,816	32,118	6.4%
2004	383,300	11,823,627	30,383	7.4%
2003	372,300	11,376,159	30,157	9.6%
2002	363,400	10,962,071	29,732	9.2%

Sources

Population data is from the Washington State Office of Financial Management, Forecasting Division

Personal Income and Per Capital Personal Income data are from the US Department of Commerce, Bureau of Economic Analysis

Unemployment rates are from the Washington State Employment Security Department.

**CLARK COUNTY**  
**PRINCIPAL EMPLOYERS**  
*Current Year and Nine Years Ago*

<b>Employer</b>	<b>2011</b>			<b>2002</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total County Employment</b>
Southwest Washington Medical Center	2,660	1	1.24%	3,046	1	1.63%
Evergreen Public Schools	2,612	2	1.22%	2,772	2	1.48%
Vancouver Public Schools	2,254	3	1.05%	2,676	3	1.43%
Clark County	1,502	4	0.70%	1,542	5	0.82%
Fred Meyers Stores	1,500	5	0.70%	1,360	7	0.73%
Battle Ground Public Schools	1,213	6	0.57%	-		
WaferTech LLC	1,000	7	0.47%	-		
Clark College	974	8	0.45%	1,392	6	0.74%
City of Vancouver	947	9	0.44%	1,015	10	0.54%
Legacy Salmon Creek Medical Center	876	10	0.41%	-		
Hewlett-Packard	-		-	1,700	4	0.91%
Georgia Pacific	-		-	1,250	8	0.67%
Safeway Stores	-		-	1,202	9	0.64%
Total	15,538		7.26%	17,955		9.59%
Total County Employment	214,140			187,320		

Sources:  
Washington State Employment Security Department and the Vancouver Business Journal

**CLARK COUNTY PTBA**  
OPERATING INFORMATION  
2011-2002

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>PASSENGER BOARDINGS</b>										
A. Fixed Route	6,723,798	6,317,040	6,201,190	6,984,933	5,506,506	5,436,018	5,614,951	6,804,572	6,669,074	6,215,424
B. Demand Response	206,596	218,104	215,357	245,684	230,409	211,818	196,478	200,068	199,524	180,867
C. Vanpool	28,210	17,426	14,086	0	0	0	988	26,318	36,442	35,911
<b>PASSENGER MILES</b>										
A. Fixed Route	33,748,700	31,773,904	34,730,798	36,883,205	25,849,236	29,268,989	29,694,702	37,945,869	35,570,764	30,905,761
B. Demand Response	1,468,523	1,528,543	1,295,897	1,409,969	1,300,870	1,203,188	1,139,924	1,104,299	1,395,737	1,334,937
C. Vanpool	756,260	461,647	379,442	0	0	0	2,580	360,001	888,064	873,359
<b>OPERATING MILES</b>										
A. Fixed Route	4,656,656	4,618,039	4,970,828	5,155,643	4,373,134	4,171,577	4,090,498	4,168,732	4,108,899	4,158,718
B. Demand Response	1,366,941	1,436,388	1,431,783	1,535,597	1,443,921	1,335,402	1,246,927	1,229,935	1,193,712	1,103,405
C. Vanpool	145,611	78,431	65,864	0	0	0	615	62,519	104,600	127,216
<b>OPERATING HOURS</b>										
A. Fixed Route	282,552	279,432	299,243	304,416	267,171	248,299	250,085	263,440	264,254	271,295
B. Demand Response	82,554	87,973	92,255	99,972	92,641	85,930	80,487	80,235	76,431	70,945
C. Vanpool	4,181	2,395	2,141	0	0	0	31	1,895	3,223	3,593
<b>IN-SERVICE MILES</b>										
A. Fixed Route	3,939,455	3,931,152	4,289,359	4,476,702	3,845,014	3,683,991	3,702,382	3,846,235	3,779,640	3,815,471
B. Demand Response	1,192,208	1,253,477	1,250,885	1,348,396	1,268,496	1,182,787	1,102,801	1,082,385	1,064,508	988,039
C. Vanpool	145,611	78,431	65,864	0	0	0	615	62,519	104,600	127,216
<b>IN-SERVICE HOURS</b>										
A. Fixed Route	258,137	256,428	275,743	280,211	247,323	230,657	231,191	243,988	244,548	250,108
B. Demand Response	75,949	80,555	81,064	88,258	81,773	77,010	72,004	71,099	66,634	61,558
C. Vanpool	4,181	2,395	2,141	0	0	0	31	1,895	3,223	3,593
<b>NET OPERATING COST</b>										
A. Fixed Route	\$29,935,491	\$28,219,249	\$28,689,099	\$28,283,504	\$23,970,530	\$21,255,407	\$19,864,065	\$19,724,094	\$19,731,628	\$19,946,477
B. Demand Response	7,771,570	7,775,082	7,816,398	8,791,796	7,753,950	6,787,272	5,122,262	5,115,421	4,489,742	4,230,820
C. Vanpool	128,488	219,071	281,796	0	0	0	26,687	42,956	64,318	77,832
<b>OPERATING REVENUE</b>										
A. Fixed Route	\$7,295,061	\$6,793,511	\$6,670,570	\$6,346,589	\$5,345,781	\$4,818,489	\$4,606,865	\$3,876,010	\$3,627,654	\$3,552,347
B. Demand Response	330,428	336,942	230,340	266,498	234,627	241,677	158,469	74,693	84,458	81,943
C. Vanpool	67,246	46,697	37,348	0	0	0	1,107	47,194	68,294	73,295
<b>PASSENGERS PER IN-SERVICE HOUR</b>										
A. Fixed Route	26.047	24.635	22.489	24.927	22.264	23.568	24.287	27.889	27.271	24.851
B. Demand Response	2.720	2.708	2.657	2.784	2.818	2.751	2.729	2.814	2.994	2.939
C. Vanpool	6.747	7.276	6.579	0.000	0.000	0.000	31.871	13.869	11.307	9.995



**CLARK COUNTY PTBA**  
OPERATING INFORMATION  
2011-2002

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>COST PER PASSENGER MILE</b>										
A. Fixed Route	\$0.887	\$0.888	\$0.826	\$0.767	\$0.927	\$0.726	\$0.669	\$0.520	\$0.555	\$0.645
B. Demand Response	5.292	5.087	6.032	6.235	5.961	5.641	4.494	4.632	3.217	3.169
C. Vanpool	0.170	0.475	0.743	0.000	0.000	0.000	10.344	0.119	0.072	0.089
<b>COST PER OPERATING MILE</b>										
A. Fixed Route	\$6.429	\$6.111	\$5.771	\$5.486	\$5.481	\$5.095	\$4.856	\$4.731	\$4.802	\$4.796
B. Demand Response	5.665	5.413	5.459	5.725	5.370	5.083	4.108	4.159	3.761	3.834
C. Vanpool	0.882	2.793	4.278	0.000	0.000	0.000	43.393	0.687	0.615	0.612
<b>COST PER PASSENGER BOARDING</b>										
A. Fixed Route	\$4.452	\$4.467	\$4.626	\$4.049	\$4.353	\$3.910	\$3.538	\$2.899	\$2.959	\$3.209
B. Demand Response	37.617	35.649	36.295	35.785	33.653	32.043	26.070	25.566	22.502	23.392
C. Vanpool	4.555	12.572	20.005	0.000	0.000	0.000	27.011	1.632	1.765	2.167
<b>COST PER OPERATING HOUR</b>										
A. Fixed Route	\$105.947	\$100.988	\$95.872	\$92.911	\$89.720	\$85.604	\$79.429	\$74.871	\$74.669	\$73.523
B. Demand Response	94.139	88.360	84.726	87.943	83.699	78.986	63.641	63.755	58.742	59.635
C. Vanpool	30.731	91.470	131.619	0.000	0.000	0.000	860.871	22.670	19.956	21.662
<b>OPERATING REVENUE PER PASSENGER</b>										
A. Fixed Route	\$1.065	\$1.075	\$1.076	\$0.909	\$0.971	\$0.886	\$0.820	\$0.570	\$0.544	\$0.572
B. Demand Response	1.599	1.545	1.070	1.085	1.018	1.141	0.807	0.373	0.423	0.453
C. Vanpool	2.384	2.680	2.651	0.000	0.000	0.000	1.120	1.793	1.874	2.041
<b>PERCENT OF OPERATING REVENUE TO OPERATING COSTS</b>										
A. Fixed Route	24.37 %	24.07 %	23.25 %	22.44 %	22.30 %	22.67 %	23.19 %	19.65 %	18.38 %	17.81 %
B. Demand Response	4.25	4.33	2.95	3.03	3.03	3.56	3.09	1.46	1.88	1.94
C. Vanpool	52.34	21.32	13.25	0.00	0.00	0.00	4.15	109.87	106.18	94.17
<b>FULL-TIME EQUIVALENT EMPLOYEES</b>										
Total	384	389	408	413	383	356	355	377	369	368
<b>CAPITAL ASSETS - FLEET VEHICLES</b>										
A. Fixed Route	108.00	105.00	110.00	123.00	109.00	104.00	111.00	111.00	113.00	110.00
B. Demand Response	58.00	61.00	68.00	53.00	61.00	44.00	52.00	54.00	48.00	50.00
C. Vanpool	20.00	22.00	30.00							

Notes:

- \* Data for passenger boardings and passenger miles reflect the National Transit Database (NTD) data and are computed on a statistically sampled basis, and subject to statistical variations from year to year.
- \* Data for operating and in-service miles and hours match the NTD reported data.
- \* Net operating cost excludes cost of service contracted to the Tri-County Metropolitan Transit District, Portland, Oregon (TriMet), depreciation and leases to match NTD reporting requirements.
- \* Operating revenue includes passenger revenue, the sale of maps and rider's digests, revenue from contracts to provide additional services, advertising revenue, and room rental for use of the Rose F. Besserman Community Room at Fisher's Landing Transit Center.