

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
(a component Unit of the Massachusetts Department of Transportation)

Basic Financial Statements, Supplementary Data  
For the Years Ended June 30, 2014 and 2013

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
(a Component Unit of the Massachusetts Department of Transportation)

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MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

The management of the Martha's Vineyard Regional Transit Authority (the Authority) has generated this narrative overview and analysis to assist our readers in understanding the Authority's basic financial statements.

**Financial Highlights**

- \* The assets of the Authority exceeded its liabilities at June 30, 2014 by \$11,374,000.
- \* The Authority's total net position increased by \$1,349,000. This increase was caused primarily by a increase in operating funding.
- \* The total operating revenue increased from \$1,432,000 in fiscal year 2013 to \$1,522,000 in fiscal year 2014, a \$90,000 increase.
- \* The operating expenses increased from \$5,653,000 in fiscal year 2013 to \$5,697,000 in fiscal year 2014, a \$44,000 increase.
- \* The Authority expended \$772,000 for capital assets. The most significant capital asset event was the acquisition of transportation equipment in the amount of \$563,000. These acquisitions were funded by Federal and State capital assistance.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of the following: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows and the Notes to the Financial Statements.

The statement of net position presents information on all of the Authority's assets and outflows of resources and liabilities and inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the assets changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables or unpaid accounts payable).

The statement of cash flows indicates the sources of the Authority's cash inflows and the uses of its cash outflows.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

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**Financial Position Analysis**

The following is a condensed statement of net position. It also indicates percentage changes in the Authority's assets, liabilities and net position.

Statement of Net Position  
(000 omitted)

	2014	2013	Percentage Change
Current assets	\$ 3,593	\$ 4,187	-14%
Capital assets, net	9,342	9,748	-4%
Other noncurrent assets	453	785	-42%
Total assets	<u>13,388</u>	<u>14,720</u>	<u>-9%</u>
Noncurrent liabilities	1,835	4,457	-59%
Current liabilities	179	238	-25%
Total liabilities	<u>2,014</u>	<u>4,695</u>	<u>-57%</u>
Net position			
Invested in capital assets	9,342	9,748	-4%
Restricted	118	118	0%
Unrestricted	1,914	159	1104%
Total net position	<u>\$ 11,374</u>	<u>\$ 10,025</u>	<u>13%</u>

Net position may serve over time as a useful indicator of an Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$11,374,000 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position, \$9,342,000 (82 %), reflects its investment in capital assets. The Authority uses these capital assets to provide transportation services to the general public; consequently, these assets are not available for future spending.

An additional portion of the Authority's net position, \$118,000 (1%), represents resources that are subject to external restrictions on how they may be used. The restricted net assets is comprised of the reserve for extraordinary expense and the stabilization fund.

The remaining balance of unrestricted net position, \$1,914,000 (17%), may be used to meet the Authority's ongoing obligations to creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all three categories of net position.

The Authority's net position increased by \$1,349,000 during the current fiscal year. Refer to the statement of revenues, expenses and changes in net position for details.

The Authority's total debt decreased by \$2,681,000 (57%) during the current year. This decrease was caused primarily by decreases in the revenue anticipation note of \$2,600,000 and accounts payable and accrued expense of \$81,000.

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**Operations Analysis**

The following is the Authority's statement of revenues, expenses and changes in net position. It also indicates percentage changes in the various accounts.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
(000 omitted)

	<u>2014</u>	<u>2013</u>	<u>Percentage Change</u>
Operating revenues			
Transportation services	\$ 1,522	\$ 1,432	6%
Operating expenses			
Cost of services, maintenance and administration	4,544	4,548	0%
Depreciation	1,153	1,105	4%
	<u>5,697</u>	<u>5,653</u>	<u>1%</u>
Operating loss	<u>(4,175)</u>	<u>(4,221)</u>	<u>-1%</u>
Nonoperating revenues and (expenses)			
Operating assistance	4,779	2,981	60%
Other nonoperating	(26)	(55)	-53%
	<u>4,753</u>	<u>2,926</u>	<u>62%</u>
Income (loss) before capital contributions	<u>578</u>	<u>(1,295)</u>	<u>-145%</u>
Capital contributions	771	1,307	-41%
	<u>771</u>	<u>1,307</u>	<u>-41%</u>
Increase in net position	1,349	12	11142%
Net position			
Beginning of year	10,025	10,013	0%
End of year	<u>\$ 11,374</u>	<u>\$ 10,025</u>	<u>13%</u>

The Authority's operating loss decreased by \$46,000 from the prior year.

Operating revenues increased \$90,000 (6%) and was caused by increases in fares and ridership.

Operating expenses increased by \$44,000 (.09%).

Nonoperating revenues increased by \$1,827,000 (62%).

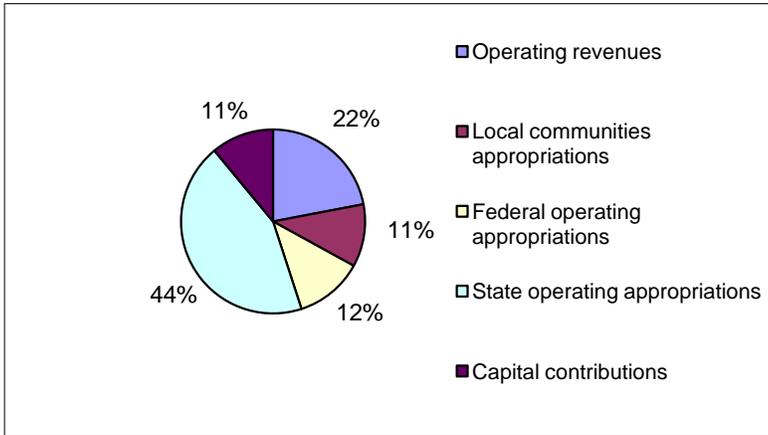
Capital contributions decreased by \$536,000 (41%).

The "Increase in net position" increased by \$1,337,000 (11,142%).

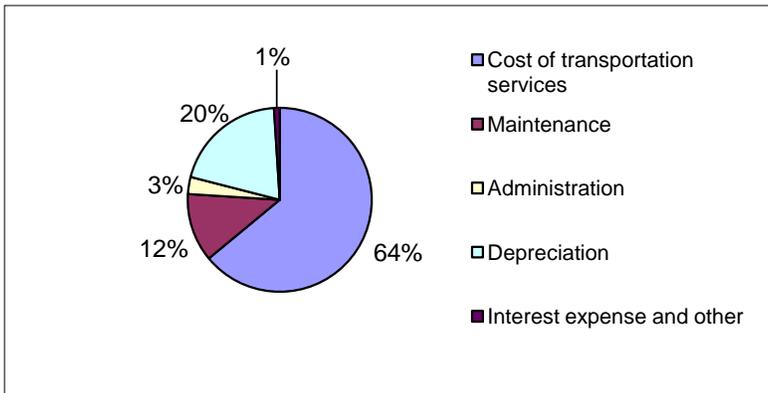
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The revenues and expenses by source are delineated in the following graphs:

Revenues by source:



Expenses by source:



**Financial Ratios**

"Working Capital" is the amount by which current assets exceed current liabilities. The Current Ratio, which compares current assets to current liabilities, is an indicator of the ability to pay current obligations.

	<u>2014</u>	<u>2013</u>
Working Capital	\$ 3,414,000	\$ 3,949,000
Current ratio	20:1	18:1

The working capital and current ratio indicate that the Authority has an excellent ability to meet current obligations.

"Liabilities to Net Assets" indicates the extent of borrowing.

	<u>2014</u>	<u>2013</u>
Liabilities to net assets	18%	47%

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**Capital and Debt Administration**

Capital Assets

The Authority's investment in capital assets as of June 30, 2014 amounted to \$9,342,000, net of accumulated depreciation. The investment in capital assets includes buses and vans, equipment, building and structures and intangible assets. The total net decrease in capital assets for the current year was \$406,000 or a 4% decrease.

During the current year, the most significant capital asset event was the acquisition of transportation equipment in the amount of \$563,000.

Capital assets at year-end net of depreciation  
(000 omitted)

	<u>2014</u>	<u>2013</u>
Building and structures	\$ 3,973	\$ 3,841
Buses and vans	9,692	9,955
Equipment	876	800
Intangible assets	<u>1,620</u>	<u>1,620</u>
	16,161	16,216
Accumulated depreciation	<u>(6,819)</u>	<u>(6,468)</u>
	<u><u>\$ 9,342</u></u>	<u><u>\$ 9,748</u></u>

Revenue Anticipation Notes

The Authority had revenue anticipation notes of \$1,500,000 and \$4,100,000 at the end of 2014 and 2013, respectively.

**Economic Factors**

Funding for the Authority's net cost of service (noncapital expenses less all noncapital revenues except state contract assistance and member municipality assessments) is dependent primarily (61%) on operating assistance from MassDOT and 39% by assessments to the member community. In the past, operating assistance was funded a year in arrears by the State for years prior to fiscal year 2014. Presently, the Authority's operating assistance from MassDOT and the member community is on a concurrent basis.

Demand for the Authority's services is mainly affected by the overall economy, seasonality and weather conditions. The Authority's operating revenue for the past three years are as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Farebox revenue	\$ 1,313,000	\$ 1,282,000	\$ 1,368,000
Other revenue	181,000	155,000	154,000

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**Contacting the Authority's Financial Management**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions or need additional information, contact Angela Grant, Administrator, Martha's Vineyard Regional Transit Authority, 11 A Street, Edgartown, MA 02539.

# Bruce D. Norling, CPA, P.C.

## INDEPENDENT AUDITORS' REPORT

The Advisory Board  
Martha's Vineyard Regional Transit Authority

We have audited the accompanying financial statements of the Martha's Vineyard Regional Transit Authority (the Authority), a component unit of the Massachusetts Department of Transportation, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vi and the schedule of funding progress on page 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, included in the accompanying schedules on pages 21 through 24, is presented for purposes of additional analysis and is not a required part of the basic financial statements. These

supplementary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated August 25, 2014 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Bruce D. Norling, CPA, P.C.*

August 25, 2014

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
(a Component Unit of the Massachusetts Department of Transportation)

Statement of Net Position  
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,121,824	\$ 597,781
Receivable for operating assistance	2,156,801	3,271,647
Other current assets	314,675	318,213
Total current assets	<u>3,593,300</u>	<u>4,187,641</u>
Noncurrent assets		
Restricted assets		
Cash and cash equivalents	377,720	455,867
Receivable for capital assistance	74,893	19,673
Total restricted assets	<u>452,613</u>	<u>475,540</u>
Receivable for operating assistance		310,051
Capital assets, net	<u>9,341,887</u>	<u>9,747,597</u>
Total noncurrent assets	<u>9,794,500</u>	<u>10,533,188</u>
Total assets	<u>13,387,800</u>	<u>14,720,829</u>
 <b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expense	<u>178,869</u>	<u>238,239</u>
Total current liabilities	<u>178,869</u>	<u>238,239</u>
Noncurrent liabilities		
Liabilities payable from restricted assets		
Accounts payable and accrued expense	220,071	232,247
Other postemployment benefits	114,440	125,191
Revenue anticipation notes	<u>1,500,000</u>	<u>4,100,000</u>
Total noncurrent liabilities	<u>1,834,511</u>	<u>4,457,438</u>
Total liabilities	<u>2,013,380</u>	<u>4,695,677</u>
 <b>NET POSITION</b>		
Invested in capital assets	9,341,887	9,747,597
Restricted	118,102	118,102
Unrestricted	1,914,431	159,453
Total net position	<u>\$ 11,374,420</u>	<u>\$ 10,025,152</u>

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues		
Transportation services	\$ 1,521,550	\$ 1,432,334
Operating expenses		
Cost of transportation services	3,670,589	3,635,106
Maintenance	693,782	703,075
General and administration	<u>179,586</u>	<u>210,012</u>
	4,543,957	4,548,193
Depreciation	<u>1,152,682</u>	<u>1,105,341</u>
	<u>5,696,639</u>	<u>5,653,534</u>
Operating loss	(4,175,089)	(4,221,200)
Nonoperating revenues and (expenses)		
Operating assistance grants		
Federal	845,750	864,370
Commonwealth of Massachusetts	3,107,429	1,258,364
Local	826,105	805,956
Other		52,368
Loss on disposal of capital assets	(15,410)	(38,475)
Interest expense	<u>(11,074)</u>	<u>(16,688)</u>
	<u>4,752,800</u>	<u>2,925,895</u>
Income (loss) before capital contributions	577,711	(1,295,305)
Capital grants and contributions	<u>771,557</u>	<u>1,307,100</u>
	<u>771,557</u>	<u>1,307,100</u>
Increase in net position	1,349,268	11,795
Total net position		
Beginning of year	10,025,152	10,013,357
End of year	<u>\$ 11,374,420</u>	<u>\$ 10,025,152</u>

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Statement of Cash Flows

Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Receipts from customers	\$ 1,527,545	\$ 1,451,042
Payments to vendors and suppliers	(3,872,641)	(4,060,596)
Payments to employees	(564,371)	(539,655)
Payments of fringe	<u>(167,216)</u>	<u>(173,603)</u>
Net cash used in operations	<u>(3,076,683)</u>	<u>(3,322,812)</u>
Cash flows from noncapital financing activities		
Proceeds from revenue anticipation notes	1,500,000	4,100,246
Repayment of revenue anticipation notes	(4,100,000)	(4,000,000)
Operating assistance grants	6,198,186	3,717,765
Interest on notes	<u>(20,500)</u>	<u>(22,242)</u>
Net cash provided by noncapital financing activities	<u>3,577,686</u>	<u>3,795,769</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(730,269)	(1,147,415)
Capital contributions		
Federal		1,085,000
Commonwealth of Massachusetts	658,218	345,550
Proceeds from sale of capital assets	<u>9,176</u>	<u></u>
Net cash provided by (used in) capital and related financing activities	<u>(62,875)</u>	<u>283,135</u>
Cash flows from investing activities		
Interest income	<u>7,768</u>	<u>4,878</u>
Net cash provided by investing activities	<u>7,768</u>	<u>4,878</u>
Net increase in cash and cash equivalents	445,896	760,970
Cash and cash equivalents at beginning of year	<u>1,053,648</u>	<u>292,678</u>
Cash and cash equivalents at end of year	<u>\$ 1,499,544</u>	<u>\$ 1,053,648</u>
Reconciliation of operating loss to net cash provided by operations		
Operating loss	\$ (4,175,089)	\$ (4,221,200)
Adjustments to reconcile the operating loss to net cash used in operating activities:		
Depreciation expense	1,152,682	1,105,341
Changes in assets and liabilities:		
Receivables, net	5,995	18,708
Other assets	3,538	24,012
Accounts payable and accrued expense	<u>(63,809)</u>	<u>(249,673)</u>
Net cash used in operations	<u>\$ (3,076,683)</u>	<u>\$ (3,322,812)</u>
Supplemental disclosures of noncash transactions		
Capital assets purchased on behalf of the Authority by the Commonwealth of Massachusetts	\$ 58,119	\$
At June 30, 2014 and 2013, the Authority had capital expenditures that were included in accounts payable	215,416	232,247
Additional operating assistance was provided by the use of the reserve for extraordinary expense and other funding		203,856

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
(a Component Unit of the Massachusetts Department of Transportation)  
Notes to Financial Statements  
June 30, 2014 and 2013

1. The Reporting Entity

The Martha's Vineyard Regional Transit Authority (the Authority) is a component unit of the Massachusetts Department of Transportation (MassDOT) and MassDOT is a component unit of the Commonwealth of Massachusetts (the Commonwealth). The Authority was established as a political subdivision of the Commonwealth on February 15, 1980, by the various towns constituting the Authority, pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth, for the purpose of continuing and improving local transit service. The communities that presently comprise the Authority are Aquinnah, Chilmark, Edgartown, Oak Bluffs, Tisbury and West Tisbury. The Authority does not have any stockholders or equity holders.

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

The operation of the Authority was performed by the Transit Connection, Incorporated (the Operator). The Operator functions under terms and agreements whereby it provides mass transit along such routes and according to such schedules as may be defined by the Authority. The current agreement terminates January 31, 2015. The contract may be terminated by either party with ninety day's notice.

The Authority also has a brokerage service program, whereby, the Authority contracts with various social service agencies to provide public transportation to their clients. The operation of this program is also provided by the Operator.

2. Summary of Significant Accounting Policies

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

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

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

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2. Summary of Significant Accounting Policies (continued)

a) Measurement Focus, Basis of Accounting and Financial Reporting Presentation (continued)

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

b) Adoption of New Accounting Pronouncements – In March, 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The adoption of this standard did not have a material impact on the Authority's financial statements.

In March, 2012, the GASB issued GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The adoption of this standard did not have a material impact on the Authority's financial statements.

In May, 2013, the GASB issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement improves the accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The adoption of this statement did not have a material impact on the Authority's financial statements.

The GASB has issued the following statements, which require adoption subsequent to June 30, 2014 and are applicable to the Authority. The Authority has not yet adopted these statements, and the implication on the Authority's fiscal practices and financial reports is being evaluated.

<u>Statement No.</u>		<u>Adoption Required in Fiscal Year</u>
68	<i>Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27</i>	2015
69	<i>Government Combinations and Disposals of Government Operations</i>	2015
71	<i>Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68</i>	2015

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Notes to Financial Statements  
June 30, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

c) Capital Grants – The Authority receives capital grants from various governmental agencies to be used for various purposes connected with the planning, modernization and expansion of transportation facilities and equipment. Capital grants are reported as revenue rather than contributed capital as required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

e) Restricted Assets and Restricted Liabilities – Restricted assets are restricted for the acquisition of capital assets, the stabilization fund and the reserve for extraordinary expense. Restricted liabilities are amounts payable from the restricted assets.

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

	<u>Years</u>
Building and structures	15 – 40
Vehicles	5 – 10
Equipment	5 – 7
Intangible assets	5

g) Net Position - Net position is the residual of all other elements presented in a statement of net position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. The categories of reporting net position are (1) amounts invested in capital assets – net of related debt, (2) amounts that are legally or statutorily restricted as to their use – net of related debt, and (3) amounts that are unrestricted.

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

i) Restricted Cash and Investment Accounts – Certain cash and investments are segregated from operating cash due to certain internal or external restrictions as follows:

- Stabilization and contingency reserve accounts – represent funds held in accordance with statutory requirements to be used when annual revenues are projected to be less than annual expenses, or if the Authority has insufficient funds on hand to pay current expenses.
- Other Accounts – represent internally restricted funds held for capital acquisitions and other expenses.

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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June 30, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

j) Postemployment Benefits – Postemployment benefits, primarily healthcare, are recognized on an accrual basis. The accrual is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net position when future retirees earn their postemployment benefit rather than when they use their postemployment benefit. To the extent that the Authority does not fund their actuarially required contribution, a postemployment benefit liability is recognized on the statement of net position.

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

l) Reclassifications – Certain prior year amounts have been reclassified to conform to current year presentation.

3. Cash and Cash Equivalents

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

Custodial credit risk exists for cash deposits when, in the event of the failure of a depository financial institution, the Authority's deposits will not be recovered. The Authority does not have a formal policy with regard to custodial credit risk, but generally invests its funds in deposits that are fully FDIC insured or collateralized with securities held by the pledging financial institution's trust department in the financial institution's name. At June 30, 2014, the Authority does not have any uninsured or uncollateralized bank deposits.

The total amounts of Authority deposits in financial institutions, per the bank statements, at June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Balance per bank	\$ 1,696,996	\$ 1,194,770
Deposits covered by:		
Federal Depository Insurance Corporation	(250,000)	(250,000)
Collateralized with pledged securities	(1,446,996)	(944,770)
Total uninsured and uncollateralized deposits	<u>\$ -</u>	<u>\$ -</u>

Cash and cash equivalents reported in the accompanying statement of net position as of June 30, 2014 and 2013, are as follows:

	<u>2014</u>	<u>2013</u>
Current assets - cash and cash equivalents	\$ 1,121,824	\$ 597,781
Noncurrents assets - restricted funds	377,720	455,867
Total	<u>\$ 1,499,544</u>	<u>\$ 1,053,648</u>

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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4. Grants

The Federal government provides both operating and capital funding pursuant to the various sections of the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) Act, of 2012. Further, the Commonwealth of Massachusetts (MassDOT) and the member communities provide the local share of both operating and capital funding.

5. Receivable for Operating and Capital Assistance

The receivable for operating and capital assistance is disaggregated as follows:

	<u>2014</u>	<u>2013</u>
<u>Current</u>		
Operating assistance		
Commonwealth of Massachusetts		
Operating appropriations	\$ -	\$ 1,300,432
United States Department of Transportation -		
Pass-through grants through the Commonwealth		
Operating grants		
Rural area assistance	845,750	815,021
New Freedom Program		44,100
Local operating assistance to be billed to		
the Towns constituting the Authority and		
paid by the Commonwealth to the Authority		
	1,205,502	1,310,601
Other accounts receivable	105,549	111,544
Total operating assistance	2,156,801	3,581,698
Less noncurrent portion		(310,051)
Total current operating assistance	\$ 2,156,801	\$ 3,271,647
	<u>2014</u>	<u>2013</u>
<u>Noncurrent</u>		
Capital assistance		
Commonwealth of Massachusetts	\$ 74,893	\$ 19,673
Total capital assistance	\$ 74,893	\$ 19,673

6. Other Current Assets

The other current asset balance includes a motor vehicle parts and fuel inventory for 2014 and 2013 of approximately \$310,000 and \$311,000, respectively. This inventory is stated at the lower of cost or market on a first-in, first-out basis.

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7. Capital Assets and Depreciation

The capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Common carrier rights	\$ 1,620,000	\$ -	\$ -	\$ 1,620,000
Subtotal	<u>1,620,000</u>	<u>-</u>	<u>-</u>	<u>1,620,000</u>
Depreciable capital assets				
Building and structures	3,841,060	131,890		3,972,950
Vehicles	9,954,947	563,126	826,209	9,691,864
Equipment	799,824	76,541		876,365
Subtotal	<u>14,595,831</u>	<u>771,557</u>	<u>826,209</u>	<u>14,541,179</u>
Accumulated depreciation	<u>6,468,234</u>	<u>1,152,682</u>	<u>801,624</u>	<u>6,819,292</u>
Net depreciable assets	<u>8,127,597</u>	<u>(381,125)</u>	<u>24,585</u>	<u>7,721,887</u>
Net depreciable and net capital assets	<u>\$ 9,747,597</u>	<u>\$ (381,125)</u>	<u>\$ 24,585</u>	<u>\$ 9,341,887</u>

The capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Common carrier rights	\$ 1,620,000	\$ -	\$ -	\$ 1,620,000
Subtotal	<u>1,620,000</u>	<u>-</u>	<u>-</u>	<u>1,620,000</u>
Depreciable capital assets				
Building and structures	3,824,761	16,299		3,841,060
Vehicles	9,186,364	1,279,378	510,795	9,954,947
Equipment	810,062	12,385	22,623	799,824
Subtotal	<u>13,821,187</u>	<u>1,308,062</u>	<u>533,418</u>	<u>14,595,831</u>
Accumulated depreciation	<u>5,786,313</u>	<u>1,105,341</u>	<u>423,420</u>	<u>6,468,234</u>
Net depreciable assets	<u>8,034,874</u>	<u>202,721</u>	<u>109,998</u>	<u>8,127,597</u>
Net depreciable and net capital assets	<u>\$ 9,654,874</u>	<u>\$ 202,721</u>	<u>\$ 109,998</u>	<u>\$ 9,747,597</u>

Depreciation expense for 2014 and 2013 was \$1,152,682 and \$1,105,341, respectively.

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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June 30, 2014 and 2013

8. Accounts Payable and Accrued Expense

The accounts payable and accrued expense balance is current and disaggregated as follows:

	<u>2014</u>	<u>2013</u>
Payable to general vendors	\$ 133,813	\$ 200,555
Accrued salaries and benefits	44,129	35,100
Accrued interest	927	2,584
	<u>\$ 178,869</u>	<u>\$ 238,239</u>

9. Revenue Anticipation Notes

During the year ended June 30, 2014 and 2013, the following changes occurred in the Authority's revenue anticipation notes (RANs):

	<u>2014</u>	<u>2013</u>
Beginning balance	4,100,000	4,000,000
New notes issued	1,500,000	4,100,000
Notes retired	(4,100,000)	(4,000,000)
Ending balance	<u>\$ 1,500,000</u>	<u>\$ 4,100,000</u>

The RAN outstanding at June 30, 2014 is due in May, 2015, bears interest at .48% and is fully guaranteed by the Commonwealth of Massachusetts. The RAN is expected to be refinanced upon maturity with generally the same terms as the note currently outstanding. Therefore, it is short-term debt expected to be refinanced and is included in the accompanying statement of net position as a noncurrent liability.

10. Restricted Net Position

Restricted net position is comprised of the total restricted net assets less liabilities payable from restricted net assets. The following delineates the expendable versus nonexpendable restricted net position:

	<u>2014</u>	<u>2013</u>
Expendable		
Restricted by enabling legislation		
Stabilization Fund	\$ 117,685	\$ 117,685
Reserve for extraordinary expense	417	417
	<u>\$ 118,102</u>	<u>\$ 118,102</u>

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11. Leases

Operating lease

The Authority leases land from the Martha's Vineyard Airport Commission under a long-term, non-cancellable, operating lease. The lease commenced April 1, 2000 and terminates March 31, 2020. The agreement provides for annual rent increases tied to the consumer price index and an option to renew exists for an additional 20 years.

The future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 65,949
2016	65,949
2017	65,949
2018	65,949
2019	65,949
2020	49,462
	<u>\$ 379,207</u>

Aggregate rental expense for 2014 and 2013 was \$65,145 and \$64,165, respectively.

The Martha's Vineyard Airport Commission is a political subdivision of the Commonwealth of Massachusetts. Therefore, it is a related party to the Authority, see Note 14.

12. Employees' Retirement Benefits

Pension

The Authority provides retirement benefits to employees through the Dukes County Contributory Retirement System (The System). The System operates a cost sharing, multi-employer, defined benefit pension plan. The Plan covers all eligible employees and provides retirement, disability, cost-of-living adjustments and death benefits to Plan members and beneficiaries.

The System is a member of the Massachusetts Contributory Retirement System and is governed by Massachusetts General Laws, Chapter 32. Oversight of the System is provided by a five person Retirement Board. The System issues a publicly unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at RR 1, P.O. Box 862, Vineyard Haven, MA 02568.

Plan members are required to pay into the System 5% to 11% of their covered compensation. The Authority is required to pay into the System its share of the remaining System-wide actuarially determined contribution. This contribution is apportioned among employers based on active current payroll. The contribution requirements of plan members and the Authority are established and may be amended by Massachusetts General Laws, Chapter 32.

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Notes to Financial Statements  
June 30, 2014 and 2013

12. Employees' Retirement Benefits (continued)

Pension (continued)

The Authority's current year contribution to the System was \$77,392 and represents 1.5% of System-wide employer contributions. The Authority's contributions to the Plan for the years ending June 30, 2013 and 2012 were \$73,931 and \$72,200, respectively. These contributions represented 1.5% of System-wide employer contributions in both years. The above contributions were equal to the Authority's required contributions for each year.

Post Employment Healthcare Benefits

Plan Description – The Authority provides postemployment health care benefits through the Dukes County Pooled OPEB Trust (“the Trust”). The Trust operates a cost-sharing, multiple employer, defined benefit OPEB plan. The Trust offers benefits to eligible employees who have attained age 55 and have rendered at least 10 or more years of service or at any age with 20 years of service, until the employee is eligible for Medicare. The benefits, benefit level, employee contributions and employer contributions are governed by the Authority. As of July 1, 2012, the actuarial valuation date, approximately 8 active employees and no retirees meet eligibility requirements. The plan does not issue separate stand-alone financial statements.

Benefits Provided – Medical coverage, excluding dental, under the group health insurance plan for regular full-time employees will continue until the employee is eligible for Medicare. Coverage for the dependents of such regular full-time employees will also continue during this period provided that the employee pay 25% of the enrollment cost as established annually by the Plan administrator. Once the retired employee is entitled to Medicare, health care coverage for the employee's spouse will continue as provided for under COBRA, provided that the employee pay 100% of the enrollment costs as established annually by the Plan administrator.

Funding Policy – The retired employee must pay 25% of the enrollment cost (the “working rate”) as established annually by the Plan administrator. The Authority contributes the remainder of the health plan costs on a fully funded basis.

Annual OPEB Costs and Net OPEB Obligation – The Authority's annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liability over a period not to exceed 30 years.

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Notes to Financial Statements  
June 30, 2014 and 2013

12. Employees' Retirement Benefits (continued)

Post Employment Healthcare Benefits (continued)

Annual OPEB Costs and Net OPEB Obligation (continued)

The components of the Authority's annual OPEB cost for the years ended June 30, 2014 and 2013, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation based on an actuarial valuation as of July 1, 2012 are as follows:

	<u>2014</u>	<u>2013</u>
Annual required contribution (ARC)	\$ 79,866	\$ 157,311
ARC adjustment	(1,747)	(10,865)
Interest on net OPEB obligation	2,260	12,292
Adjust to new actuarial valuation	<u>(68,697)</u>	
Annual OPEB cost	11,682	158,738
Contributions made	<u>(22,433)</u>	<u>(70,820)</u>
Decrease in net OPEB obligation	(10,751)	87,918
Net OPEB obligation - beginning of year	125,191	37,273
Net OPEB obligation - end of year	<u>\$ 114,440</u>	<u>\$ 125,191</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013 and 2012 are as follows:

<u>Fiscal Years Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Contribution</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 40,966	225.0%	37,273
June 30, 2013	\$ 158,738	44.6%	125,191
June 30, 2014	\$ 80,379	192.0%	114,440

Funded Status and Funding Progress – The funded status of the plan, based on the actuarial valuation as of July 1, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 587,008
Actuarial value of plan assets	<u>(92,442)</u>
Unfunded actuarial accrued liability (UAAL)	\$ 494,566
Funded ratio (actuarial value of plan assets/AAL)	15.7%
Covered payroll (active plan members)	\$ 499,871
UAAL as a percentage of covered payroll	98.9%

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Notes to Financial Statements  
June 30, 2014 and 2013

12. Employees' Retirement Benefits (continued)

Post Employment Healthcare Benefits (continued)

Funded Status and Funding Progress (continued)

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

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

In the July 1, 2012 actuarial valuation, the projected unit credit method was used. The actuarial value of the assets was \$92,442 and is recorded at market value. The actuarial assumptions included a 4.0% investment rate of return and an annual healthcare cost trend rate of 9.0% initially, reduced by 1.0% per year to an ultimate rate of 5.0% after six years. Both rates include a 4.5% general inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis.

The Authority is a member of a multiple employer OPEB Trust. As such, it received an actuarial report that calculated its annual OPEB cost. This report had to be corrected by the Actuary and resulted in an increased OPEB cost that was recorded during the current year. The Commonwealth has issued guidance that the OPEB obligation must be funded in full, if using Commonwealth funds. Since the Authority had budgeted and funded part of the unanticipated higher number, the Authority used its reserve for extraordinary expense to fund the obligation.

13. Commitments and Contingencies

- a) Litigation – In the normal course of operations, the Authority has been named in various claims and litigation. Based upon information available to counsel and the Authority, management believes that the ultimate outcome from these claims and litigations will not have a material adverse effect on the Authority's financial position.

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Notes to Financial Statements  
June 30, 2014 and 2013

13. Commitments and Contingencies (continued)

- b) Federal and State Grants - The Authority has received capital and operating financial assistance from Federal and State agencies in the form of grants. Expenditure of funds under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of Authority Management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements.
- c) Risk management – The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers compensation claims. The Authority carries commercial insurance to cover these potential losses. Settlements have not exceeded coverage for each of the past three fiscal years.

The Authority's workers compensation coverage is insured under a retrospectively rated policy. In the opinion of management, any audit adjustment made by the insurance carrier will not be material to the accompanying financial statements.

- d) Purchase commitments – As of June 30, 2014, the Authority did not have material purchase commitments outstanding.

14. Related Party Transactions

Transactions with MassDOT and the Commonwealth are as follows:

- a. Receivables for operating and capital assistance are delineated in Note 5.  
b. Actual operating and capital assistance is as follows:

	<u>2014</u>	<u>2013</u>
Operating assistance		
Commonwealth appropriations	\$ 3,107,429	\$ 1,258,364
Federal pass-through grants		
Rural operating grant	845,750	815,021
New Freedom Program		49,349
Local (Towns) assistance	826,105	805,956
Capital assistance	<u>771,557</u>	<u>1,307,100</u>
	<u>5,550,841</u>	<u>4,235,790</u>
Operating lease, see Note 11, lease expense	65,145	64,165
Registry of Motor Vehicles, lease income	<u>26,400</u>	<u>26,400</u>
Total related party transactions	<u>\$ 5,642,386</u>	<u>\$ 4,326,355</u>

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Notes to Financial Statements  
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15. Reserve for Extraordinary Expense

In accordance with Section 6 of Chapter 161B of the General Laws of the Commonwealth, the Authority is allowed to establish a reserve account for the purpose of meeting the cost of extraordinary expenses in an amount not to exceed three percent of the prior year's local assessment. Any balance in the reserve account at the end of the fiscal year may be carried forward into the next fiscal year; provided, however, that the aggregate amount in the account does not exceed twenty percent of the prior year's local assessment. In fiscal years 2014 and 2013, the Authority did not increase the reserve for extraordinary expense. The aggregate reserve at June 30, 2014 and 2013 was \$417 in each year, which represents .05% of the applicable local assessments in each year.

The reserve for extraordinary expense is included in the accompanying statement of net position in the net position category, restricted account.

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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 Required Supplementary Information (Unaudited)  
 Retiree Health Plan Funding Progress  
 June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	0% Ratio	- Payroll	UAAL as a Percentage of Covered Payroll
	( a )	( b )	( b - a )	( a/b )	( c )	( [ b - a ] / c )
7/1/2010	\$ 92,442	\$ 215,830	\$ 123,388	42.8%	\$ 491,652	25.1%
7/1/2012	\$ 92,442	\$ 587,008	\$ 494,566	15.7%	\$ 499,871	98.9%

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Schedule 1

STATEMENT OF NET COST OF SERVICE (Unaudited)  
FOR THE YEAR ENDED JUNE 30, 2014  
FORM 1

	<u>Rural Area Service</u>
I. Operating Costs	
A. RTA administrative costs (excluding depreciation)	\$ 179,587
B. Purchased services	
Fixed route	3,875,963
Demand response	445,570
Brokerage services	42,837
C. Debt Service	<u>18,843</u>
Total Operating Costs	4,562,800
II. Federal Operating Assistance	
A. FTA operating and administrative	845,750
B. Other federal	
Total Federal Assistance	<u>845,750</u>
III. Revenues	
A. Farebox Revenue	1,368,200
B. Brokerage service reimbursement	42,837
C. Other third party reimbursement	75,288
D. Other Revenues	
1. Advertising	
2. Parking	
3. Sale of capital assets	
4. Interest income	7,769
5. Miscellaneous - rent income	<u>35,225</u>
Total Other Revenues	42,994
IV. Net Operating Deficit (I-II-III)	2,187,731
V. Adjustments	
A. Extraordinary expenses (not to exceed 3% of prior year's local assessment)	
B. Stabilization fund	
C. Revenue anticipation note reduction	<u>1,798,054</u>
	1,798,054
VI. Net Cost of Service (IV+V)	3,985,785
VII. Net Cost of Service Funding	
A. Local Assessments	826,105
B. State contract assistance	3,107,429
1. LESS: Adjustment for exceeding 2.5% cap on prior year net operating expenses	
	<u>3,107,429</u>
C. State Contract Assistance to be funded	3,107,429
1. LESS: Payment made by the MassDOT in current year	<u>(3,107,429)</u>
D. Balance requested from the State	\$ -
VIII. Unreimbursed Deficit (VI-VIIA-VIIC)	\$ 52,251

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Schedule 2

Net Cost of Service-Calculation Worksheet and Supplementary Data (Unaudited)

For the Year Ended June 30, 2014  
Form 2

I. Proof calculations and other required information:

A. Prior year operating expenses, net of fully funded costs brokerage service	\$ 4,517,605
Allowable percentage increase	2.5%
Prior year, net operating expenses times 2.5%	<u>112,940</u>
Current year, allowable net operating expense	4,630,545
Plus adjustments:	
ADA expenses in excess of the 2.5% cap	
Brokerage funded costs	42,837
New service costs	
Other: (explain)      Amount over amount needed to comply	(110,582)
Total allowable operating costs (maximum allowed on Form 1, Line 1)	<u>4,562,800</u>
B. Amount of extraordinary expenses (See V. Adjustments, Form 1)	
Prior year local assessment	<u>805,956</u>
Percentage of extraordinary to prior local assessments (not to exceed 3%)	0.0%
C. Aggregate amount of reserve account at June 30.	417
Prior year local assessment	<u>805,956</u>
Percentage of reserve account to prior local assessment (not to exceed 20%)	0.05%
D. State the management fee paid to major service providers as a percentage of operating costs incurred.	2.0%
E. State the percentage of benefits paid by RTA on behalf of RTA employees for:	
1. Group life and accidental death insurance	N/A
2. Group health insurance	75.0%
F. State the brokerage service contracts costs as a percentage of total operating costs.	0.9%
G. Stabilization Fund	
1. Current year	
2. Aggregate balance	117,685

Schedule of Local (Towns) Funding (Unaudited)

Year Ended June 30, 2014

<u>Community</u>	<u>Share</u>
Aquinnah	\$ 35,556
Chilmark	126,454
Edgartown	219,502
Oak Bluffs	122,439
Tisbury	207,458
West Tisbury	<u>114,696</u>
	<u>\$ 826,105</u>

MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY  
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Schedule 4

Schedule of Compensation Required by Massachusetts  
Executive Office for Administration and Finance (Unaudited)  
June 30, 2014

<u>Title</u>	<u>Base Salary</u>	<u>Bonus</u>	<u>Severance</u>	<u>Retirement Contribution</u>	<u>Other</u>
Administrator	\$ 100,410	\$ -	\$ -	\$ 17,026	\$ 20,643
Other employees	-	-	-	-	-
Advisory Board Members	-	-	-	-	-