

**CLARK COUNTY PUBLIC TRANSPORTATION
BENEFIT AREA AUTHORITY**

VANCOUVER, WASHINGTON

COMPREHENSIVE **A**NNUAL **F**INANCIAL **R**EPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

**Department of Finance & Administration
Frederick W. Bateman, Director**

Clark County Public Transportation
Benefit Area

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended December 31, 2001

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INTRODUCTORY SECTION



June 28, 2002

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, 2001. 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.

The Comprehensive Annual Financial Report is presented in three sections:

- 1) Introductory Section includes this transmittal letter, 2000 Certificate of Achievement for Excellence in Financial Reporting, the PTBA's organizational chart and a directory of the principal officials of the agency;
- 2) Financial Section includes the auditor's report on the financial statements, management's discussion and analysis (MD&A), and the financial statements with accompanying notes; and

- 3) Statistical Section includes selected summarized financial and operating data relating to the PTBA on a multi-year basis, as well as information relating to the retail sales activity and demographics of Clark County.

This CAFR is the PTBA's first prepared under the guidelines of Government Accounting Standards Board Statement Number 34 which provides, among other requirements, for a statement of net assets. The MD&A on page 18 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, 2001, 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, 2001, are fairly presented in conformity with GAAP. The State Auditor's Report is presented on page 17 of this report. 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 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 separate Single Audit Report.

PROFILE OF THE PTBA

Clark County PTBA is a transportation authority organized pursuant to Chapter 36.57A of the Revised Code of Washington. Clark County PTBA's taxing authority was granted by the voters in the general election of 1980. The PTBA commenced operating a public transportation system January 1, 1981, by first assuming the employees and equipment from the City of Vancouver's Transit System, and later expanding service throughout Clark County and into the Portland, Oregon, area.

The PTBA utilizes a fleet of 109 vehicles to provide fixed route service on 423 route miles.

In 1981 the PTBA began funding demand response services for persons with disabilities in the form of a dial-a-ride system. Since then, the service has transitioned into a directly provided demand response service and uses 50 vehicles for this type of service.

In 1988 the PTBA began to provide vanpool service. This is utilized by prearranged groups of residents who have the same trip destination and travel in vans provided by the PTBA. The riders provide a driver and pay a monthly fare. A maximum of ten vehicles were leased during 2001 to provide this service.

The PTBA is governed by a Board of Directors whose membership is drawn from elected officials from the local general purpose governments. See Note 1A, page 31, 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 benefits provided. Note 1, on page 31, provides further details of accounting policies.

FACTORS AFFECTING FINANCIAL CONDITION

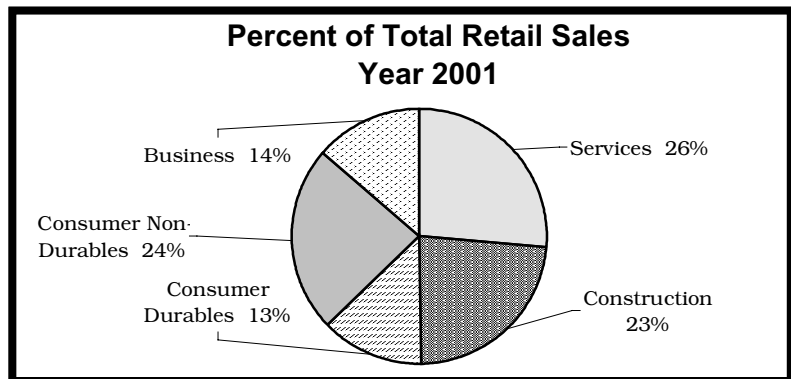
Local Economy

Clark County is part of the four-county Portland, Oregon – Vancouver, Washington urbanized area (UZA). The 2000 census population of this UZA was 1,583,138, and it is the 23rd largest urbanized area in the United States. This is an increase of 35.1 percent since the 1990 census. Clark County had a population of 345,238 at the time of the census and is now estimated to be 352,600.

Employment in Clark County decreased by 4 percent during 2001. Of all the job sectors, manufacturing and finance saw the most declines as a result of a slowing economy. Construction employment was flat. Services, such as health care and social services, had the most growth in 2001. Transportation issues continue to be a major concern in the county. With only two interstate bridges over the Columbia River in the urban area, traffic counts continue to increase and now exceed 250,000 vehicles per day. A bi-state I-5 task force is studying ways to alleviate congestion. Any relief will likely require substantial state and local funding, which has not been identified at this time.

The PTBA's main source of revenue is sales tax, which also serves as an economic barometer. During 2001, retail sales grew at a rate equal to inflation. The various business categories which collect a sales tax may be summarized into five categories. The following table shows the growth rate during 2001 and the percent of the total of each category.

Percent of Growth 2001 Compared to 2000	
Services	5.3%
Construction	0.3
Consumer Durables	5.4
Consumer Non-Durables	-1.5
Business	-1.7
Total	2.2%



Long-term Financial Planning

Upon passage of Initiative 695 (I-695) in the general election of November 1999, the PTBA developed a ten-year service and financial plan. This plan took into account the fact that I-695 repealed the motor vehicle excise tax (MVET) which was half of the PTBA's tax support (40 percent of its revenue). With less revenue, there was less need for future capital purchases previously projected to support a growing system. Those capital reserves (along with FTA grant funds to the maximum extent possible) would be reprogrammed into maintaining service levels. These funds would thus provide the ability to maintain service levels after an initial service reduction in July 2000. By so doing, a decision on replacement funding or additional service reductions could be deferred for a period of time in order to determine whether the Washington State legislature would develop a transportation funding package which would replace some of the losses from the repeal of MVET. When the plan was developed, it was projected that with minimal capital activity and a continued reasonable economic level, current service levels could be maintained until the beginning of 2009. The ability to operate at current service levels until then is predicated on receiving the revenue projected, controlling expenses and monitoring service levels to the levels projected, and limiting capital purchases to essential replacement only.

The following table shows adherence to the plan for the first two years, 2000 and 2001.

Actual Changes to Reserves Compared to the Service & Financial Plan:

Cash & Investments Net of Liabilities Dec. 31, 1999	\$66,333,742
2000 Activity:	
Planned Reserve Increase in 2000	574,038
Operating Revenues More Than Planned	2,303,346
Operating Expenses Less Than Planned	2,909,401
Capital Grants Less Than Planned	(8,350,048)
Capital Purchases Less Than Planned	<u>8,742,222</u>
Actual Change to Reserves in 2000	<u>6,178,959</u>
Cash & Investments Net of Liabilities Dec. 31, 2000	<u>72,512,701</u>
2001 Activity:	
Planned Reserve Use in 2001	(97,225)
Operating Revenues Less Than Planned	(3,329,864)
Operating Expenses Less Than Planned	1,504,836
Capital Grants More Than Planned	692,446
Capital Purchases Less Than Planned	<u>441,811</u>
Actual Change to Reserves in 2001	<u>(787,996)</u>
Cash & Investments Net of Liabilities Dec. 31, 2001	<u>71,724,705</u>
Deferred Capital	<u>(2,600,000)</u>
Net Cash & Investments Available For Future Plan Years at Dec 31, 2001	69,124,705
Planned Balance at Dec 31, 2001	<u>64,110,555</u>
Net Variance at Dec. 31, 2001	<u>\$ 5,014,150</u>

Composition of Cash & Investments Net of Liabilities Dec. 31, 2001:

Current Assets:	
Cash & Cash Equivalents	\$48,197,770
Investments	13,270,625
Noncurrent Assets:	
Investments	<u>14,629,375</u>
Total Cash & Investments	76,097,770
Less Total Liabilities	<u>(4,373,065)</u>
Cash & Investments Net of Liabilities Dec. 31, 2001	<u>\$71,724,705</u>

Most of the variance to the operating revenue in 2000 and 2001, compared to the plan, are the result of the state legislature approving one-time funding which was received in 2000 instead of a series of payments over three years, as was in the proposal when the plan was done. FTA preventive maintenance funds were not received in 2000 as was planned. Some of the capital purchases were deferred due to changes in delivery schedules or project completion. The cost, net of grants, will need to be financed in future years. Thus the net balance of these deferred projects is subtracted from the cash and investments net of liabilities as of December 31, 2001, in order to compare to the projected balance in the plan. As shown above, as of December 31, 2001, there is a net positive variance of \$5,014,150 compared to the plan. This consists nearly entirely of operating expenses for the two years being less than planned. With the softening economy and the lack of a state legislative funding plan which would yield revenue in 2002, it is currently estimated that a cumulative unfavorable variance of \$3,000,000 will occur by the end of 2002.

The variance for the year 2002 is expected to be approximately \$8,000,000 of which \$2,000,000 is deferred capital projects. To begin to address the long-range financial needs, the PTBA embarked on a strategic planning process early in 2001. Significant milestones in this planning process occurred during the course of the year. These milestones included:

- Development and Board adoption of a new mission statement: Provide safe, reliable, efficient mobility choices
- Development and Board adoption of a framework for engaging PTBA employees and external stakeholders in the development of the Strategic Plan
- Formation of the Leadership Team to bring together executive staff and union leadership to guide this process
- Appointment of a Strategic Planning Administrator
- Board approval of a budget funding key strategic initiatives
- Formation of the Strategic Planning Team and five Performance Excellence Teams in key focus areas
- Completion of a deployment plan
- Determination of goals for 2002 and associated performance measures

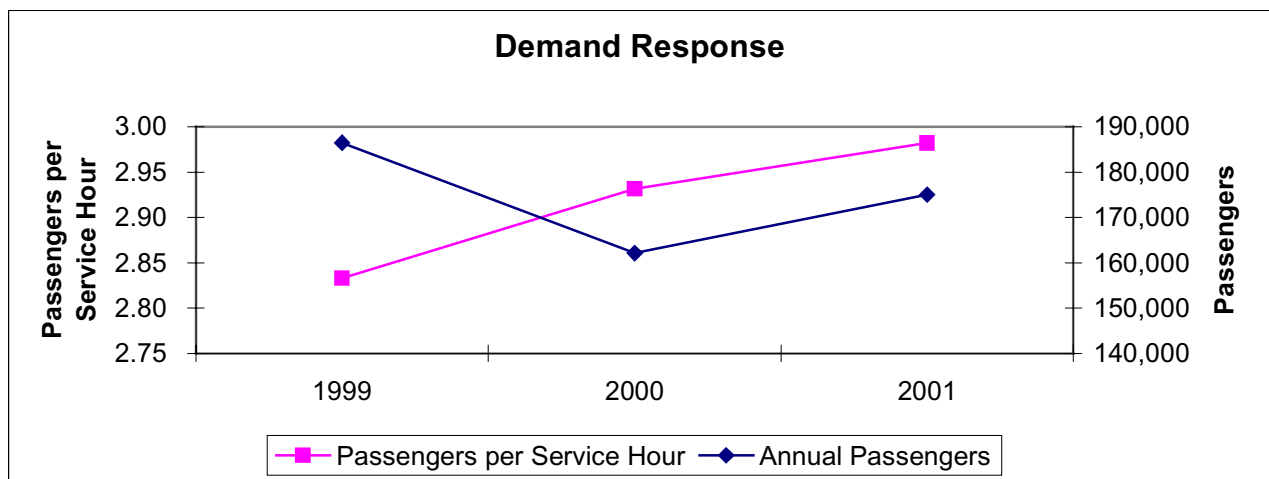
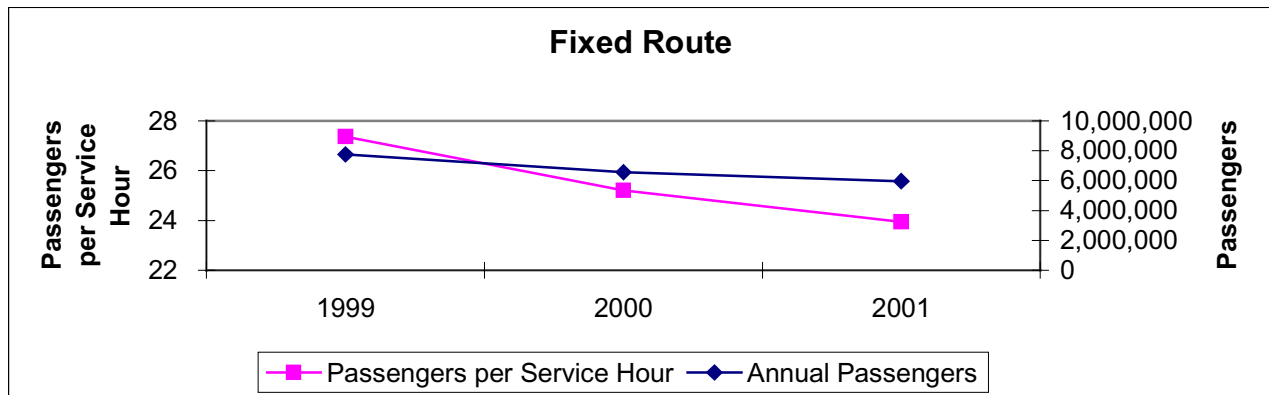
By year's end, 70 employees from across the PTBA were engaged on teams, working towards the future.

Performance Indicators:

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

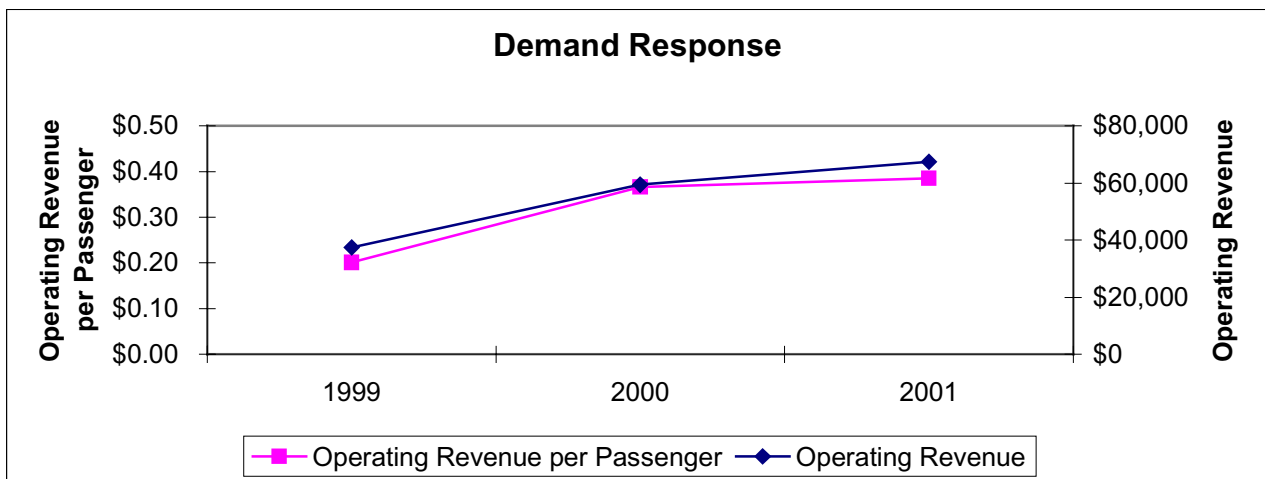
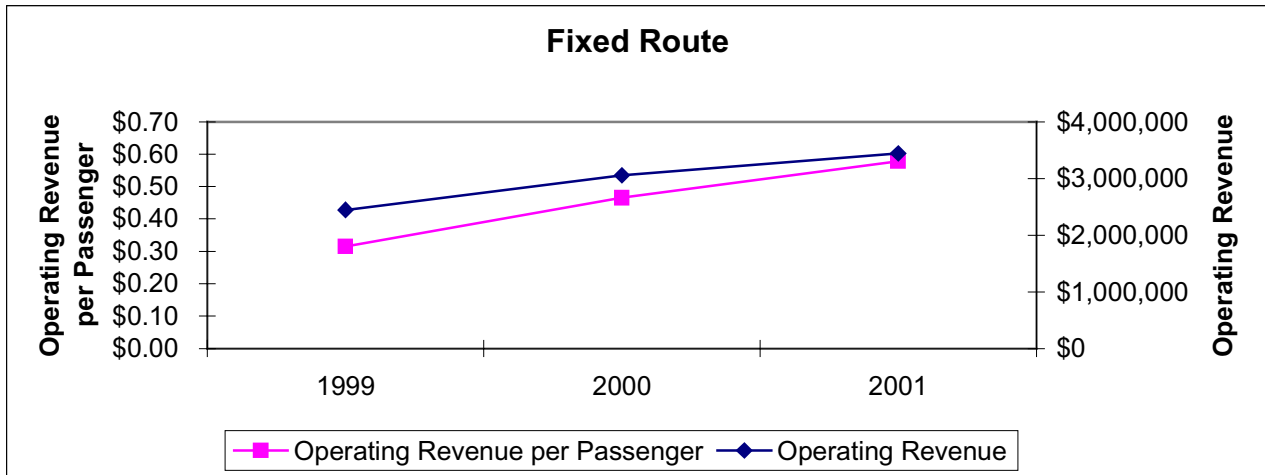
- The loss of half of the tax support (40 percent of revenue) through the enactment of I-695 and subsequent legislative action,
- The imposition of a fare increase in 2000 and 2001 after more than a decade of stable fares,
- An approximate 17 percent service reduction in mid-2000 which, coupled with the fare increases, resulted in decreased ridership, and
- An increase in unemployment and other recessionary factors which resulted in less economic activity and utilization of transit services.

Three-year summary graphs are provided for the fixed route and demand response services. The first two graphs display passengers per service hour as compared to total passengers.



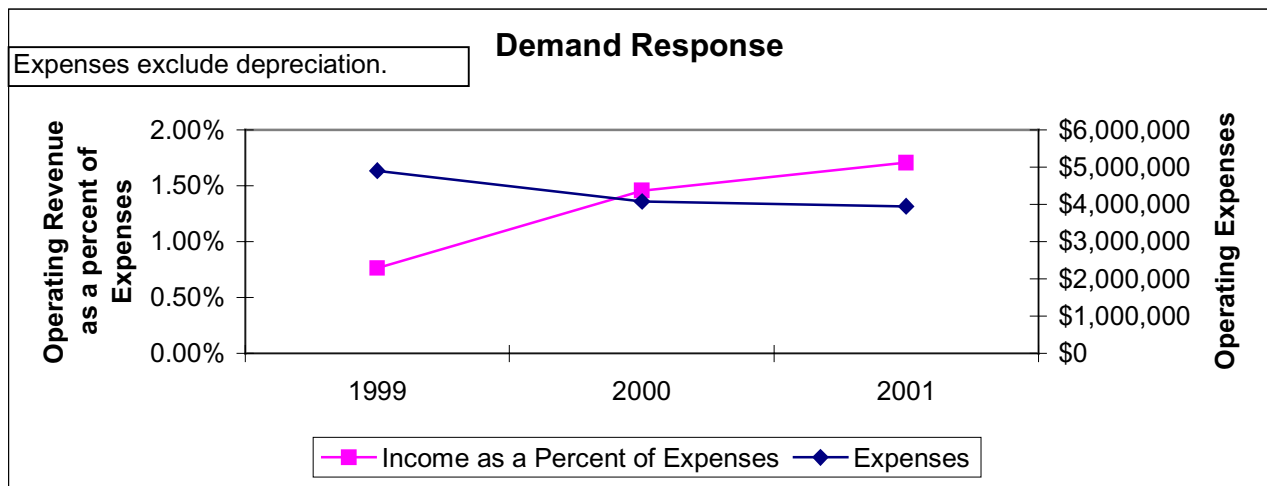
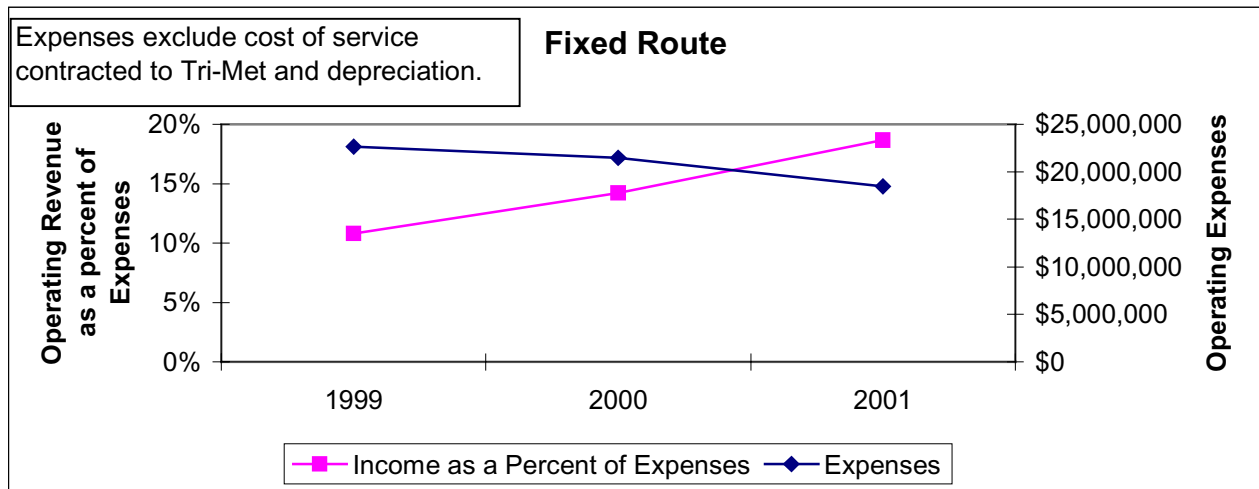
As shown, fixed route ridership and passengers per service hour declined given the fare increases and service reductions. Demand response ridership decreased as a result of the service reduction. As more individuals are certified as eligible, it began to increase. This mode was related to the time of day and the area of the county that service was available. Due to improved scheduling, passengers per service hour increased.

The next two graphs compare operating revenue per passenger and operating revenue.



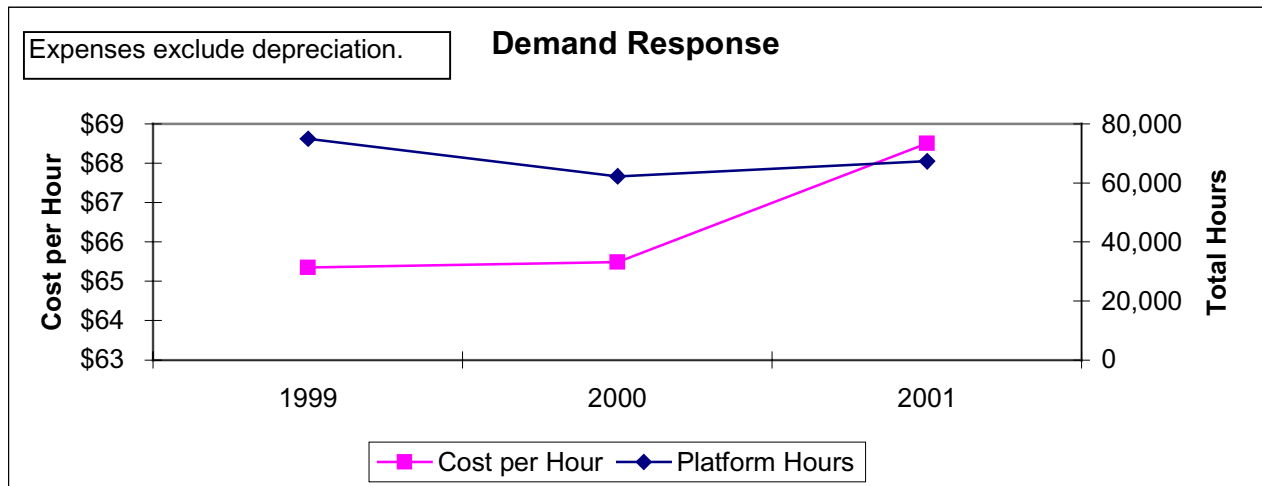
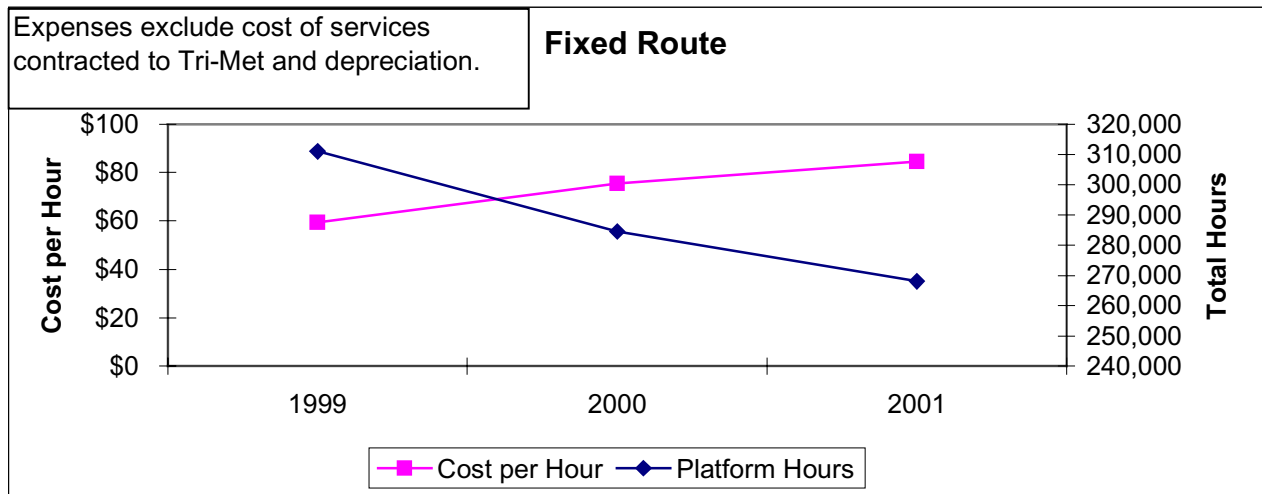
Notwithstanding a decrease in passengers, the operating revenue increased significantly due to fare increases. This held true for both modes.

The next two graphs compare operating expenses and operating income as a percent of expenses.



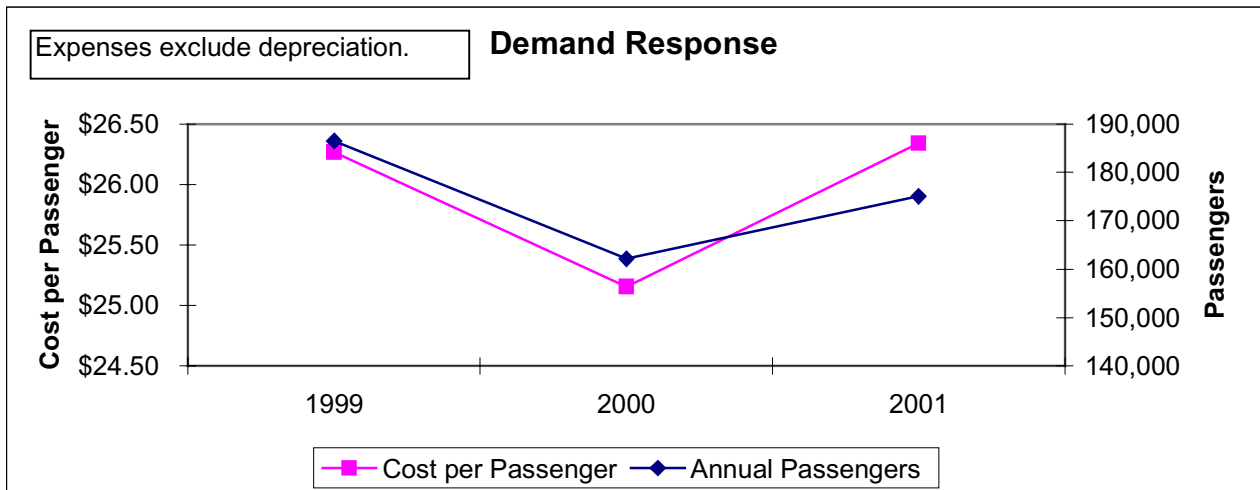
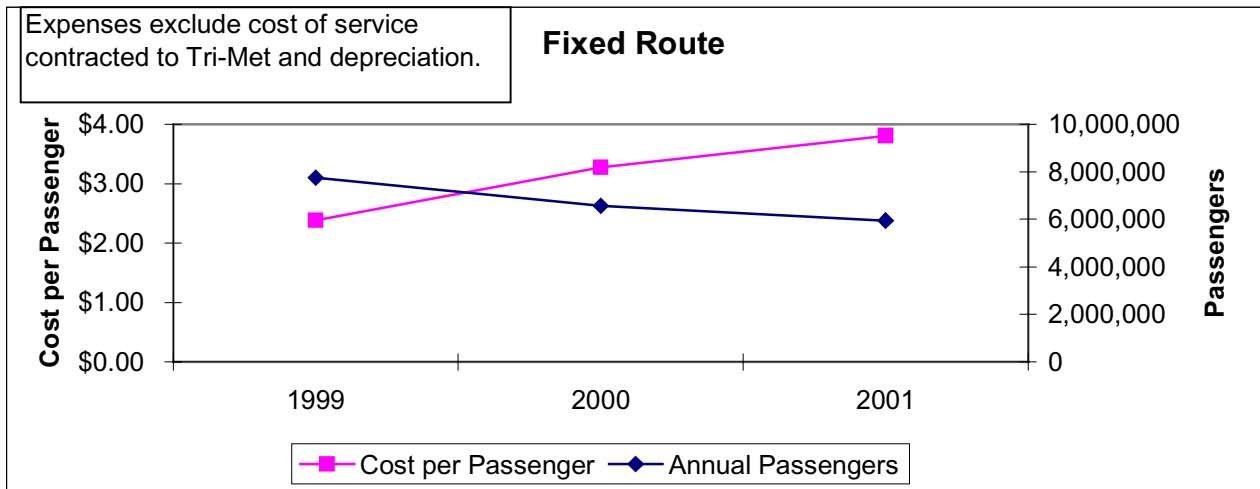
Service reductions and other program and staff layoffs resulted in expenses net of contract service and depreciation decreasing. At the same time, increased fares resulted in a significant increase in the percent of the operating cost paid by the user. This has grown from 11 percent in 1999 to 19 percent in 2001 for fixed route. Demand response also saw a decrease in expenses and an increase in the percentage of expenses paid by passengers although, because of the nature of its service, only a very minor percent (less than 2 percent) of the cost is covered by fares.

The next two graphs compare the total hours of service compared to cost per hour.



As previously shown, fixed route hours of service have decreased due to the service reductions. As a result, the cost per hour, even with other reductions, showed a significant increase as a result of fixed costs being spread over fewer hours of service. Demand response hours initially decreased due to the service reduction, but because of the people who qualify for service pursuant to the Americans with Disabilities Act (ADA), hours of service are now trending up. The cost per hour for demand response service is growing faster than the rate of inflation as the vehicle fleet ages and requires more maintenance.

The next two graphs compare annual passengers and cost per passenger.



Fixed route experienced a significant ridership decrease from 7.7 million passengers in 1999 to 6 million in 2001. As noted, this ridership decrease was a result of less service and higher fares. As a result, the cost per passenger increased from \$2.38 to \$3.80 for the same period. Demand response initially saw the same magnitude of passenger decrease; however in 2001, due to increasing demand, passengers increased. After first dipping, the cost per passenger in 2001 was about where it was in 1999.

Discussion of Financial Changes:

The following table sets forth, for the periods indicated, 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 expenses by mode is provided.

	YEARS ENDED		
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 1999
<u>OPERATING REVENUE</u>			
Passenger Fares	13.4%	12.4%	9.2%
Other Transit Revenue	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>
TOTAL OPERATING REVENUE	<u>13.7%</u>	<u>12.4%</u>	<u>9.2%</u>
<u>OPERATING EXPENSES</u>			
Transit Services	48.5%	47.8%	47.7%
Maintenance	21.9	23.8	22.5
Administration	16.6	16.6	20.0
Depreciation	<u>13.0</u>	<u>11.9</u>	<u>9.8</u>
TOTAL OPERATING EXPENSES	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
OPERATING LOSS	<u>86.3%</u>	<u>87.6%</u>	<u>90.8%</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Sales Tax	45.2%	45.4%	41.4%
Motor Vehicle Excise Tax	0.0	27.5	41.4
Interest Income	16.1	20.5	10.6
Commuter Reduction Grants	0.3	0.1	0.6
State Assistance	0.0	18.7	0.0
Contributions to Road Projects	0.0	(0.4)	(1.5)
Federal Assistance	11.5	0.0	0.0
Gain on the Sale of Fixed Assets	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>73.1%</u>	<u>111.9%</u>	<u>92.6%</u>
NET INCOME	(13.2)%	24.3%	1.9%
Capital Grants	<u>15.3</u>	<u>2.5</u>	<u>12.2</u>
CHANGE IN NET ASSETS	<u>2.1%</u>	<u>26.8%</u>	<u>14.1%</u>

	YEARS ENDED		
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 1999
OPERATING EXPENSES BY MODE:			
Fixed Route	81.1%	82.8%	80.4%
Demand Response	17.4	15.7	17.6
Vanpool	0.8	1.0	1.1
Rideshare	<u>0.7</u>	<u>0.5</u>	<u>0.9</u>
TOTAL OPERATING EXPENSES	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Cash Management

Available cash was invested during the year in demand deposits, U.S. Treasury Notes, and with the Washington State Treasurer's Local Government Investment Pool. The return on investments during the year was 5.7 percent. This return was a decrease from the 7.3 percent return of 2000 and was a result of the sharp decrease in interest rates which were not offset by the increase in market value of the treasury notes. All deposits are protected by collateral held on behalf of the Washington Public Deposit Protection Commission. The operating rules of the Washington State Treasurer's Local Government Investment Pool require the full collateralization of all repurchase agreements and deposits.

The use of intermediate term Treasury Notes permitted the PTBA to earn a higher rate of return without an increase in risk, as the PTBA intends to hold all investments until maturity. A laddered portfolio strategy was employed. At year end 2001, 63 percent of investments were available on a daily basis. Nine percent have an original maturity (when purchased) of two years or less, 27 percent have an original maturity of five years, and 1 percent has an original maturity of ten years. The weighted average maturity of the portfolio at December 31, 2001, was six months or, excluding the pooled investments, 16 months.

Asset Replacement

A large portion of the original cost of the PTBA's assets was provided by capital grants from the FTA. Recognizing that federal support for mass transit as a percent of costs is declining, especially for the replacement of assets, the Board of Directors approved the designation of investments to accumulate funds for the replacement of assets while such assets are still in service. An allocation of interest on the balance in the account is also added. In 2001, \$1,548,300 in interest income was earned. At December 31, 2001, the account had received 52 percent of the accumulated depreciation and had approximately 35 percent of the current replacement cost of assets. The account was funded at \$29,718,126 on December 31, 2001.

Risk Management

The PTBA maintains a \$15,000,000 excess liability insurance policy which affords coverage for claims in excess of \$2,000,000. All other risks arising from vehicle accidents are retained by the PTBA. Total casualty and liability costs of \$365,057 were more than the prior year as a result of higher insurance premiums. The Board of Directors has authorized the designation of \$3,000,000 of investments for retained risks.

The PTBA's fleet of vehicles is insured for nonliability claims with a deductible of \$60,000 per occurrence. Facilities are insured against all perils for their estimated replacement cost.

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.

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 for the fiscal year ended December 31, 2000. This was the thirteenth 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 comprehensive annual report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

It takes a great variety of skills to provide the quality of services for which the PTBA is known. The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Administration Department throughout the year, to whom I express my appreciation for their efforts.

Special appreciation is also extended to the Office of State Auditor which provided a timely audit and opinion so this Comprehensive Annual Financial Report could be submitted to the GFOA for its review and evaluation in accordance with that organization's program.

Finally, special appreciation is expressed to the Board of Directors and the Executive Director/CEO without whose leadership and support the preparation of this report would not have been possible.

Sincerely,

Clark County PTBA



Frederick W. Bateman, Director
Finance & Administration

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, 2000

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.

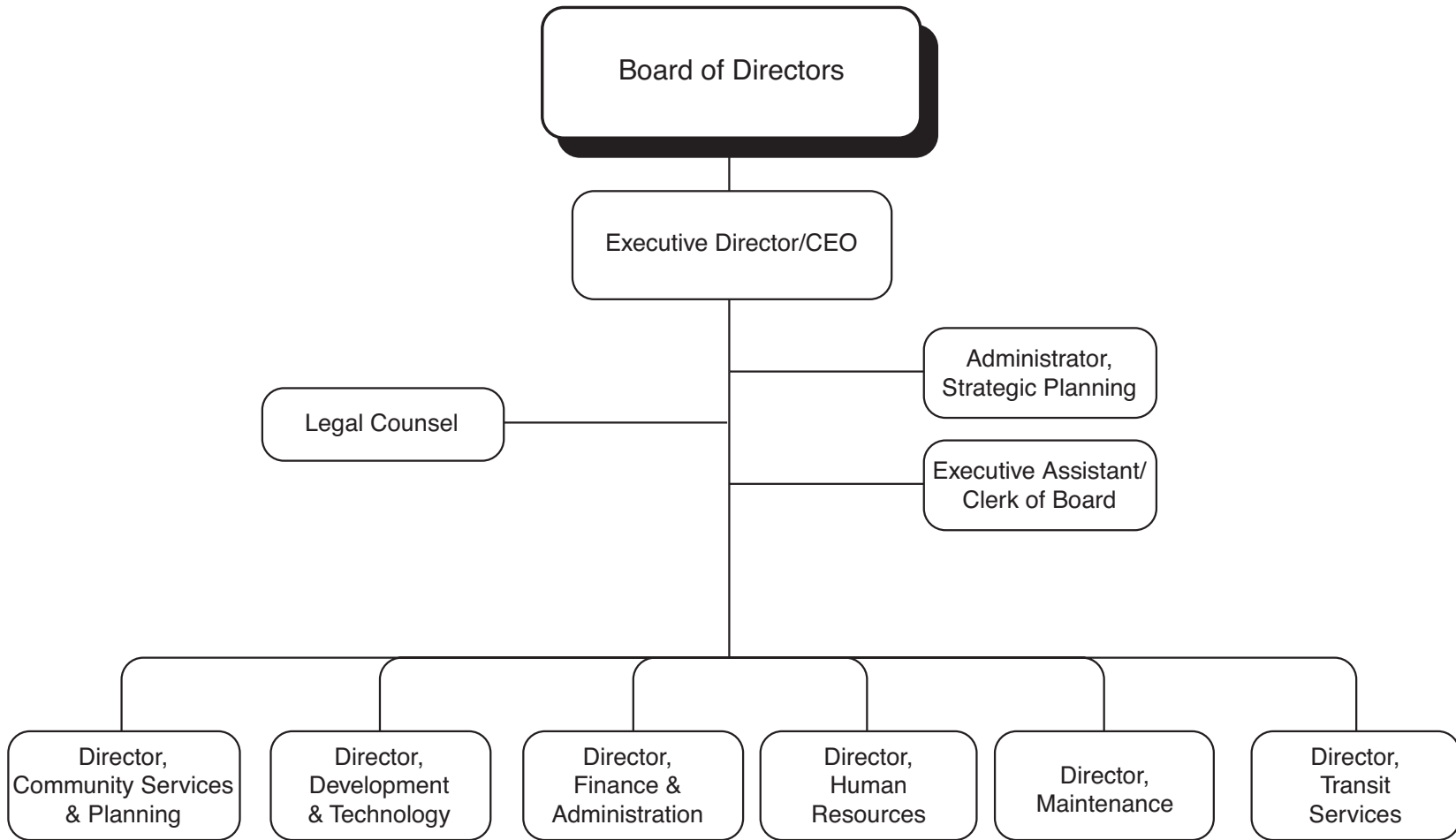


Timothy A. Crave
President

Jeffrey L. Esser
Executive Director

C-TRAN ORGANIZATION STRUCTURE

December 31, 2001



**CLARK COUNTY PTBA
DIRECTORY OF OFFICIALS**

Board Member	Affiliation	Term	Expires
Jack Burkman	Vancouver City Council	2 yrs.	Feb. 28, 2002
Elizabeth Cervený	La Center Mayor	2 yrs.	Dec. 31, 2003
Bill Ganley	Battle Ground Mayor	3 yrs.	Dec. 31, 2001
Helen Gerde (Chair)	Camas City Council	3 yrs.	Dec. 31, 2002
Jeanne Harris	Vancouver City Council	3 yrs.	Feb. 28, 2003
Betty Sue Morris	Clark County Commissioner	4 yrs.	Dec. 31, 2004
Royce Pollard (through Feb. 01)	Vancouver Mayor	1 yr.	Feb. 28, 2001
Craig Pridemore (Vice Chair)	Clark County Commissioner	4 yrs.	Dec. 31, 2002
Judie Stanton	Clark County Commissioner	4 yrs.	Dec. 31, 2004
Dan Tonkovich (from Mar. 2001)	Vancouver City Council	1 yr.	Feb. 28, 2002

APPOINTED

Executive Director/CEO	Lynne Griffith
Executive Assistant/Clerk of the Board	June Berry
Director, Community Services & Planning	Gail Spolar
Director, Finance & Administration	Frederick W. Bateman
Director, Human Resources	Arlene S. Doern
Director, Maintenance	John Hoefs
Director, Development & Technology	Dale Miller
Director, Transit Services	Lynn Halsey
Legal Counsel	Steve Horenstein

MAILING ADDRESS

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Mr. Steve Horenstein, Legal Counsel, Miller Nash, LLP
PO Box 694, Vancouver, Washington 98666-0694

**FINANCIAL
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Washington State Auditor Brian Sonntag

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FAX (360) 753-0646
TDD Relay 1-800-833-6388
<http://www.wa.gov/sao/>

INDEPENDENT AUDITOR'S REPORT

June 7, 2002

The Honorable Chairperson and Members of the Board
Clark County Public Transportation Benefit Area Authority
Vancouver, Washington

We have audited the basic financial statements of the Clark County Public Transportation Benefit Area Authority, Clark County, Washington, as of and for the years ended December 31, 2001 and 2000, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits, contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed pursuant to the *Revised Code of Washington* 43.09.260, under which a full report on the results of this audit will be issued. This report may include findings and recommendations on compliance matters, internal control procedures, and questionable costs or contingencies that would not be material in relation to the financial statements taken as a whole.

In our opinion, the basic financial statements on pages 26-45 present fairly, in all material respects, the financial position of the Authority, as of December 31, 2001 and 2000, and the results of its activities and operations, and the cash flows of its proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of January 1, 2001.

Management's Discussion and Analysis on pages 18-25 is not a required part of the basic audited financial statements. However, the Management's Discussion and Analysis is supplementary information required by the Governmental Accounting Standards Board. We applied limited procedures to the Management's Discussion and Analysis information. Those procedures consisted principally of inquiries of management regarding measurement and presentation. We compared their responses for consistency with the related audited financial statement information. Because of the limited nature of these procedures, we express no opinion on the Management's Discussion and Analysis information.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR



CLARK COUNTY PTBA

Management Discussion and Analysis

This section of the PTBA's Comprehensive Annual Financial Report presents management's overview and analysis of the PTBA's financial performance for the fiscal year ended December 31, 2001. 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, 2001, by \$112,844,416. Of this amount, \$76,168,655 represents net assets which are not invested in capital assets.
- The PTBA's total net assets increased by \$540,563. Capital grants of \$4,027,375 more than offset a net loss of \$3,486,812.
- The PTBA remained free of long-term debt during the period.

Overview of the Financial Statements

This discussion and analysis are 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- 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 presents 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 fiscal periods (for example, sales tax collected by merchants but not yet remitted to the PTBA, and earned but unused vacation leave).

The financial statements can be found on pages 26 to 30 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 can be found on pages 31 to 45 of this report.

Financial Analysis

For the year ended December 31, 2001, assets exceeded liabilities by \$112,844,416. Transit is a capital-intensive enterprise, and one-third of the net assets are invested in capital assets. An additional 26 percent of net assets is held for replacement of the capital assets. The following is a summary of the PTBA's net assets.

Summary Statement of Net Assets

	2001	2000
Assets:		
Current Assets	\$ 65,883,043	\$ 56,637,153
Other Noncurrent Assets	14,658,677	23,478,782
Capital Assets (Net)	<u>36,675,761</u>	<u>35,773,821</u>
Total Assets	117,217,481	115,889,756
Liabilities:		
Current Liabilities	3,843,637	3,152,382
Noncurrent Liabilities	<u>529,428</u>	<u>433,521</u>
Total Liabilities	4,373,065	3,585,903
Net Assets:		
Invested in Capital Assets	36,675,761	35,773,821
Unrestricted	<u>76,168,655</u>	<u>76,530,032</u>
Total Net Assets	<u>\$112,844,416</u>	<u>\$112,303,853</u>

The PTBA's net assets increased by \$540,563. The following is a summary Statement of Revenues, Expenses and Changes in Net Assets which show how the \$540,563 increase in net assets occurred. Also shown is the change for the year ended December 31, 2000.

Summary Statement of Revenues, Expenses and Changes in Net Assets

	2001	2000
Operating Revenue	\$ 3,605,207	\$ 3,229,103
Operating Expenses	<u>26,365,827</u>	<u>26,095,627</u>
Operating Loss	22,760,620	22,866,524
Taxes	11,912,575	19,027,253
Other Nonoperating Revenue (net)	<u>7,361,233</u>	<u>10,178,538</u>
Total Nonoperating Revenue	<u>19,273,808</u>	<u>29,205,791</u>
Net Income (Loss)	(3,486,812)	6,339,267
Capital Grants	<u>4,027,375</u>	<u>651,663</u>
Change in Net Assets	<u>\$ 540,563</u>	<u>\$ 6,990,930</u>

Operating Revenues

As shown, the greatest impact on the change in net assets in 2001 compared to 2000 was the decrease in revenue. The following table shows 2001 revenue compared to 2000 and the amount and percentage of increase or decrease:

<u>REVENUES</u>	<u>2001 AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>2000 AMOUNT</u>	<u>INCREASE (DECREASE) FROM 2000</u>	<u>PERCENT INCREASE (DECREASE)</u>
Operating Revenue	\$ 3,605,207	15.76%	\$ 3,229,103	\$ 378,009	11.71 %
Interest Income	4,254,252	18.59	5,350,765	(1,096,513)	(20.49)
Sales Tax	11,912,575	52.05	11,853,310	59,265	0.50
Motor Vehicle Excise Tax	0	0	7,173,943	(7,173,943)	(100.00)
Planning Grants	87,514	0.38	40,254	47,260	117.40
Federal Assistance	3,020,236	13.20	0	3,020,236	0.00
State Assistance	0	0	4,885,564	(4,885,564)	0.00
Miscellaneous	<u>5,371</u>	<u>0.02</u>	<u>1,530</u>	<u>1,936</u>	56.36
TOTAL REVENUE	<u>\$22,885,155</u>	<u>100.00%</u>	<u>\$32,534,469</u>	<u>\$ (9,649,314)</u>	(29.66)%

- Passenger fares, which are the major source of operating revenue, increased as a result of a fare increase, which went into effect during the last part of 2001. The following table shows, for some selected classifications of fares, the amount and percentage of increase:

<u>FARES</u>	<u>JAN. 1 - SEPT. 8</u>	<u>SEPT. 9 - DEC. 31</u>	<u>PERCENT CHANGE</u>
Cash			
Adult All-Zone	\$ 1.40	\$ 1.75	25 %
Adult C-Zone	0.90	1.00	11 %
Honored Citizen	0.45	0.50	11 %
Monthly Pass			
Adult All Zone	42.00	52.00	24 %
Adult C-Zone	26.00	28.00	8 %
Honored Citizen All-Zone	21.00	14.00	(66)%
Reduced All-Zone	20.00	24.00	20 %

- Operating revenues also include, for the first time in the PTBA's existence, income from display advertising on its coaches.
- Interest income decreased as a result of a dramatic decrease in interest rates earned during the year. For example, interest rates in the Washington State Local Government Investment Pool fell from 6.2 percent in January to 2.3 percent in December 2001. Also, five treasury notes of \$1 million each matured during the year. These had an average interest rate of 6 percent and were replaced with notes yielding 3.5 percent.

- Sales tax revenue increased very marginally. It is likely that the auto manufacturers' low interest rates on auto loans and the resulting increase in auto sales offset declining retail sales in other categories.
- During the first half of the year 2000, the last motor vehicle excise tax which the state collected in 1999, and C-TRAN matched in 2000, was received. As described in Note 11, motor vehicle excise tax was eliminated by legislative action following Initiative 695. The ability of local transit systems to levy this motor vehicle excise tax is still to be resolved, at least for the period prior to the legislative repeal in early 2002.
- During 2001, for the first time, the PTBA began to use its federal transit formula grant funds for preventive maintenance. Use of these funds for operating purposes will mean there will be less federal funds available for capital purchases.
- To partially make up for the loss of motor vehicle excise tax, the state of Washington provided a one-time payment in 2000. No similar funds were appropriated in 2001.

Operating Expenses

Operating expenses are most directly impacted by the number of hours of operations the PTBA provides. The following table shows the amount of operating hours provided in 2001 compared to 2000 and the increase or decrease in hours and percentages between the years:

<u>OPERATING HOURS</u>	<u>2001 AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>2000 AMOUNT</u>	<u>INCREASE (DECREASE) FROM 2000</u>	<u>PERCENT INCREASE (DECREASE)</u>
Fixed Route	268,052	78.8%	284,515	(16,463)	(5.78)%
Demand Response	67,301	19.7	62,275	5,026	8.07
Vanpool	<u>4,966</u>	<u>1.5</u>	<u>7,569</u>	<u>(2,603)</u>	<u>(34.39)</u>
TOTAL OPERATING HOURS	<u>340,319</u>	<u>100.0%</u>	<u>354,359</u>	<u>(14,040)</u>	<u>(3.96)%</u>

The decrease in hours in the fixed route mode is a result of a service decrease which was implemented mid-year 2000 to begin to deal with the loss in motor vehicle excise tax. This decrease was in effect for the full year 2001. Demand response service provided pursuant to the Americans With Disabilities Act (ADA) increased due to additional passengers. Vanpool hours decreased as a result of employers who sponsored vanpools, reducing or eliminating staffing.

The PTBA's expenses may be reviewed in three formats:

Operating Expense by Mode of Service - The mode describes the type of service or other activity that the PTBA provides:

Fixed Route - Fixed Route refers to regularly scheduled buses operating on established routes.

Demand Response - Demand Response refers to the mode of service which provides a complementary paratransit service as provided under the ADA.

Vanpool - Vanpool is a service for a prearranged group of passengers who travel to a common destination. Typically, one of the passengers is selected as the driver, and the program usually receives employer support as a part of commute trip reduction (CTR) programs.

Rideshare - Rideshare is a carpool match program, and this also provides CTR services to major employers. The PTBA received a grant to fund part of the CTR efforts.

The following table shows the expenses for 2001 compared to 2000 by mode of service:

<u>MODE</u>	<u>2001 AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>2000 AMOUNT</u>	<u>INCREASE (DECREASE) FROM 2000</u>	<u>PERCENT INCREASE (DECREASE)</u>
Fixed Route	\$21,385,051	81.10%	\$21,613,481	\$(228,430)	(1.06)%
Demand Response	4,610,589	17.48	4,078,401	532,188	13.05
Vanpool	198,340	0.75	265,618	(67,278)	(25.33)
Rideshare	171,847	0.65	138,127	33,720	24.41
Total Operating Expenses	<u>\$26,365,827</u>	<u>99.98%</u>	<u>\$26,095,627</u>	<u>\$ 270,200</u>	1.04 %
Road Contributions	6,140	0.02	113,415	(107,275)	(94.59)
Gain on Sale of Fixed Assets	<u>0</u>	<u>0.00</u>	<u>(13,840)</u>	<u>13,840</u>	---
TOTAL EXPENSES	<u>\$26,371,967</u>	<u>100.00%</u>	<u>\$26,195,202</u>	<u>\$ 176,765</u>	0.67 %

As shown, fixed route constitutes over 80 percent of the total expenses and, due to the decrease in operating hours, experienced a reduction in expense compared to 2000. Demand response expenses increased as a result of the increase in operating hours as well as an increase in risk management and maintenance costs. Vanpool expenses decreased as a result of fewer hours of operations provided.

Operating Expense by Department - The department describes the major function areas of the PTBA and includes:

Operations - Responsible for all on-street services, including operators, dispatchers and schedulers.

Maintenance - Responsible for providing vehicles (including fuel, parts and cleaning) and facilities (upkeep, utilities and rent).

Administration - All other functions including executive direction, planning, marketing, information systems, purchasing and finance.

Depreciation - Estimated pro-ration of the cost of capital assets over the useful life of the asset.

The following table shows the expenses for 2001 compared to 2000 by department:

DEPARTMENT	2001 AMOUNT	PERCENT OF TOTAL	2000 AMOUNT	INCREASE (DECREASE) FROM 2000	PERCENT INCREASE (DECREASE)
Operations	\$12,799,189	48.53%	\$ 12,469,654	\$ 329,535	2.64 %
Maintenance	5,763,996	21.86	6,197,716	(433,720)	(7.00)
Administration	4,371,519	16.58	4,440,332	(68,813)	(1.55)
Depreciation	<u>3,437,263</u>	<u>13.03</u>	<u>3,087,500</u>	<u>349,763</u>	11.33
TOTAL EXPENSES	<u>\$26,371,967</u>	<u>100.00%</u>	<u>\$26,195,202</u>	<u>\$ 176,765</u>	0.67 %

- Operations increased as a result of the additional demand response hours of service provided.
- Maintenance and administration costs decreased as a result of the budget cuts which were made mid-year 2000, applying for the full year 2001.
- Depreciation expenses increased because the Fisher's Landing Transit Center was depreciated for the full year 2001 and only half a year in 2000 when it opened.

Operating Expense by Object – The object is the classification of expenses by type of item. The following table shows expenses for 2001 compared to 2000 by object:

OBJECT	2001 AMOUNT	PERCENT OF TOTAL	2000 AMOUNT	INCREASE (DECREASE) FROM 2000	PERCENT INCREASE (DECREASE)
Wages and Benefits	\$17,444,544	66.16%	\$17,113,104	\$331,440	1.94 %
Services	1,467,842	5.57	1,536,611	(68,769)	(4.48)
Supplies and Materials	2,286,777	8.67	2,837,117	(550,340)	(19.40)
Utilities	383,707	1.45	362,409	21,298	5.88
Casualty and Liability	365,057	1.38	319,802	45,255	4.15
Taxes	13,718	0.05	12,885	833	6.46
Transit Services	156,407	0.59	124,465	31,942	25.66
Miscellaneous	269,432	1.02	224,479	44,953	20.03
Leases	547,220	2.08	576,830	(29,610)	(5.13)
Depreciation	<u>3,437,263</u>	<u>13.03</u>	<u>3,087,500</u>	<u>349,763</u>	11.33
SSSSS SSSSSSS	<u>\$26,371,967</u>	<u>100.00%</u>	<u>\$26,195,202</u>	<u>\$176,765</u>	0.67 %

- Wages and benefits increases were a result of cost-of-living adjustments that were partially offset by the full year impact of staff reductions which occurred mid-year 2000. Also, employee insurance increased by \$130,000, or 6 percent, as a result of premium increases. Workers' compensation costs increased by \$65,000 compared to 2000 when the state rebated \$87,197.
- Services expense decreased due to decreased spending on printing of materials and repair of bus components.
- Supplies expense decreased as a result of a fuel cost decrease of \$247,000 compared to 2000. In addition, expenses for bus parts decreased; however, tire and operating supplies increased.

- Through ongoing conservation efforts, the cost of utilities increased less than the price increases which occurred during the year.
- Casualty and liability costs increased because of higher insurance premiums and other claims.
- Transit Services represents the PTBA's portion of the cost of the Tri-County Metropolitan Transit District of Oregon local fixed route service between downtown Vancouver and Jantzen Beach in Oregon.
- Miscellaneous costs increased due to \$55,000 additional spent on advertising media as a result of a change in marketing programs compared to 2000.
- Lease expenses were reduced as a result of the annual impact of terminating leases in 2000, as part of the budget reductions.
- As noted previously, depreciation increased as a result of incurring a full year's depreciation expense on the Fisher's Landing Transit Center.

Capital Assets

The PTBA's investment in capital assets as of December 31, 2001, amounted to \$36,675,761 net of accumulated depreciation. Capital assets consist of transit coaches and other vehicles, buildings, equipment, transit centers and park and ride lots. Capital assets increased by 2.5 percent during the year and consist of \$4,363,432 of additions and \$4,294,635 of retirements and removals. In addition, depreciation expense was recorded of \$3,437,263. Major capital asset acquisitions during 2001 included the following:

- Additions to vehicles consisted of engines and transmissions for the transit coaches (\$600,000) and two staff cars (\$40,000).
- Security cameras costing \$373,000 were added to transit coaches. An additional \$120,000 was expended on maintenance equipment, including an alternator test stand and a truck mounted parking lot cleaner.
- The largest capital asset acquisition during the year was \$3,290,000 to purchase land for the 99th Street Park & Ride lot. It is expected that design will begin in 2002 and construction in 2003-2004.

Additional information on the PTBA's capital assets can be found in Note 5 to the financial statements on page 37 of this report.

Economic Factors and Future Outlook

- The unemployment rate for Clark County at December 31, 2001, was 7.6 percent, which is an increase from the rate of 3.8 percent at the beginning of the year. Recent updates indicate the unemployment rate is continuing to rise.
- Retail sales, which the PTBA relies on for its sales tax, are expected to decrease after one-time auto purchases which were made in late 2001 due to low interest rates.
- It is unknown if and the extent of any funds forthcoming from the state of Washington to partially make up for the loss of motor vehicle excise tax. A transportation referendum is scheduled to be placed before the voters in the November 2002 election which, if passed, may provide approximately \$2,000,000 each two-year period. Additional funds may be available for demand response and vanpool modes and park and ride lot construction funds. In summary, these other funds may yield \$500,000 each two-year period to the PTBA.
- The service and financial plan for 2002 anticipates the expenditure of \$8.5 million of net assets to maintain the current service level. In addition, \$4,200,000 of unrestricted net assets will be used to acquire capital assets of \$8.2 million with a balance of \$4 million provided by Federal Transit Administration grants.
- During 2002, major efforts will be put towards identifying any service modifications that can result in increased utilization. As net assets continue to be consumed by maintaining current service levels, the PTBA's Board of Directors will be considering a long-range plan to balance revenues and expenses.

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 financial information should be addressed to the Director of Finance & Administration, PO Box 2529, Vancouver, WA 98668.

CLARK COUNTY PTBA
STATEMENT OF NET ASSETS
December 31, 2001 and 2000

ASSETS	2001	2000
Current Assets:		
Cash and Cash Equivalents	\$ 48,197,770	\$ 47,146,104
Receivables: (Net of Allowance for Uncollectibles of \$2,458 and \$913)		
Accounts	267,517	137,577
Interest	0	19,750
Due from Other Governments	2,731,484	2,338,539
Total Receivables	<u>2,999,001</u>	<u>2,495,866</u>
Investments	13,270,625	5,512,812
Inventories	1,070,839	1,240,488
Prepaid Expenses	344,808	241,883
Total Current Assets	<u>65,883,043</u>	<u>56,637,153</u>
Noncurrent Assets:		
Investments	14,629,375	23,439,688
Prepaid Leases	29,302	39,094
Capital Assets:		
Vehicles	28,382,028	28,018,099
Buildings	5,406,639	5,419,015
Equipment and Furnishings	5,610,294	9,103,223
Land Improvements	8,040,700	8,090,183
Land	15,330,460	12,070,804
Less Accumulated Depreciation	<u>(26,094,360)</u>	<u>(26,927,503)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>36,675,761</u>	<u>35,773,821</u>
Total Noncurrent Assets	<u>51,334,438</u>	<u>59,252,603</u>
TOTAL ASSETS	<u>\$ 117,217,481</u>	<u>\$ 115,889,756</u>

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

CLARK COUNTY PTBA STATEMENT OF NET ASSETS

December 31, 2001 and 2000

LIABILITIES	2001	2000
Current Liabilities:		
Accounts Payable	\$ 1,369,338	\$ 818,705
Accrued Wages and Benefits	2,286,132	2,244,901
Prepaid Fares	177,609	77,627
Other Payables	10,558	11,149
Total Current Liabilities	<u>3,843,637</u>	<u>3,152,382</u>
Noncurrent Liabilities:		
Provision for Uninsured Claims	529,428	433,521
Total Noncurrent Liabilities	<u>529,428</u>	<u>433,521</u>
 TOTAL LIABILITIES	 <u>4,373,065</u>	 <u>3,585,903</u>
NET ASSETS		
Invested in Capital Assets	36,675,761	35,773,821
Unrestricted	76,168,655	76,530,032
 TOTAL NET ASSETS	 <u>\$ 112,844,416</u>	 <u>\$ 112,303,853</u>

The notes to the financial statements 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, 2001 and 2000

	2001	2000
Operating Revenues:		
Passenger Fares	\$ 3,540,844	\$ 3,227,198
Other Transit Revenue	64,363	1,905
Total Operating Revenues	<u>3,605,207</u>	<u>3,229,103</u>
Operating Expenses:		
Operations	12,799,189	12,469,654
Maintenance	5,763,996	6,197,716
Administration	4,365,379	4,326,917
Depreciation	3,437,263	3,101,340
Total Operating Expenses	<u>26,365,827</u>	<u>26,095,627</u>
Operating Income (Loss)	<u>(22,760,620)</u>	<u>(22,866,524)</u>
Nonoperating Revenues (Expenses):		
Sales Tax	11,912,575	11,853,310
Motor Vehicle Excise Tax	0	7,173,943
Interest Income	4,254,252	5,350,765
Other Nonoperating Revenues	5,371	1,530
Commuter Reduction Grants	87,514	40,254
State Assistance	0	4,885,564
Contributions to Road Projects	(6,140)	(113,415)
Federal Assistance	3,020,236	0
Gain on Sale of Fixed Assets	0	13,840
Total Nonoperating Revenues (Expenses)	<u>19,273,808</u>	<u>29,205,791</u>
Net Income (Loss) Before Contributions	(3,486,812)	6,339,267
Capital Contributions - FTA Grants	4,027,375	651,663
Change in Net Assets	<u>540,563</u>	<u>6,990,930</u>
Total Net Assets, Beginning	<u>112,303,853</u>	<u>105,312,923</u>
Total Net Assets, Ending	<u>\$ 112,844,416</u>	<u>\$ 112,303,853</u>

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, 2001 and 2000

	2001	2000
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 3,526,497	\$ 3,289,670
Cash Received from Contracts for Service	89,356	108,516
Cash Payments to Suppliers for Goods & Services	(9,021,078)	(10,374,912)
Cash Payments to Employees for Services	(13,370,899)	(13,386,077)
Other Cash Receipts	5,371	3,435
Net Cash Provided (Used) by Operating Activities	<u>(18,770,753)</u>	<u>(20,359,368)</u>
Cash Flows from Noncapital Financing Activities:		
Sales Tax Received	11,924,575	11,721,310
Motor Vehicle Excise Tax Received	0	6,955,335
State Assistance Received	0	4,885,564
Federal Operating Grants Received	2,814,213	0
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>14,738,788</u>	<u>23,562,209</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(4,093,711)	(4,109,795)
Capital Grants and Contributions	3,826,611	513,648
Proceeds From Sale of Equipment	24,229	98,465
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(242,871)</u>	<u>(3,497,682)</u>
Cash Flows from Investing Activities:		
Purchase of Investment Securities	(13,000,000)	(11,500,000)
Proceeds From Maturities of Investment Securities	14,500,000	9,500,000
Interest on Investments	3,826,502	4,695,928
Net Cash Provided (Used) by Investing Activities	<u>5,326,502</u>	<u>2,695,928</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,051,666</u>	<u>2,401,087</u>
Cash and Cash Equivalents, Beginning	<u>47,146,104</u>	<u>44,745,017</u>
Cash and Cash Equivalents, Ending	<u>\$ 48,197,770</u>	<u>\$ 47,146,104</u>

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, 2001 and 2000

	2001	2000
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Loss	\$ (22,760,620)	\$ (22,866,524)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation on Capital Assets	3,437,263	3,101,340
Noncapital Contract Proceeds	89,356	108,516
Nonoperating Expenses	(6,140)	(113,415)
Miscellaneous Nonoperating Revenue	5,371	1,530
(Decrease)Increase in Provision for Uncollectible Accounts	1,545	(483)
Change in Assets and Liabilities		
Decrease (Increase) in Accounts Receivable	(131,485)	3,118
Decrease (Increase) in Inventories	169,649	187,149
Decrease (Increase) in Prepaid Expenses	(102,925)	15,387
Decrease (Increase) in Prepaid Lease	9,792	9,792
Increase (Decrease) in Accounts Payable	280,912	(640,402)
Increase (Decrease) in Wages and Benefits Payable	41,231	(94,781)
Increase (Decrease) in Prepaid Fares	99,982	9,338
Increase (Decrease) in Other Payables	(591)	(11,433)
Increase (Decrease) in Provision for Uninsured Claims	95,907	(68,500)
Total Adjustments	3,989,867	2,507,156
Net Cash Provided (Used) by Operating Activities	\$ (18,770,753)	\$ (20,359,368)

Noncash Transactions:

The PTBA had non-realized appreciation on investments of \$452,500 at December 31, 2000 and \$900,000 at December 31, 2001.

The PTBA had accounts payable for capital expenditures of \$132,148 at December 31, 2000 and \$401,869 at December 31, 2001.

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

CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2001

NOTE 1. A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In evaluating how to define the entity for financial reporting purposes, management considered whether the PTBA is a component unit of another primary government and all potential component units of the PTBA. The PTBA is a special-purpose district organized to provide public transportation services for Clark County and - provides both fixed route public transportation services under the name of C-TRAN and demand response services under the name of C-VAN. Clark County PTBA's general-purpose financial statements include the financial position and results of operations of the PTBA. A review of other units of local government, using the criteria set forth in generally accepted accounting principles, indicates there are no additional entities or funds for which the PTBA has reporting responsibilities. Management has determined the PTBA should not be considered a part of any unit of local government for reporting purposes for the following reasons:

1. The PTBA has separate legal standing from all other units of government.
2. No primary government appoints the voting majority of the PTBA's Board of Directors. The PTBA's Board consists of nine members: three of which 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. In addition, all three Clark County Commissioners serve on the Board during their term of office.
3. The PTBA is fiscally independent of all other units of local government. The PTBA's Board of Directors has the sole authority to determine financial programs, levy taxes, establish fares and issue bonded debt.

4. The financial statements of other units of local government would not be misleading or incomplete without the inclusion of the PTBA's financial statements.

B. Basis of Presentation and Accounting

The PTBA is a single-enterprise proprietary fund and uses the accrual basis of accounting. Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprise and that a periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Under this method, revenues are recorded when earned, and expenses are recognized as soon as they result in liabilities for the benefits provided.

The financial statements are prepared on the basis of Governmental Accounting Standards Board (GASB), Statement Number 34, Basic Financial Statements, Management Discussion and Analysis for State and Local Governments and related standards. This new statement provides for significant changes in terminology and includes recognition of capital grants in the 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.

Capital grants are accrued, if they represent reimbursements of capital expenditures that are liabilities, as of the end of the accounting year. Supply items, including fuel, tires and repair parts, are accounted for in inventory asset accounts and are expensed as they are issued from inventory.

The PTBA applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Capital 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principle ongoing operations. The principle operating revenues of the PTBA are charges to customers in the form of bus fares and reimbursement by sponsors of subsidized routes. Operating expenses for proprietary funds include the cost of providing transit service, administrative expenses and depreciation on capital assets. Tax revenue and grants used to finance operations and expenses not related to the provision of transit service are reported as non-operating revenues and expenses. Investments are designated to replace capital assets and provide assurance that the self-insured retention is maintained.

The accounting records of the PTBA are maintained in accordance with the methods prescribed by the Federal Transit Administration (FTA) and the Washington State Auditor under the authority of Revised Code of Washington (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 Section 15 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. Measurement Focus

The PTBA's capital maintenance measurement focus used for financial reporting purposes is the calendar year ending December 31. Total assets and total liabilities associated with the PTBA's operations are included on the Statement of Net Assets. Depreciation is recorded as a cost of operation.

D. Assets, Liabilities, and Net Assets

1. Deposits and Investments

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 Commission, the Local Government Investment Pool of the Washington State Treasurer or authorized investments through the Clark County Treasurer.

Investments for the PTBA are reported at fair value. The State Treasurer's Local Government Investment Pool 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. Receivables and Payables

Accounts receivable consist mainly of bus passes and 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.

3. Inventory and Prepaid Expenses

Inventory consists of fuel, tires, repair parts and supplies. No general administrative expenses are included in the inventory valuation. 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 and are expensed when the benefit is received.

4. Capital Assets

Capital assets, which include property, facilities and equipment are capitalized at total acquisition cost, provided such cost exceeds \$5,000 in its 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	5-17
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.

5. Compensated Absences

It is the PTBA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits in accordance with collective bargaining agreements or personnel policies. There is no liability for unpaid sick leave since the PTBA does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when earned.

6. 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. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

NOTE 2. DEPOSITS AND INVESTMENTS

All investments made and held by the PTBA were in compliance with the investment policy.

A. Following is a summary of cash and cash equivalents at December 31, 2001:

Cash on Hand	\$	6,448
Bank Demand Deposits		455,215
Pooled Investments		47,736,107
Total Cash and Cash Equivalents	\$	<u>48,197,770</u>

The investments at December 31, 2001 were held as follows:

Current Assets (mature within one year)	\$ 13,270,625
Noncurrent Assets (mature beyond one year)	<u>14,629,375</u>
Investment Securities Held	27,900,000
Pooled Investments	<u>47,736,107</u>
Total Investments	<u>\$ 75,636,107</u>

B. Deposits

At December 31, 2001, the carrying amount of the deposits was \$455,215, and the bank balances were \$632,654.

All of the bank balances were insured by federal depository insurance or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission.

C. Investments

Investments held by the PTBA are categorized to indicate the risk assumed at year-end. Category 1 includes investments that are either insured, registered, or held by the PTBA or its agent in the PTBA's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the PTBA's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the PTBA's name. The pooled investments are not categorized because the PTBA does not own identifiable securities.

Type	Category 1	Category 2	Category 3	Reported Amount Fair Value
U.S. Government Securities	<u>\$27,900,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	\$ 27,900,000
Total	<u>\$27,900,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	\$ 27,900,000

Investments not subject to categorization:

Washington State Local Government Investment Pool	<u>47,736,107</u>
Total Investments	<u>\$ 75,636,107</u>

All U.S. Government securities are in the form of U.S. Treasury notes through Treasury Direct of the Federal Reserve Bank. These notes have maturities in 2002 through 2005 and carry interest rates of 2.75 to 7.25 percent.

The operations of the Washington State Treasurer's Local Government Investment Pool (LGIP) are governed by the State Finance Committee, whose composition and responsibilities are established by state statute. The LGIP is a 2a7-like pool (i.e., not SEC registered but operating in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940) and uses amortized cost rather than fair value to report net assets. The LGIP publishes an annual report which is

available from the Office of the State Treasurer, Legislative Building, 2nd Floor, Olympia, WA 98504-0200, phone: (360) 902-9000, e-mail: watreas@tre.wa.gov.

As of the most recent report date, June 30, 2001, fair value equaled 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 month of December 2001, was 2.31 percent.

NOTE 3. RECEIVABLES DUE FROM OTHER GOVERNMENTS

Receivables due from other governments at December 31, 2001 and 2000, are as follows:

	<u>Dec. 31, 2001</u>	<u>Dec. 31, 2000</u>
Sales Tax-November and December Collections due in January and February of the following year	\$2,160,000	\$2,172,000
Operating Grants from FTA	206,023	0
Capital Grants from FTA	338,779	138,015
Planning Grants from Clark County	<u>26,682</u>	<u>28,524</u>
Total Receivables Due From Other Governments	<u>\$2,731,484</u>	<u>\$2,338,539</u>

NOTE 4. DESIGNATION OF INVESTMENTS

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

Purpose	Investment Balance Jan. 1, 2001	Replacement Purchases	Interest Earnings	Investment Balance Dec. 31, 2001
Designated for Asset Replacement	\$28,219,736	\$ (49,910)	\$1,548,300	\$29,718,126
Designated for Retained Risks	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>
Total Designated	<u>\$31,219,736</u>	<u>\$ (49,910)</u>	<u>\$1,548,300</u>	<u>\$32,718,126</u>

The designation for asset replacement originally was funded with a portion of the annual depreciation expense, plus interest earnings. Currently only interest earnings are contributed. The non-grant-funded portion of equipment replacement purchases is deducted.

The following table shows accumulated net contributions and interest, as well as the percent of accumulated depreciation for the last two years:

Year Ended Dec. 31	Net Contributions to Date	Total Interest Credited	Total	Accumulated Depreciation at Dec. 31	Percent of Contributions to Accumulated Depreciation
2000	\$ 13,548,650	\$ 14,671,086	\$ 28,219,736	\$ 26,927,503	50%
2001	\$ 13,498,740	\$ 16,219,386	\$ 29,718,126	\$ 26,094,360	52%

The designation of investments for retained risks remained at \$3,000,000 throughout the year. This designation provides the retention on the excess liability policy (\$2,000,000) and meets the self-insured requirements for the underground storage tank farm (\$1,000,000).

NOTE 5. CAPITAL ASSETS

A summary of changes in capital assets during 2001 is as follows:

Description	Balance Jan. 1, 2001	Additions	Retire-ments	Balance Dec. 31, 2001
Vehicles	\$	\$ 639,781	\$ 275,852	\$ 28,382,028
Buildings and Structures		(10,498)	1,878	5,406,639
Equipment and Furnishings		497,972	3,990,901	5,610,294
Land Improvements		(32,549)	16,934	8,040,700
Land		<u>3,268,726</u>	<u>9,070</u>	<u>15,330,460</u>
Total	\$	<u>\$ 4,363,432</u>	<u>\$ 4,294,635</u>	<u>\$ 62,770,121</u>

A summary of changes to accumulated depreciation during 2001 is as follows:

Description	Balance Jan. 1, 2001	Expense	Retire-ments	Balance Dec. 31, 2001
Vehicles	\$16,298,712	\$1,508,979	\$260,719	\$17,546,972
Buildings and Structures	1,826,408	218,648	1,878	2,043,178
Equipment and	6,267,746	1,397,953	3,990,874	3,674,825
Land Improvements	<u>2,534,637</u>	<u>311,683</u>	<u>16,935</u>	<u>2,829,385</u>
Total	<u>\$26,927,503</u>	<u>\$3,437,263</u>	<u>\$4,270,406</u>	<u>\$26,094,360</u>

A summary of capital assets at December 31, 2001, is as follows:

Description	Balance Dec. 31, 2001	Accumulated Depreciation	Net Book Value
Vehicles	\$28,382,028	\$17,546,972	\$10,835,056
Buildings and Structures	5,406,639	2,043,178	3,363,461
Equipment and Furnishings	5,610,294	3,674,825	1,935,469
Land Improvements	8,040,700	2,829,385	5,211,315
Land	<u>15,330,460</u>	<u>0</u>	<u>15,330,460</u>
Total	<u>\$62,770,121</u>	<u>\$26,094,360</u>	<u>\$36,675,761</u>

NOTE 6. 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 any equity interests in the property. Lease expense for the year ended December 31, 2001, totaled to \$547,216. Future minimum rental commitments for these leases are as follows:

Year	Amount
2002	\$ 374,043
2003	369,995
2004	302,049
2005	306,106
2006	154,450
2007-2111	<u>32,455</u>
Total	<u>\$ 1,539,098</u>

The terms of the 7th Street lease for the Vancouver Transit Center provided the PTBA would pay to the City of Vancouver, in advance, a one-time payment of \$195,796. This amount is being amortized over the life of the lease at a rate of \$9,792 per year. The balance of prepaid leases of \$29,302 at December 31, 2001, represents approximately three remaining years of the 7th Street lease.

NOTE 7. CONTRIBUTED CAPITAL

As a part of the capital program, the PTBA has received grants from FTA, as well as contributions from 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 contributed capital when earned.

Following is an analysis of the contributed capital activity for 2001:

Source	Balance Jan. 1, 2001	Grants Received	Refunded	Disposed	Balance Dec. 31, 2001
WA-03-0018	\$ 43,710	\$	\$	\$	\$ 43,710
WA-03-0041	4,345,134				4,345,134
WA-03-0042	3,344,404				3,344,404
WA-03-0056	43,841				43,841
WA-03-0146	0	2,312,375			2,312,375
WA-05-0015	243,656				243,656
WA-05-0018	715,525				715,525
WA-05-0032	775,651				775,651
WA-90-0006	318,471				318,471
WA-90-0021	61,361				61,361
WA-90-0044	592,972				592,972
WA-90-0049	483,097				483,097
WA-90-0068	264,723				264,723
WA-90-0081	811,162				811,162
WA-90-0093	1,260,965			115,835*	1,376,800
WA-90-0117	228,896				228,896
WA-90-0129	304,000				304,000
WA-90-0139	2,512,173				2,512,173
WA-90-0150	2,224,343				2,224,343
WA-90-0158	3,967,755				3,967,755
WA-90-0184	4,364,635				4,364,635
WA-90-0198	499,413				499,413
WA-90-0217	3,197,523				3,197,523
WA-90-0255	0	4,735,236			4,735,236
LA-3167	0				0
Federal Government	30,603,410	7,047,611	0	115,835	37,766,856
Other Local Government	675,146				675,146
Private Contributions	111,218				111,218
Total Contributed Capital	<u>\$31,389,774</u>	<u>\$7,047,611</u>	<u>\$ 0</u>	<u>\$ 115,835</u>	<u>\$38,553,220</u>

*Previously disposed assets returned to service

NOTE 8. PENSION PLANS

Substantially all PTBA full-time and qualifying part-time employees participate in one of the plans of the statewide retirement system administered by the Washington State Department of Retirement Systems (DRS) under cost-sharing multiple-employer defined-benefit public employee retirement plans. The DRS, a department within the primary government of the state of Washington, issues a comprehensive annual financial report containing historical trend information and may be obtained from DRS, Communications Unit, PO Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement 27, Accounting for Pensions by State and Local Government Employers.

A. Public Employees' Retirement System (Plans 1 and 2)

1. Plan Description

The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined-benefit pension plan. Membership in the plan includes elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system); employees of legislative committees; college and university employees not in national higher-education retirement programs; judges of district and municipal courts; non-certificated employees of school districts; and employees of local government. The PERS includes two plans. Participants who joined the system prior to October 1, 1977, are Plan 1 members. Those joining thereafter are enrolled in Plan 2. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan 1 and Plan 2 are vested after completion of five years of eligible service. Retirement benefit provisions are established in state statute and may be amended only by the state legislature.

Plan 1 members are eligible for retirement at any age after 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service. The annual pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive months. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 members may retire at age 65 with five years of service or at age 55 with 20 years of service with an allowance of 2 percent per year of service of the average final compensation. Plan 2 retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit, and a cost-of-living allowance is granted, capped at 3 percent annually.

There are 1,803 participating employers in PERS. Membership in PERS consisted of the following at December 31, 2000:

Retirees and Beneficiaries Receiving Benefits	61,088
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	17,314
Active Plan Members Vested	98,018
Active Plan Members Non-vested	<u>54,243</u>
Total	<u>230,663</u>

2. Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates needed to fully amortize the total costs of the plan. Employee contribution rates for Plan 1 are established by statute at 6 percent and do not vary from year-to-year. The employer and employee contribution rates for Plan 2 are set by the director of the DRS based on recommendations by the Office of the State Actuary to continue to fully fund the plan. All employers are required to contribute at the level established by state law. The methods used to determine the contribution rates 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, 2001, were:

	PERS Plan 1	PERS Plan 2
Employer	1.77% *	1.77% *
Employee	6.00%	0.85%

* The employer rates do not include the employer administrative expense fee currently set at 0.23 percent.

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

	PERS Plan 1	PERS Plan 2
2001	\$17,501	\$218,599
2000	\$47,076	\$560,380
1999	\$61,135	\$732,829

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. Investments are managed by T. Rowe Price utilizing 25 mutual funds. The participants make the choice of investment options.

NOTE 9. INSURANCE

The PTBA carries the following insurance policies with the indicated limits of coverage:

Risk	Carrier	Coverage
Fleet Physical Damage	Fireman's Fund	\$27,309,474 subject to a \$60,000 deductible on transit coaches and \$5,000 deductible on service vehicles
Building and Contents	National Surety	All risk including earthquake coverage on building and contents, with a limit of liability \$9,484,800, and includes \$825,000 of additional expense coverage
Inland Marine	National Surety	\$1,376,933 on radios and other itemized pieces of equipment
Felonious Assault	Hartford	\$100,000 coverage for coach operators and supervisors, covering accidental death and dismemberment
Bond	Aetna	Employee dishonest blanket bond coverage for a maximum of \$50,000 with a \$1,000 deductible
Treasurer's Bond	Aetna	Continuous public official bond in the amount of \$100,000
Money and Securities	Aetna	Coverage for wrongful abstraction of money and securities inside and outside the premises in the amount of \$10,000, with a \$1,000 deductible
Public Liability	National Surety	Combined bodily injury and property damage liability for non-vehicle related claims with an aggregate coverage of \$1,000,000
Excess Liability	American Protection Insurance Company	\$25,000,000 with a \$2,000,000 deductible

There were no reductions of insurance coverage during 2001. Where commercial insurance was used to manage the risk of loss, no settlements exceeded such insurance coverage during any of the past three years.

Since December 22, 1985, the PTBA has not purchased any auto liability coverage for the fixed route service. As a public transportation operator, most of the PTBA's risk exposure is in the operation of its fleet of transit coaches. The PTBA has attempted to obtain coverage from insurance carriers; however, the price, terms, or financial capacities of the proposed carriers were not reasonable based upon the PTBA's history. Therefore, the PTBA has elected not to purchase auto liability coverage.

Claims expense and related liabilities are established if information indicates 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, 2001, the amount of this liability estimate was \$529,428. This liability is the PTBA's best estimate based upon available information. Changes in the reported liability since January 1, 2000, resulted from the following:

	2001	2000
Unpaid claims and claims adjustment expenses as of January 1	<u>\$433,521</u>	<u>\$502,021</u>
Incurred claims and claims adjustment expenses (including IBNR) as of December 31:		
Provision for current-year events	209,250	204,821
Increases (decreases) in provision for prior years' events	<u>73,778</u>	<u>25,881</u>
Total incurred claims & claims adjustment expenses	<u>\$283,028</u>	<u>\$230,702</u>
Payments:		
Claims & claims adjustment expenses attributable to current-year events	98,696	86,222
Claims & claims adjustment expenses attributable to prior years' events	<u>88,425</u>	<u>212,980</u>
Total payments	<u>\$187,121</u>	<u>\$299,202</u>
Total unpaid claims & claims adjustment expenses as of December 31	<u>\$529,428</u>	<u>\$433,521</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 4, as of December 31, 2000, the Board of Directors designated \$3,000,000 of investments to pay these and future claims.

NOTE 10. GRANT ACTIVITY

The PTBA is a recipient of grants from the United States Department of Transportation. All open grants are allocations from Section 9 of the FTA or the Surface Transportation Program. Funds are drawn from these grants for the grant eligible expenditures as they occur.

The following table shows the activity of the open grants during 2001:

CFDA No.	Federal ID	Total Award Amount	Balance at Jan. 1, 2001	2001 Awards & Amendments	2001 Grant Revenues & Expenditures	Balance at Dec. 31, 2001
20.507	WA-90-X184	\$ 4,494,460	\$ 128,213	\$ 0	\$ 0	\$ 128,213
20.507	WA-90-X217	6,479,422	3,281,899	0	0	3,281,899
20.507	WA-90-X255	6,360,438	0	6,360,438	4,735,236	1,625,202
20.507	WA-03-0146	<u>2,963,911</u>	<u>0</u>	<u>2,963,911</u>	<u>2,312,375</u>	<u>651,536</u>
TOTAL		<u>\$ 20,298,231</u>	<u>\$ 3,410,112</u>	<u>\$ 9,324,349</u>	<u>\$ 7,047,611</u>	<u>\$ 5,686,850</u>

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

Grantor Agency	Program Name	Other ID	Total Award Amount	Balance at Jan. 1, 2001	2001 Awards & Amendments	2001 Grant Revenues & Expenditures	Balance at Dec. 31, 2001
Clark County	CTR Planning	Cont. 024	\$178,746	\$ 60,857	\$ 0	\$ 60,832	\$ 25
Clark County	CTR Planning	July 1, 2001	<u>89,993</u>	<u>0</u>	<u>89,993</u>	<u>26,682</u>	<u>\$ 63,311</u>
TOTAL			<u>\$268,739</u>	<u>\$ 60,857</u>	<u>\$ 89,993</u>	<u>\$ 87,514</u>	<u>\$ 63,336</u>

NOTE 11. SUBSEQUENT EVENT

In the general election of 1999, Washington State voters approved Initiative 695 (I-695) which eliminated a value-based motor vehicle excise tax and established the license fee at \$30 per year. The PTBA was previously permitted to levy a motor vehicle excise tax (MVET) up to 0.725 percent on the value of motor vehicles within the county. This local levy was credited against the state levy of MVET. With the passage of I-695 and the repeal of the state MVET, the state ceased collecting the locally levied MVET effective January 1, 2000. During 2000, I-695 was found to be unconstitutional. However, to preserve the \$30 license fee, the legislature enacted, and the governor approved, legislation to accomplish this same purpose. The statutes providing for the locally levied MVET for mass transit purposes were not repealed; however, the state continued to not collect the local MVET, claiming that local tax was repealed by implication. A lawsuit was then filed against the state by various parties.

On February 14, 2002, the Washington State Supreme Court ruled that the authority to levy the local MVET was not repealed by the legislature, and it remained an obligation of the state to collect this tax. The legislature undertook to repeal the authority of the local MVET and stated it was their intention it was repealed effective January 1, 2000. It is unsettled whether such a retroactive repeal or clarification of intent is constitutional.

The state does not currently have the financial resources to pay the local MVET to the transit systems. The amount not collected over the past two years could approach \$600 million dollars (approximately \$25 million for the PTBA). The logistics of collecting the back MVET from the taxpayers would be very problematic. Therefore, it is doubtful that the PTBA will recover any of the back MVET, and the PTBA is not a party to any current activity which would lead to the collection of this MVET.

**STATISTICAL
SECTION**

CLARK COUNTY PTBA
OPERATING PROFILE
December 31, 2001

FARES:

Fare History

Selected Fares

	Adult				Honored Citizen			
	Cash		Pass		Cash		Pass	
	1 Zone	All Zone	1 Zone	All Zone	1 Zone	All Zone	1 Zone	All Zone
January 1, 1981	\$ 0.35	na	\$ 12	\$ 35	\$ 0.15	na	\$ 5	\$ 35
May 1, 1981	0.50	1.75	18	60	0.25	0.45	8	12
January 1, 1987	0.60	1.35	18	40	0.30	0.65	8	12
December 31, 1999	0.90	1.40	26	42	na	0.50	na	14
September, 2001	1.00	1.75	28	52	na	0.50	na	14

Current Fixed Route Fares (Effective Sept. 2001)	Zone	Adult	Reduced	Honored Citizen	Day Pass
Cash:	C-Zone	\$ 1.00	na	na	na
	All-Zone	\$ 1.75	na	\$ 0.50	\$ 3.50
Monthly Pass:	C-Zone	\$ 28	na	na	na
	All-Zone	\$ 52	\$ 24	\$ 14	na

Note:

C-Zone is Clark County
All Zone includes trips from Clark County to Portland, Oregon and beyond
Reduced is 18 or under or low income
There is no cash fare discount for Reduced
Honored Citizen is 62 or over or disabled
Current fares were effective September 9, 2001
Demand Response cash fare is \$1.00
na means no fare for this item

FACILITIES:

Operating Base:

Combined facility constructed in 1983:

Administration	5,812	square feet
Maintenance	31,793	square feet
Operations	3,288	square feet
Revenue Vehicle Capacity	100	

Annex: Leased in 1992

Administration	8,360	square feet
Maintenance	7,587	square feet
Operations	3,601	square feet

Transit Centers and Park & Ride Lots:

Name	Location	Year Built	Revenue Vehicle Capacity	Parking Spaces
7th Street Transit Center	Downtown Vancouver	1984	18	na
Vancouver Mall Transit Center	Vancouver Mall	1985	6	na
Evergreen Transit Center	18th & 138th Ave.	1990	8	279
Fisher's Landing Transit Center	SE 164th Ave. and SR 14	2000	12	560
Ridgefield Park & Ride	I-5 and SR 501	1984	na	42
Salmon Creek Park & Ride	I-5 and I-205 Interchange	1985	4	436
Battle Ground Park & Ride	City of Battle Ground	1985	2	28
Washougal Park & Ride	City of Washougal	Unimp.	na	20
	Bonneville Power Admin.	na	4	200

Other:

Passenger Waiting Shelters	233
Bus Stops	1,897

CLARK COUNTY PTBA
OPERATING PROFILE
December 31, 2001

FLEET ROSTER:

<u>YEAR</u>	<u>LENGTH</u>	<u>MANUFACTURER</u>	<u>SEATING CAPACITY</u>	<u>NUMBER</u>
1982	40	General Motors	45	33
1995	40	Gillig	43	13
1998	40	Gillig	40	2
1999	40	Gillig	40	14
1976	35	General Motors	0	1 *
1990	35	Gillig	37	12
1995	35	Gillig	37	10
1990	30	Gillig	30	8
1995	30	Gillig	30	17
1993	25	Collins	16	7
1994	25	Eldorado	16	9
1996	25	Eldorado	17	15
1997	25	Eldorado	17	17
1999	25	Eldorado	17	2
Total Fleet				<u>160</u>
Average Fleet Age (Years)				<u>8.72</u>
Weighted Average Fleet Ages (Years)				<u>9.87</u>

Weighted average fleet age is based upon seating capacity. This considers the fact that the larger coaches are more expensive and generally have longer useful lives than smaller coaches.

* Held in reserve for special events service - not considered in average fleet age.

CLARK COUNTY PTBA
MISCELLANEOUS STATISTICS

	<u>2001</u>	<u>Increase (Decrease)</u>	<u>1980</u>
Population Total	352,600	83.4 %	192,227
Incorporated	182,170	223.7	56,278
Unincorporated	170,430	25.4	135,949
Age: 0-4	27,300	67.3 %	16,318
5-14	56,758	69.5	33,493
15-19	25,493	49.3	17,071
20-29	43,547	30.4	33,407
30-49	111,862	123.9	49,953
50-64	54,218	120.5	24,593
65+	33,422	92.2	17,392
Licensed Drivers (for 2000)	248,454	110.6 %	118,002
Vehicles Total	339,451	98.0 %	171,474
Passenger Cars	234,694	119.6	106,889
Trucks	72,702	91.9	37,880
Other	32,055	20.0	26,705
Education (2000 - 2001 data)			
Annual School Enrollment	59,883	52.0 %	39,403
Annual School Rev. (thousands)	\$ 395,948	355.4	\$ 86,947
Employment			
Number	165,700	224.8 %	51,011
Wages Paid (thousands) (2000 data)	\$ 3,658,394	381.3	\$ 760,141
Average Wages	\$ 30,318	103.4	\$ 14,902
Personal Income			
Per Capita	\$ 31,582	222.6 %	\$ 9,790
Public Assistance			
Total Grants	\$ 42,292,175	211.0 %	\$ 13,600,000
Persons Served	37,963	408.3	7,468
Assessed Value			
Total (millions)	\$ 24,455	709.5 %	\$ 3,021
Per Capita	\$ 69,357	310.8	\$ 16,885

Sources: Washington State Office of Financial Management, Employment Security, Departments of Revenue, Licensing and Social and Health Services

CLARK COUNTY PTBA
REVENUES AND NON-REVENUES
2001-1992

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Passenger Fares	\$ 3,540,844	\$ 3,227,198	\$ 2,611,353	\$ 2,434,569
Advertising Fees	57,270	0	0	0
Interest Income	4,254,252	5,350,765	2,988,909	4,640,244
Sales Tax	11,912,575	11,853,310	11,699,532	11,320,182
Motor Vehicle Excise Tax	0	7,173,943	11,699,532	11,320,182
Miscellaneous	12,464	3,435	4,680	8,253
State Grants	87,514	40,254	155,365	103,775
State Assistance	0	4,885,564	0	0
Federal Assistance	3,020,236	0	0	0
Capital Grants	4,027,375	651,663	3,450,152	699,112
Capital Contributions	0	0	0	0
TOTAL	<u>\$ 26,912,530</u>	<u>\$ 33,186,132</u>	<u>\$ 32,609,523</u>	<u>\$ 30,526,317</u>

EXPENSES AND EXPENDITURES
2001-1992

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Salaries and Wages	\$ 11,531,973	\$ 11,389,304	\$ 11,518,766	\$ 10,120,848
Benefits	5,912,571	5,723,800	5,854,739	5,169,498
Services	1,467,842	1,536,611	2,824,821	2,153,040
Fuel	910,642	1,157,719	831,886	639,397
Supplies and Materials	1,376,135	1,679,398	2,099,084	2,099,261
Utilities	383,707	362,409	345,021	345,212
Casualty and Liability	365,057	319,802	329,165	142,543
Taxes	13,718	12,885	12,313	9,653
Transit Services	156,407	124,465	1,055,463	1,961,794
Miscellaneous	269,432	224,479	418,388	452,491
Interest	0	0	0	0
Leases	547,220	576,830	608,594	422,217
Depreciation	3,437,263	3,087,500	2,736,053	2,863,542
Capital Acquisition	4,363,432	4,004,121	8,191,857	2,201,682
TOTAL	<u>\$ 30,735,399</u>	<u>\$ 30,199,323</u>	<u>\$ 36,826,150</u>	<u>\$ 28,581,178</u>

**CLARK COUNTY PTBA
REVENUES AND NON-REVENUES
2001-1992**

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 2,169,843	\$ 2,050,863	\$ 1,724,110	\$ 1,640,784	\$ 1,541,015	\$ 1,441,599
0	0	0	0	0	0
3,910,002	3,609,628	3,645,120	2,707,656	2,139,351	1,908,487
10,632,757	10,292,273	9,443,705	8,890,580	7,998,244	7,076,717
10,632,757	10,292,273	9,443,705	8,890,580	7,782,244	6,862,717
6,448	5,977	2,333	3,010	2,182	1,501
128,482	75,414	1,512,863	2,109,296	1,655,782	529,092
0	0	0	0	0	0
0	0	0	0	0	0
3,989,504	104,757	7,678,277	682,539	368,128	98,299
0	0	0	750	24,300	(570)
<u>\$ 31,469,793</u>	<u>\$ 26,431,185</u>	<u>\$ 33,450,113</u>	<u>\$ 24,925,195</u>	<u>\$ 21,511,246</u>	<u>\$ 17,917,842</u>

**EXPENSES AND EXPENDITURES
2001-1992**

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 8,925,144	\$ 7,606,579	\$ 6,511,746	\$ 5,878,922	\$ 5,258,592	\$ 4,595,303
4,401,785	3,660,303	3,111,193	2,932,760	2,525,171	2,170,194
2,700,338	2,750,574	3,247,532	3,088,544	2,734,713	1,875,245
820,448	760,872	565,409	510,184	544,898	496,709
1,611,193	1,534,244	1,217,599	1,090,933	899,408	886,870
243,198	206,088	215,528	166,323	163,320	157,575
209,699	136,869	99,814	73,003	68,810	301,213
9,198	8,720	7,987	8,889	6,537	17,471
1,563,534	1,152,231	887,713	703,679	605,541	616,423
410,020	428,838	287,057	219,192	212,779	167,079
0	0	0	0	260	593
428,029	247,096	160,112	163,526	150,371	124,137
2,633,532	2,405,004	1,967,096	1,741,939	1,700,995	1,613,133
6,366,473	7,293,041	10,349,734	1,184,642	1,042,359	620,979
<u>\$ 30,322,591</u>	<u>\$ 28,190,459</u>	<u>\$ 28,628,520</u>	<u>\$ 17,762,536</u>	<u>\$ 15,913,754</u>	<u>\$ 13,642,924</u>

CLARK COUNTY PTBA
SUMMARY STATEMENT OF NET ASSETS
2001-1992

	2001	2000	1999	1998
Assets:				
Current Assets:				
Cash & Cash Equivalents	\$ 48,197,770	\$ 47,146,104	\$ 44,745,017	\$ 37,576,886
Receivables	2,999,001	2,495,866	2,289,723	2,543,007
Investments	13,270,625	5,512,812	6,508,438	9,108,110
Other	1,415,647	1,482,371	1,684,907	1,610,968
Total Current Assets	<u>65,883,043</u>	<u>56,637,153</u>	<u>55,228,085</u>	<u>50,838,971</u>
Noncurrent Assets:				
Investments	14,629,375	23,439,688	19,796,250	24,934,035
Other	29,302	39,094	48,886	58,678
Capital Assets (net)	<u>36,675,761</u>	<u>35,773,821</u>	<u>34,955,665</u>	<u>29,551,833</u>
Total Noncurrent Assets	<u>51,334,438</u>	<u>59,252,603</u>	<u>54,800,801</u>	<u>54,544,546</u>
Total Assets	<u>117,217,481</u>	<u>115,889,756</u>	<u>110,028,886</u>	<u>105,383,517</u>
Liabilities:				
Current Liabilities				
Current Liabilities	3,843,637	3,152,382	4,213,942	3,720,303
Noncurrent Liabilities	<u>529,428</u>	<u>433,521</u>	<u>502,021</u>	<u>325,521</u>
Total Liabilities	<u>4,373,065</u>	<u>3,585,903</u>	<u>4,715,963</u>	<u>4,045,824</u>
Net Assets:				
Invested in Capital Assets	36,675,761	35,773,821	34,955,665	29,551,833
Unrestricted	<u>76,168,655</u>	<u>76,530,032</u>	<u>70,357,258</u>	<u>71,785,860</u>
Total Net Assets	<u>\$ 112,844,416</u>	<u>\$ 112,303,853</u>	<u>\$ 105,312,923</u>	<u>\$ 101,337,693</u>

SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
2001-1992

	2001	2000	1999	1998
Operating Revenue	\$ 3,605,207	\$ 3,229,103	\$ 2,611,716	\$ 2,435,699
Operating Expenses				
Operations	12,799,189	12,469,654	13,482,851	12,673,530
Maintenance	5,763,996	6,197,716	6,345,505	5,980,629
Administration	4,365,379	4,326,917	5,651,801	4,855,964
Depreciation	<u>3,437,263</u>	<u>3,101,340</u>	<u>2,763,224</u>	<u>2,864,864</u>
Total Operating Expenses	<u>26,365,827</u>	<u>26,095,627</u>	<u>28,243,381</u>	<u>26,374,987</u>
Operating Loss	22,760,620	22,866,524	25,631,665	23,939,288
Taxes	11,912,575	19,027,253	23,399,064	22,640,364
Operating Grants	3,020,236	4,885,564	0	0
Other Non-Operating Revenue (net)	<u>4,340,997</u>	<u>5,292,974</u>	<u>2,757,679</u>	<u>4,746,633</u>
Total Non-Operating Rev.	19,273,808	29,205,791	26,156,743	27,386,997
Net Income (Loss) Before				
Contributions	(3,486,812)	6,339,267	525,078	3,447,709
Capital Grants	<u>4,027,375</u>	<u>651,663</u>	<u>3,450,152</u>	<u>699,112</u>
Change in Net Assets	<u>540,563</u>	<u>6,990,930</u>	<u>3,975,230</u>	<u>4,146,821</u>
Total Net Assets, Beginning	<u>112,303,853</u>	<u>105,312,923</u>	<u>101,337,693</u>	<u>97,190,872</u>
Total Net Assets, Ending	<u>\$ 112,844,416</u>	<u>\$ 112,303,853</u>	<u>\$ 105,312,923</u>	<u>\$ 101,337,693</u>

CLARK COUNTY PTBA
SUMMARY STATEMENT OF NET ASSETS
2001-1992

	1997	1996	1995	1994	1993	1992
\$	28,902,111	\$ 25,129,657	\$ 25,618,105	\$ 22,348,105	\$ 14,882,730	\$ 13,249,797
	3,745,997	2,409,436	2,492,691	2,846,186	3,034,101	2,573,429
	5,977,180	10,135,290	4,000,000	2,000,000	8,000,000	1,000,000
	1,431,931	1,309,356	1,171,024	995,504	863,483	801,942
	<u>40,057,219</u>	<u>38,983,739</u>	<u>33,281,820</u>	<u>28,189,795</u>	<u>26,780,314</u>	<u>17,625,168</u>
	30,513,095	27,385,020	32,000,000	30,000,000	22,000,000	24,000,000
	1,310,415	1,016,448	767,839	551,329	474,755	384,280
	<u>30,215,014</u>	<u>26,482,071</u>	<u>21,828,171</u>	<u>13,463,278</u>	<u>14,046,880</u>	<u>14,730,960</u>
	<u>62,038,524</u>	<u>54,883,539</u>	<u>54,596,010</u>	<u>44,014,607</u>	<u>36,521,635</u>	<u>39,115,240</u>
	102,095,743	93,867,278	87,877,830	72,204,402	63,301,949	56,740,408
	3,270,051	2,873,050	2,650,826	2,383,553	1,919,870	1,731,714
	<u>1,634,820</u>	<u>1,317,031</u>	<u>1,083,574</u>	<u>848,746</u>	<u>757,277</u>	<u>1,023,743</u>
	4,904,871	4,190,081	3,734,400	3,232,299	2,677,147	2,755,457
	30,215,014	26,482,071	21,828,171	13,463,278	14,046,880	14,730,960
	66,975,858	63,195,126	62,315,259	55,508,825	46,577,922	39,253,991
\$	<u><u>97,190,872</u></u>	<u><u>89,677,197</u></u>	<u><u>84,143,430</u></u>	<u><u>68,972,103</u></u>	<u><u>60,624,802</u></u>	<u><u>53,984,951</u></u>

SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
2001-1992

	1997	1996	1995	1994	1993	1992
\$	2,170,850	\$ 2,051,699	\$ 1,724,770	\$ 1,641,290	\$ 1,541,427	\$ 1,441,915
	11,626,575	9,367,208	7,670,418	6,658,282	6,001,847	5,401,657
	5,877,104	4,901,548	4,009,686	3,644,426	3,404,856	3,282,712
	3,520,004	3,211,967	2,502,627	1,878,949	1,734,858	2,073,951
	<u>2,632,638</u>	<u>2,379,735</u>	<u>1,951,783</u>	<u>1,728,479</u>	<u>1,693,048</u>	<u>1,610,811</u>
	23,656,321	19,860,458	16,134,514	13,910,136	12,834,609	12,369,131
	21,485,471	17,808,759	14,409,744	12,268,846	11,293,182	10,927,216
	21,265,514	20,584,546	18,887,410	17,781,160	15,780,488	13,939,434
	0	0	0	0	0	0
	<u>3,744,128</u>	<u>2,653,223</u>	<u>3,015,384</u>	<u>2,151,698</u>	<u>1,760,117</u>	<u>1,785,950</u>
	25,009,642	23,237,769	21,902,794	19,932,858	17,540,605	15,725,384
	3,524,171	5,429,010	7,493,050	7,664,012	6,247,423	4,798,168
	<u>3,989,504</u>	<u>104,757</u>	<u>7,678,277</u>	<u>683,289</u>	<u>392,428</u>	<u>97,729</u>
	7,513,675	5,533,767	15,171,327	8,347,301	6,639,851	4,895,897
	<u>89,677,197</u>	<u>84,143,430</u>	<u>68,972,103</u>	<u>60,624,802</u>	<u>53,984,951</u>	<u>49,089,054</u>
\$	<u><u>97,190,872</u></u>	<u><u>89,677,197</u></u>	<u><u>84,143,430</u></u>	<u><u>68,972,103</u></u>	<u><u>60,624,802</u></u>	<u><u>53,984,951</u></u>

CLARK COUNTY PTBA
RETAIL SALES BY CATEGORY (IN THOUSANDS)
2001-1992

CATEGORY	PERCENT		PERCENT		PERCENT		PERCENT	
	2001	INCR. OVER PRIOR YEAR	2000	INCR. OVER PRIOR YEAR	1999	INCR. OVER PRIOR YEAR	1998	INCR. OVER PRIOR YEAR
Building Materials and Hardware	\$ 136,254	4.9 %	\$ 129,874	1 %	\$ 129,086	3 %	\$ 125,725	8 %
General Merchandise	228,062	12.8	202,250	5	192,479	14	169,094	8
Food	298,263	2.6	290,788	8	270,329	(1)	273,377	5
Auto Dealers/Gas Stations	361,420	0.7	358,768	8	332,981	12	296,107	8
Apparel/Accessories	65,377	5.1	62,175	0	62,318	2	61,259	4
Furniture/Furnishings	80,494	(10.2)	89,667	(4)	93,394	(6)	99,420	26
Eating/Drinking Places	274,905	4.1	263,962	6	250,060	7	233,418	7
Misc. Retail Stores	208,542	2.2	204,039	7	190,759	6	179,843	7
Services	366,881	7.0	342,842	1	340,411	1	337,807	(6)
Contracting	652,903	(0.6)	656,960	1	652,504	(2)	663,668	12
Manufacturing	83,989	3.6	81,096	(6)	85,841	1	85,368	(17)
Transportation, Communication, and Utilities	188,527	5.3	179,110	20	149,648	9	137,115	8
Wholesaling	341,153	(3.0)	351,848	(3)	362,153	(5)	381,620	13
Finance, Insurance, and Real Estate	61,770	0.7	61,320	(3)	63,273	(15)	74,060	64
Other Business	38,110	(0.4)	38,244	5	36,251	1	35,767	9
TOTAL RETAIL SALES	\$ 3,386,650	2.2 %	\$ 3,312,943	3 %	\$ 3,211,487	2 %	\$ 3,153,648	8 %
Sales Tax at Applicable Rate:	\$ 10,159,950	2.2 %	\$ 9,938,829	3 %	\$ 9,634,461	2 %	\$ 9,460,994	8 %
Sales and Use Tax Revenue	\$ 11,912,575	0.5 %	\$ 11,853,310	1 %	\$ 11,699,532	3 %	\$ 11,320,182	6 %
Percent of Tax from Retail Sales	85.3%		83.8%		82.3%		83.6%	
(Balance is from Use Tax)								

Source: Quarterly Business Review, Washington Department of Revenue.
2001 data is preliminary and subject to revision.

CLARK COUNTY PTBA
RETAIL SALES BY CATEGORY (IN THOUSANDS)
2001-1992

	PERCENT INCR. OVER PRIOR YEAR		1996		PERCENT INCR. OVER PRIOR YEAR		1995		PERCENT INCR. OVER PRIOR YEAR		1994		PERCENT INCR. OVER PRIOR YEAR		1993		1992	
\$	116,698	5 %	\$	110,680	9 %	\$	101,194	(7) %	\$	108,360	14 %	\$	94,829	16 %				81,913
	157,279	6		148,210	9		136,275	5		130,165	10		118,715	4				113,932
	260,084	8		241,437	8		223,765	8		207,104	7		192,934	6				182,852
	273,442	5		260,877	10		236,573	7		221,942	8		204,736	16				177,071
	58,634	5		55,670	1		54,897	1		54,122	0		54,324	8				50,263
	79,196	3		76,715	9		70,140	8		64,816	1		63,981	11				57,664
	219,144	7		205,094	8		190,710	6		179,658	8		166,278	10				151,733
	168,335	7		157,156	13		138,657	7		129,433	12		115,054	16				99,606
	358,333	8		331,339	23		268,503	0		267,429	12		239,184	16				206,880
	594,719	4		572,512	11		516,534	7		481,996	16		414,443	7				387,763
	102,319	9		93,741	(5)		98,280	10		89,451	8		82,675	12				74,146
	126,940	3		123,112	2		120,169	31		91,539	4		87,725	4				84,632
	338,503	3		327,169	3		318,695	6		301,278	11		270,234	13				240,092
	45,221	4		43,559	(1)		44,054	4		42,356	1		42,096	55				27,185
	32,798	20		27,289	7		25,492	(34)		38,824	200		12,935	60				8,084
	<u>\$ 2,931,645</u>	6 %		<u>\$ 2,774,560</u>	9 %		<u>\$ 2,543,938</u>	6 %		<u>\$ 2,408,473</u>	11 %		<u>\$ 2,160,143</u>	11 %				<u>1,943,816</u>
\$	8,794,935	6 %	\$	8,323,680	9 %	\$	7,631,814	6 %	\$	7,225,419	11 %	\$	6,480,429	11 %				5,831,448
\$	10,632,757	3 %	\$	10,292,273	9 %	\$	9,443,705	6 %	\$	8,890,580	11 %	\$	7,998,244	13 %				7,076,717
	82.7%			80.9%			80.8%			81.3%			81.0%					82.4%

**CLARK COUNTY PTBA
OPERATING INFORMATION
2001-1992**

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
PASSENGER BOARDINGS										
A. Fixed Route	5,954,946	6,564,961	7,750,095	7,208,587	6,658,550	5,985,456	5,153,190	4,806,285	4,255,417	3,637,600
B. Demand Response	175,029	162,130	188,269	189,074	172,531	142,495	115,841	99,052	84,850	75,915
C. Vanpool	51,255	66,555	68,096	49,352	32,886	18,458	16,913	18,712	20,503	12,471
PASSENGER MILES										
A. Fixed Route	32,070,824	35,185,123	42,011,749	37,935,106	33,804,994	31,803,968	28,306,655	23,237,291	21,988,044	13,259,772
B. Demand Response	1,254,787	1,197,375	1,347,268	1,189,885	1,355,168	1,061,587	905,478	693,364	669,418	741,213
C. Vanpool	1,129,905	1,836,135	1,979,572	1,095,168	780,152	430,259	379,015	408,994	481,574	105,139
OPERATING MILES										
A. Fixed Route	4,103,129	4,656,608	5,275,297	5,029,537	4,542,174	3,908,548	3,526,803	3,651,352	3,186,151	3,118,792
B. Demand Response	1,079,495	1,023,470	1,200,544	1,345,583	1,134,622	865,040	625,285	544,633	451,608	433,712
C. Vanpool	157,981	249,255	286,482	175,832	117,285	80,348	81,057	88,815	97,041	43,460
OPERATING HOURS										
A. Fixed Route	268,052	284,515	310,981	299,117	283,297	241,087	203,406	182,402	167,252	173,266
B. Demand Response	67,301	62,275	74,953	82,160	69,302	54,193	39,772	34,959	29,096	25,512
C. Vanpool	4,966	7,569	7,448	4,960	3,356	2,248	2,331	2,760	3,232	1,449
IN-SERVICE MILES										
A. Fixed Route	3,648,956	4,044,919	4,537,911	4,353,422	3,890,427	3,269,911	2,895,984	2,711,498	2,589,971	2,561,140
B. Demand Response	968,913	915,330	1,046,512	1,493,258	961,594	729,268	544,162	494,350	449,428	427,791
C. Vanpool	157,981	249,255	286,482	175,832	117,285	80,348	81,057	75,775	89,516	42,721
IN-SERVICE HOURS										
A. Fixed Route	246,593	260,482	283,218	275,208	217,900	190,008	158,406	144,808	137,443	143,478
B. Demand Response	58,695	55,308	65,822	70,714	59,179	48,317	36,212	32,948	28,987	24,220
C. Vanpool	4,966	7,569	7,448	4,960	3,356	2,248	2,331	2,325	2,856	1,424
NET OPERATING COST										
A. Fixed Route	\$18,085,091	\$18,347,197	\$19,882,603	\$18,151,993	\$16,499,967	\$14,209,482	\$12,346,873	\$10,652,664	\$9,721,237	\$9,654,758
B. Demand Response	3,921,158	3,713,625	4,512,630	4,507,156	3,544,665	2,747,996	1,486,101	1,250,481	1,158,480	857,030
C. Vanpool	60,465	94,840	125,543	90,148	102,967	68,554	35,106	33,888	35,385	32,658
OPERATING REVENUE										
A. Fixed Route	\$3,452,965	\$3,056,588	\$2,445,552	\$2,323,839	\$2,096,685	\$1,982,114	\$1,660,119	\$1,581,079	\$1,481,028	\$1,407,684
B. Demand Response	67,417	59,396	37,434	40,753	33,272	28,151	22,810	20,402	17,442	15,900
C. Vanpool	84,825	113,119	128,730	71,107	40,893	41,434	41,841	39,809	42,957	18,331
PASSENGERS PER IN-SERVICE HOUR										
A. Fixed Route	24.149	25.203	24.921	24.100	23.504	24.827	25.335	26.350	25.443	20.994
B. Demand Response	2.982	2.931	2.512	2.301	2.490	2.629	2.913	2.833	2.916	2.976
C. Vanpool	10.321	8.793	9.143	9.950	9.799	8.211	7.256	6.780	6.344	8.607

CLARK COUNTY PTBA OPERATING INFORMATION 2001-1992

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
COST PER PASSENGER MILE										
A. Fixed Route	\$0.008	\$0.007	\$0.007	\$0.007	\$0.006	\$0.006	\$0.006	\$0.006	\$0.006	\$0.011
B. Demand Response	0.047	0.046	0.049	0.059	0.044	0.046	0.040	0.048	0.043	0.033
C. Vanpool	0.004	0.004	0.004	0.005	0.004	0.005	0.006	0.006	0.006	0.014
COST PER OPERATING MILE										
A. Fixed Route	\$4.408	\$3.940	\$3.769	\$3.609	\$3.633	\$3.635	\$3.501	\$2.917	\$3.051	\$3.096
B. Demand Response	3.632	3.628	3.759	3.350	3.124	3.177	2.377	2.296	2.565	1.976
C. Vanpool	0.383	0.380	0.438	0.513	0.878	0.853	0.433	0.382	0.365	0.751
COST PER PASSENGER BOARDING										
A. Fixed Route	\$3.037	\$2.795	\$2.565	\$2.518	\$2.478	\$2.374	\$2.396	\$2.216	\$2.284	\$2.654
B. Demand Response	22.403	22.905	23.969	23.838	20.545	19.285	12.829	12.624	13.653	11.289
C. Vanpool	1.180	1.425	1.844	1.827	3.131	3.714	2.076	1.811	1.726	2.619
COST PER OPERATING HOUR										
A. Fixed Route	\$67.469	\$64.486	\$63.935	\$60.685	\$58.243	\$58.939	\$60.701	\$58.402	\$58.123	\$55.722
B. Demand Response	58.263	59.633	60.206	54.858	51.148	50.708	37.366	35.770	39.816	33.593
C. Vanpool	12.176	12.530	16.856	18.175	30.681	30.496	15.060	12.278	10.948	22.538
OPERATING REVENUE PER PASSENGER										
A. Fixed Route	\$0.580	\$0.466	\$0.316	\$0.322	\$0.315	\$0.331	\$0.322	\$0.329	\$0.348	\$0.387
B. Demand Response	0.385	0.366	0.199	0.216	0.193	0.198	0.197	0.206	0.206	0.209
C. Vanpool	1.655	1.700	1.890	1.441	1.243	2.245	2.474	2.127	2.095	1.470
PERCENT OF OPERATING REVENUE TO OPERATING COSTS										
A. Fixed Route	19.093 %	16.660 %	12.300 %	12.802 %	12.707 %	13.949 %	13.446 %	14.842 %	15.235 %	14.580 %
B. Demand Response	1.719	1.599	0.830	0.904	0.939	1.024	1.535	1.632	1.506	1.855
C. Vanpool	140.288	119.274	102.539	78.878	39.715	60.440	119.185	117.472	121.398	56.130

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 (Tri-Met), 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 service, advertising revenue, and room rental for use of the Rose Besserman Community Room at Fisher's Landing Transit Center.

**CLARK COUNTY PTBA
FEDERAL TRANSIT ADMINISTRATION
GRANTS HISTORY
2001-1992 and Prior**

FTA GRANT NUMBER	TOTAL	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991 & PRIOR
WA-03-0018*	\$ 505,736	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 505,736
WA-03-0041	4,355,950											4,355,950
WA-03-0042	3,953,633											3,953,633
WA-03-0056	433,173											433,173
WA-03-0146	2,312,375	2,312,375										0
WA-05-0015	389,346			(15,774)								405,120
WA-05-0018	881,670											881,670
WA-05-0032	775,651											775,651
WA-90-0006	401,255											401,255
WA-90-0021	429,322			(68,366)								497,688
WA-90-0044	824,536										934	823,602
WA-90-0049	483,097										852	482,245
WA-90-0068	446,782										73,067	373,715
WA-90-0081	972,970							71,793	(335)	(1,654)	28,782	874,384
WA-90-0093	1,376,800										1,716	1,375,084
WA-90-0117	228,896				(23)	117,993	5,393	59		105,474		0
WA-90-0129	304,000					44,430	2,697	29		256,844		0
WA-90-0139	2,551,700					116,759	46,866	2,036,492	344,197	7,386		0
WA-90-0150	2,224,343			(55,278)	(367)	119,871		1,866,966	293,073	78		0
WA-90-0158	3,966,949				222,842			3,698,503	45,604			0
WA-90-0184	4,366,247		471,663	2,185,832	111,292	1,545,665	51,795					0
WA-90-X198	499,413				199,737	299,676						0
WA-90-X217	3,197,523			3,032,781	164,742							0
WA-90-X255	4,735,236	4,735,236										0
LA-3167	0			(1,745,999)	889	1,745,110						0
SUBTOTAL	\$ 40,616,603	\$ 7,047,611	\$ 471,663	\$ 3,333,196	\$ 699,112	\$ 3,989,504	\$ 106,751	\$ 7,673,842	\$ 682,539	\$ 368,128	\$ 105,351	\$ 16,138,906
Retirements	(2,053,373)	0	0	0	0	(146,589)	(701,426)	(521,848)	(282,239)	(10,984)	(88,254)	(302,033)
TOTAL	\$ 38,563,230	\$ 7,047,611	\$ 471,663	\$ 3,333,196	\$ 699,112	\$ 3,842,915	\$ (594,675)	\$ 7,151,994	\$ 400,300	\$ 357,144	\$ 17,097	\$ 15,836,873

* Grant assumed from the City of Vancouver upon purchase of the Vancouver Transit System in 1981.

NOTE: Amounts shown in brackets are retirements and refunds.