

Board of Directors

April 25, 2024 | 4:00 p.m. – 5:00 p.m.



Onsite:

Greater Portland Transit District
114 Valley Street, Conference Room A | Portland, ME 04102

Remote:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81569993494?pwd=MUQ2SzV3UzBuSkFFSmdsN1k3aVFhUT09>

Passcode: 131272 | Webinar ID: 815 6999 3494

Phone: (646) 558-8656 | Telephone participants: *9 to raise hand, *6 to unmute

MEETING AGENDA

AGENDA ITEM	PRESENTER	ACTION or INFORMATION
1. Call Meeting to Order (4:00)	Ed Suslovic, Board President	N/A
2. Public Comment (4:00-4:05) The Board of Directors welcomes public comments at this time for items <u>not listed</u> on this agenda at this time. For items listed on the agenda, the chair will allow members of the public to comment following the staff presentation. There is a <i>three-minute time limit</i> per speaker. (Comments will be paraphrased in meeting minutes)	Ed Suslovic, Board President	Information
3. Meeting Minutes (4:00-4:05) Review and approve meetings minutes from the February 29, 2024 meeting.	Ed Suslovic, Board President	ACTION
4. Executive Director's Report (4:05-4:20) The Executive Director will provide a brief report on current topics.	Glenn Fenton, Interim Executive Director	Information
5. Executive Director Search Update (4:20-4:25) Staff will provide an update on the process of identifying and hiring Metro's next Executive Director.	Shelly Brooks, Chief Financial Officer	Information
6. Metro 2023 Financial Audit (4:25-4:40) Metro CFO, will review the results of Metro's 2023 annual financial audit.	Shelly Brooks, Chief Financial Officer	ACTION
7. Update of Metro's Drug and Alcohol Testing Program (4:40-4:55) Staff will present Metro's updated FTA mandated Drug and Alcohol Testing Program.	Glenn Fenton, Interim Executive Director	ACTION

<p>8. Future Agenda Items (4:55-5:00)</p> <ul style="list-style-type: none"> • Agency Strategic Planning (Ongoing) • Collective Bargaining Agreement Renewal • PACTS Initiatives and Reforms (Ongoing) • ADA Paratransit Service and Contract • Executive Director Search Process 	Ed Suslovic, Board President	Information
<p>9. Upcoming Meetings (4:55-5:00)</p> <ul style="list-style-type: none"> • Executive Committee – May 8, 2024 at 3:30 p.m. • Ridership Committee – May 15, 2024 at 3:30 pm • Board of Directors – May 23, 2024 at 4:00 p.m. 	Ed Suslovic, Board President	Information
<p>10. Adjournment (5:00)</p>	Ed Suslovic, Board President	ACTION

As of November 9, 2022 Greater Portland METRO is holding meetings of the Board of Directors (and its committees) in hybrid format, both in person at METRO's offices and via webinar. The remote portions of all meetings are conducted in accordance with the requirements of [METRO's Remote Participation Policy](#) (adopted August 25, 2022) as well as LD 1772, PL 2022 Ch. 666, and 1 MRSA Chapter 13, Subchapter 1.



BOARD OF DIRECTORS

AGENDA ITEM 5

DATE

April 25, 2024

SUBJECT

FY 2023 Annual Financial Audit

PURPOSE

Review the status of GP Metro's search for its next executive director.

BACKGROUND/ANALYSIS

In March the Board of Directors approved a contract with KL2 Connects to assist with recruiting and selecting GP Metro's next Executive Director. The consultants from KL2 met with the Executive Committee on April 18th to discuss their workplan and to gather preliminary feedback from the committee to assist with the search.

The next tasks for KL2 will be to gather input from a list of community stakeholders to help shape the job description and the advertisement for the position. Board members are included in the list of stakeholders. Once this is developed, KL2 will present their draft job description and recruitment add to the Executive Committee.

FISCAL IMPACT

None.

PRIOR COMMITTEE REVIEW

RECOMMENDATION

No action at this time.

CONTACT

Shelly Brooks
Chief Financial Officer
207-423-5052
sbrooks@gpmetro.org

ATTACHMENTS



BOARD OF DIRECTORS

AGENDA ITEM 6

DATE

April 25, 2024

SUBJECT

FY 2023 Annual Financial Audit

PURPOSE

Review and accept the 2023 financial audit as completed by RKO.

BACKGROUND/ANALYSIS

Documents associated with the agency's FY 2023 financial audit are provided in the attachments. RKO conducted the audit which resulted in no material weakness, no findings and documented improvements in Metro's net position and financial reserves.

FISCAL IMPACT

None.

PRIOR COMMITTEE REVIEW

Finance Committee: April 24, 2024

RECOMMENDATION

Accept the FY 2023 Financial Audit.

CONTACT

Shelly Brooks

Chief Financial Officer

207-423-5052

sbrooks@gpmetro.org

ATTACHMENTS

Attachment A – Copy of Audit Presentation

Attachment B - 2023 Statement of Auditing Standards (SAS)

Attachment C – 2023 Financial Statements

Attachment D - 2023 Uniform Guidance Report

Attachment E - 2023 MAAP Report

GREATER PORTLAND TRANSIT DISTRICT

FINANCIAL OVERVIEW

Presented by: Casey Leonard

RUNYON KERSTEEN OUELLETTE

INSIDE

2. Summary of Audit Results
3. Net Position – FY 2020 - 2023
4. 2023 Revenues - Budget and Actual
- 5-6. 2023 Expenses - Budget and Actual
7. Revenue Distribution - FY 2020 - 2023
8. Expense Distribution Comparative

About this presentation

This presentation is intended as a tool to assist the Board of Directors and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of *RUNYON KERSTEEN OUELLETTE*.

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106



GREATER PORTLAND TRANSIT DISTRICT

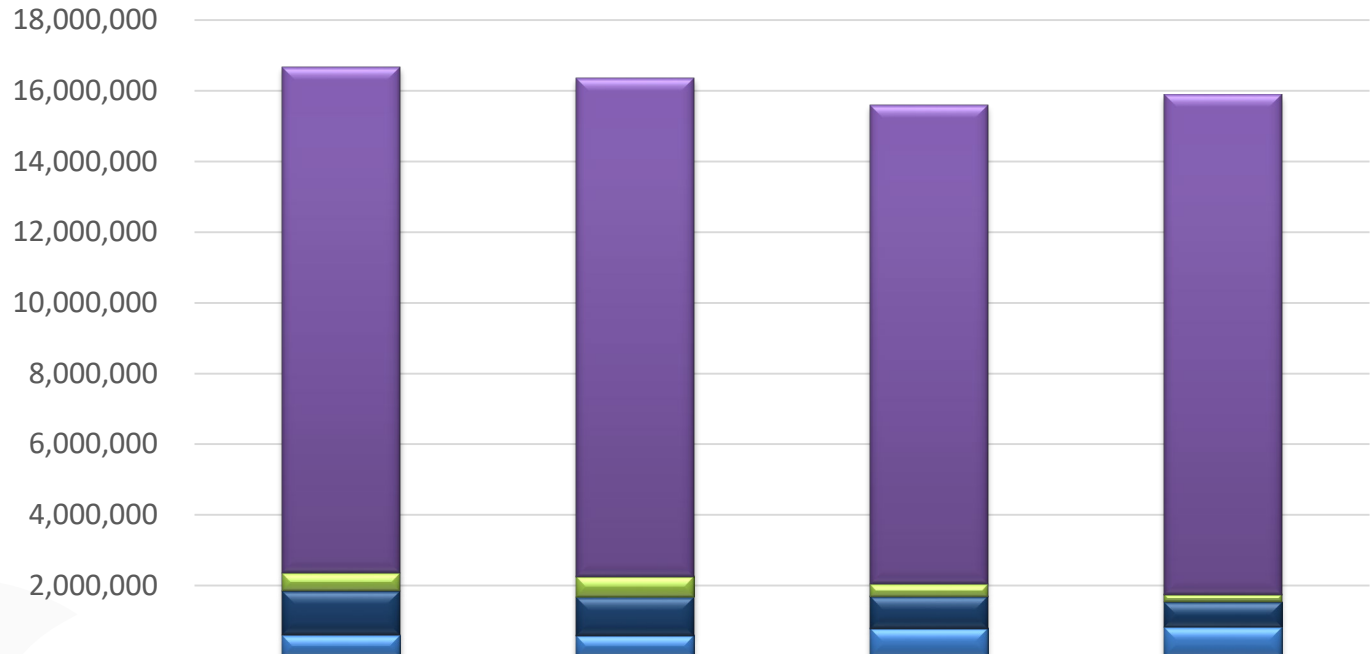
SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards (GAS)*
 - No Material Weaknesses
 - No Significant Deficiencies
- Report Required by the Uniform Guidance
 - Programs Tested:
 - Federal Transit Cluster ALN #'s 20.507, 20.526
 - Findings:
 - None
- Report Required by the Maine Uniform Accounting and Auditing Practices for Community Agencies
 - Program Tested
 - Transportation Systems Planning
 - Finding
 - No findings



GREATER PORTLAND TRANSIT DISTRICT

Net Position FY – 2020 - 2023



	2023	2022	(Restated) 2021	2020
Net investment in capital assets	\$14,329,317	\$14,113,861	\$13,557,383	\$14,138,902
Restricted	497,016	563,286	349,371	212,759
Unrestricted - board policy	1,250,000	1,100,000	900,000	704,925
Unrestricted - unreserved	603,119	584,197	791,949	826,542



GREATER PORTLAND TRANSIT DISTRICT

2023 REVENUES - BUDGET AND ACTUAL

	Budget	Actual	Over (Under)
Passenger fares	\$2,382,067	2,187,081	(194,986)
Federal assistance	6,567,433	6,748,114	180,681
State assistance	405,080	405,080	-
Local investment	4,711,711	4,717,771	6,060
Miscellaneous Income	683,940	732,239	48,299
Total budgeted revenues	14,750,231	14,790,285	40,054
Unbudgeted federal and state capital grants	-	2,153,293	2,153,293
Unbudgeted federal and state operating grants	-	79,427	79,427
Insurance Proceeds	-	44,696	44,696
Local Contributions	-	46,873	46,873
Total budgeted and unbudgeted revenues	\$14,750,231	17,114,574	2,364,343

- **Passenger fares** were under-budget despite ridership recovery efforts through half priced fares from March to September.
- **Federal assistance** was over-budget due to additional ARPA funds which fully funded the 2023 passenger fare reduction and service expansion programs.
- **Miscellaneous Income** was over-budget due to higher than expected interest rates offset by a decrease in advertising revenues.

GREATER PORTLAND TRANSIT DISTRICT

2023 EXPENSES - BUDGET AND ACTUAL

	Budget	Actual	Under (Over)
Personnel	\$10,323,598	10,352,551	(28,953)
Temporary help	30,000	82,181	(52,181)
ADA paratransit	416,402	458,106	(41,704)
Fuel	714,234	604,485	109,749
Dues and subscriptions	40,410	36,519	3,891
Other employee costs	53,940	40,383	13,557
Fleet parts and services	402,790	441,542	(38,752)
Insurance	395,309	394,403	906
Advertising	140,596	140,289	307
Office supplies	22,454	18,665	3,789
Contracted services	453,237	446,960	6,277
Utilities and telephone	805,590	731,262	74,328
Maintenance costs	426,294	421,050	5,244
Bank and credit card fees	24,050	20,971	3,079
Capital match	124,999	124,999	-
Debt service principal	199,150	199,150	-
Debt service interest	132,178	99,329	32,849
Fund balance restoration	45,000	-	45,000
Total expenses budgetary basis	\$14,750,231	14,612,845	137,386

- **Temporary help** was over-budget as there was additional need for HR staffing at the beginning of the year.
- **Fuel expenses** were under-budget primarily because the contracted rate for diesel fuel was lower than expected and lower than expected CNG fuel costs.
- **Utility Expenses** were under-budget primarily due to lower than expected heating and electricity costs.

GREATER PORTLAND TRANSIT DISTRICT

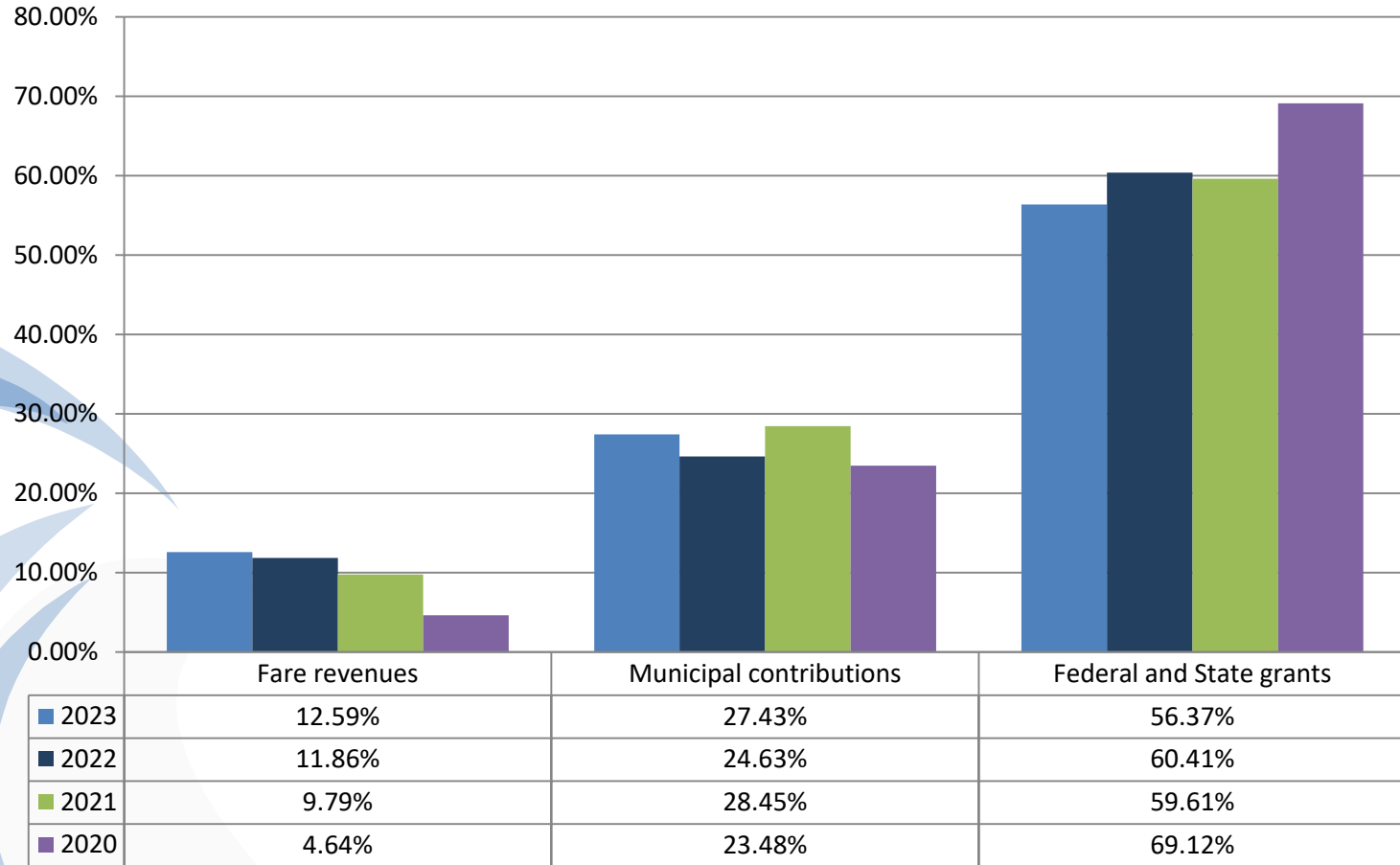
2023 EXPENSES - BUDGET AND ACTUAL, CONTINUED

	Budget	Actual	Increase (Decrease)
Unbudgeted capital maintenance	\$ -	16,037	(16,037)
Unbudgeted contracted services	-	37,755	(37,755)
Unbudgeted other expenses	-	50,498	(50,498)
Depreciation expense	-	2,357,528	(2,357,528)
GAAP adjustments	-	(278,197)	278,197
Total expenses GAAP basis	\$14,750,231	16,796,466	(2,046,235)

- **Unbudgeted capital maintenance, contracted services and other expenses** are all various capital grant expenses that were not budgeted for.
- **GAAP adjustments to expense** represents differences between the GAAP basis and budgetary basis treatment of principle payments on long-term debt, the change in OPEB, internal capital matches, loss on disposal, and lease activity.

GREATER PORTLAND TRANSIT DISTRICT

REVENUE DISTRIBUTION - FY 2020 - 2023



GREATER PORTLAND TRANSIT DISTRICT

Expense Distribution Comparative

	2023	2022
Personnel	70.85%	72.04%
Temporary help	0.56%	0.34%
ADA paratransit	3.13%	2.97%
Fuel	4.14%	3.66%
Dues and subscriptions	0.25%	0.28%
Other employee costs	0.28%	0.26%
Fleet parts and services	3.02%	2.65%
Insurance	2.70%	2.65%
Advertising	0.96%	0.74%
Office supplies	0.13%	0.18%
Contracted services	3.06%	3.38%
Utilities and telephone	5.00%	5.44%
Maintenance costs	2.88%	2.05%
Bank and credit card fees	0.14%	0.16%
Capital match	0.86%	1.13%
Capital Expense	0.00%	0.35%
Debt service	2.04%	1.72%

April 22, 2024

To the Board of Directors of the
Greater Portland Transit District

We have audited the financial statements of the Greater Portland Transit District for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting with a Finance Committee member on March 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the Uniform Guidance

As stated in our engagement letter dated February 22, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Greater Portland Transit District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Greater Portland Transit District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Greater Portland Transit District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Greater Portland Transit District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Greater Portland Transit District's compliance with those requirements.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Greater Portland Transit District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Greater Portland Transit District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of depreciation expense, which is based on estimated useful lives of assets and management's estimate of its other postemployment benefit liability, which is based on actuarial reports. We evaluated the key factors and assumptions used to develop these estimates, in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, some of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate to each opinion unit's financial statements taken as a whole. See the attached "Adjusting Journal Entries Report" for a listing of corrected misstatements.

Also attached is a listing of *Passed Adjusting Journal Entries* that summarizes the uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 22, 2024. See the attached copy of the representation letter, which was signed by management.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Greater Portland Transit District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Greater Portland Transit District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and the Schedule of Changes in the District's Total Health Plan OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Revenues and Expenses – Budget and Actual, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Greater Portland Transit District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Remya Kristen Ouellette".

Greater Portland Transit District
Adjusting Journal Entries
12/31/2023

Account	Description	Debit	Credit
001			
<i>To adjust deferred inflows and outflows for other post-employment benefits to actual at year-end.</i>			
1-1000-319999	Deferred Outflows of Resources	16,086.00	0.00
1-1000-224001	OPEB-Deferred Inflows/Outflows	<u>0.00</u>	<u>16,086.00</u>
Total		<u>16,086.00</u>	<u>16,086.00</u>
002			
<i>Grant Invoices for 2023, Paid in 2024.</i>			
3-200025-502119 PLANG	Other Contracted Services	14,222.00	0.00
3-200010-502102 SIGNL	Arch & Engineer Fees	880.90	0.00
3-190013-502119 CHARG	Other Contracted Services	15,000.00	0.00
3-230017-500000 GPCOG	GF Grant Expenditures	8,149.25	0.00
3-230018-500000 GPCOG	GF Grant Expenditures	8,149.25	0.00
3-200010-500000 GPCOG	GF Grant Expenditures	37,890.13	0.00
3-3000-211999	Accrued AP- Grants	<u>0.00</u>	<u>84,291.53</u>
Total		<u>84,291.53</u>	<u>84,291.53</u>
003			
<i>To adjust deferred inflows of resources on lease to actual at year-end.</i>			
1-1000-226000	Def Inflow of Resources- Lease	13,267.50	0.00
1-1000-415200 ATLAN	Rental of Property	<u>0.00</u>	<u>13,267.50</u>
Total		<u>13,267.50</u>	<u>13,267.50</u>

Greater Portland Transit District
Passed Upon Adjusting Journal Entries
12/31/2023

Account	Description	Debit	Credit
PAJE 200			
<i>To record depreciation for asset that fully depreciated in FY 17 and is 10k short of being fully depreciated in MUNIS.</i>			
1-41005500-526000	Depreciation Expense	10,007.36	0.00
1-1000-121015	Accumulated Depr Equipment	<u>0.00</u>	<u>10,007.36</u>
Total		<u>10,007.36</u>	<u>10,007.36</u>
PAJE 201			
<i>To record two right-to-use subscription assets.</i>			
1-1000-121030	Right to Use Asset Subscription	25,060.32	0.00
1-1000-221030	Subscription Liability	0.00	25,060.32
1-41005500-526001	Amortization Expense	8,669.28	0.00
1-1000-121020	Accumulated Amortization	0.00	8,669.28
1-1000-221030	Subscription Liability	9,926.81	0.00
1-36003300-522001 SBITA	Subscription Interest Expense	346.32	0.00
1-14004300-502106	Technology Services	<u>0.00</u>	<u>10,273.13</u>
Total		<u>44,002.73</u>	<u>44,002.73</u>

April 22, 2024

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, Maine 04106

This representation letter is provided in connection with your audit(s) of the financial statements of the Greater Portland Transit District, which comprise the respective financial position of the business-type activities as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 22, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 22, 2024 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.



- 5) The methods, significant assumptions, and data used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.



- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.



- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately disclosed all information for conduit debt obligations in accordance with [GASBS No. 91](#).
- 27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) As part of your audit, you assisted with preparation of the financial statements and disclosures, schedule of expenditures of federal awards, schedule of expenditures of department awards, and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, related notes, schedule of expenditures of department awards and schedule of expenditures of federal awards.
- 30) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements include all fiduciary activities required by [GASBS No. 84](#) , as amended.
- 34) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#) , as amended.



- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 37) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40)
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42)
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44)
- 45) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 46) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 47) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 48) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.



- 50) With respect to the supplementary information other than RSI on which an in-relation-to opinion is issued (budgetary basis schedule, schedule of expenditures of federal awards and schedule of department agreements):
- a) We acknowledge our responsibility for preparing and presenting the budgetary basis schedule, the schedule of expenditures of federal awards and schedule of department agreements in accordance with accounting principles generally accepted in the United States of America, and we believe the budgetary basis schedule, schedule of expenditures of federal awards and schedule of department agreements, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the budgetary basis schedules, schedule of expenditures of federal awards and schedule of department agreements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the budgetary basis schedule, schedule of expenditures of federal awards and schedule of department agreements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information other than RSI no later than the date we issue the supplementary information other than RSI and the auditor's report thereon.
- 51) With respect to federal award programs:
- a) We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the



SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and



corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, if applicable.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely



and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient

- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signed: Shelly Brooks
(Finance Director)

Date: 4/22/2024





GREATER PORTLAND TRANSIT DISTRICT

Financial Statements

For the Years Ended December 31, 2023 and 2022

GREATER PORTLAND TRANSIT DISTRICT
Financial Statements
For the years ended December 31, 2023 and 2022

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Basic Financial Statements:	
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Basic Financial Statements	11-22
Required Supplementary Information:	
Schedule of Changes in the District's Total Health Plan OPEB Liability and Related Ratios	23
Notes to Required Supplementary Information	24
Schedule:	
Schedule of Revenues and Expenses – Budget and Actual – Budgetary Basis	27-30

Independent Auditor's Report

To the Board of Directors of the
Greater Portland Transit District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Greater Portland Transit District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Greater Portland Transit District, as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greater Portland Transit District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greater Portland Transit District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greater Portland Transit District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greater Portland Transit District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and schedules related to the OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Portland Transit District's basic financial statements. The Schedule of Revenues and Expenses – Budget and Actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Revenues and Expenses – Budget and Actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenses – Budget and Actual is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024 on our consideration of the Greater Portland Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Portland Transit District's internal control over financial reporting and compliance.



April 22, 2024
South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis
Fiscal Year Ended December 31, 2023

The Greater Portland Transit District (GPTD) is a municipal transit district formed under M.R.S.A. Title 30-A, Part 2.5, Section 163, providing public transportation to the member cities of Portland and Westbrook, and the Towns of Falmouth, Yarmouth, Freeport, and Brunswick. The following is a narrative guide to aid the reader in understanding GPTD's financial performance and status that is presented in the financial statements and accompanying notes.

As a recipient of federal funds, GPTD is also required to undergo a single audit in conformity with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This "single audit" is designed to meet the special requirements of federal grantor agencies to assure proper handling and accounting of federal funds.

As a recipient of State funds, GPTD is also required to undergo an independent audit of expenses and department agreements in accordance with the *Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP)*. This audit is required to confirm compliance with the internal control requirements relevant to the preparation and fair presentation of the schedule of expenditures of department agreements.

Financial Highlights

- **Capital Assets.** Capital assets, net of depreciation and amortization decreased in 2023 by \$242,331, about 1.40%. This reflects the purchase of four new BREEZ buses, two new service vehicles, three new passenger shelters placed in service, and the completion of administration office and bus garage improvements. This was partially offset by annual asset depreciation and amortization, together with three BREEZ bus and one service vehicle disposals.
- **Current Liabilities.** The decrease in current liabilities of \$376,890, or 19.86%, reflects a \$348,309 and \$32,167 decrease in accounts payable and other liabilities, respectively, a small decrease of \$4,788 in accrued payroll costs, and a decrease in payables to other governments of \$63,670 at year-end. These were partially offset by an increase in both the current portions of lease payable and accrued compensated absences of \$18,481 and \$9,167, respectively. In addition, there is an increase of \$44,396 for unearned fare revenue, representing regional purchases of stored value and single ride tokens that have not yet been used for rides.
- **Noncurrent Liabilities.** Noncurrent liabilities decreased by \$451,139, about 12.22%, of which \$277,118 is the principal reduction of our lease payable. Refer to Page 16 for additional detail. Notes payable also declined due to regular principal pay downs over the year. Accrued compensated absences increased by \$27,841, which primarily reflects wage increases partially offset by retirements and other employee terminations. Other postemployment benefits (OPEB) liability decreased by \$2,712. The 2023 OPEB liability is \$800,698 as described on page 19.
- **Net Position.** Overall net position for GPTD increased by 1.94%, or \$318,108, primarily due to the net decrease in notes and lease payable offsetting the decline in capital assets over the period. Unrestricted-unreserved net position also increased by only 3.24%, or about \$19,000, which can largely be attributed to the transfer of net position to unrestricted, reserved for board policy. Restricted net position, which is the unexpended portion of local match funds for awarded capital grants, decreased by \$66,270, based on use of these funds for capital projects throughout 2023. Detailed changes in net position are shown on page 9, and the allocation of net position is explained beginning on page 21. GPTD realized a net budgetary surplus (revenues minus expenditures) of \$177,440.
- GPTD finances its cash flow through issuance of an annual Tax Anticipation Note (TAN), in advance of receiving assessment payments from member communities.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2023

Relevant Financial Policies

The Board of Directors for the GPTD adopted a Financial Reserve Policy in 2018 with a goal of achieving and maintaining an unrestricted amount of net position of no less than 16.66%, or two months, of the subsequent year's operating budget expenditures. That Policy also requires an equal amount of cash to be restricted to match the amount reserved. On page 8, it shows that 2022 total Unrestricted Net Position was \$1,684,197. Of that amount, \$1,100,000 was reserved for the Policy, which has an equal amount of cash restricted, as required. This represented 7.46% of 2023 budgeted expenses. Any increase to that amount has to be supported by an equal increase in restricted cash, which ensures available funding for any use of the reserve.

The 2023 year-end unrestricted net position is \$1,853,119, which reflects the budgetary surplus of \$177,440 and is an increase from 2022 of \$168,922. In an effort to move closer to its Board Policy goal, GPTD management increased the level of reserves to \$1,250,000 in 2023, which leaves a balance of \$603,119 in unrestricted net position. The unrestricted, reserved for Board policy amount of \$1,250,000, is about 7.36% of 2024 budgeted operating expenses. Page 22 shows the amount of restricted cash. The full Policy calculation, at 16.66%, would require a reserve of \$2,829,436 for the 2024 budget amount. Note that any increase in budgeted operating expenses impacts the percentage.

Financial Statements

GPTD Basic Financial Statements include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. The Notes to Basic Financial Statements are an integral part of understanding these Statements.

Budgeted Revenues

Revenues were over budgeted amounts by 0.27%, or about \$40,054, and 6.23%, or \$867,165, above the 2022 total. Most of the variances in revenues can be attributed to federally funded passenger fare reduction and service expansion programs used to stimulate ridership growth, new pass program partnerships and greater than anticipated interest earnings on District funds, partially offset by lower federal operating assistance and a decline in advertising contracts. Refer to the budget to actual schedule on page 27 for detailed information.

Passenger Fares. Collected passenger fares were under budget by about 8.19%, or \$194,986. In an effort to return ridership to greater than pre-pandemic levels, GPTD implemented a passenger fare reduction program over a seven-month period in 2023. Various service improvements including headway improvements as well as route extensions and re-alignments were also made. As a result, 2023 ridership continued to rise, increasing by 433,886 rides, approximately 34.43% from 2022. Despite the gains made over the year, fare recovery from the pandemic in 2023 remained below pre-pandemic levels, likely due to ridership at approximately 81.00% of pre-pandemic levels. Fares as well as ridership in 2022 were also sharply decreased due to the pandemic, with ridership at approximately 60.00% of pre-pandemic levels.

Advertising Revenue. Collected revenue from transit advertising fell below budget at 31.37%, or \$111,363 lower than the budgeted estimate, and \$106,179, or 30.35%, lower than in 2022. These variances can be directly related to a national industry shift away from annual advertising contracts to shorter-term contracts. Economic concerns coupled with a change in ad company management have also directly impacted these results. Despite GPTD's maximization of advertising space on buses and passenger stations, a number of advertising contracts were cancelled in 2023 when compared to 2022.

Federal and State Assistance. Collections from Federal and State agencies was 6.77% higher than 2022, or up by \$453,677. GPTD was awarded federal American Rescue Plan Act (ARPA) funds which fully funded the 2023 passenger fare reduction and service expansion programs. Other federal and state operating assistance all surpassed 2022 levels, as other planned grant uses such as fleet and support vehicle replacement, metropolitan planning and renovation

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2023

projects began or were completed. However, less CARES Act and western expansion grant funds were available to fund operating costs and programs.

Total federal and state assistance for 2023 was 2.75% higher than budgeted, or \$180,681, which is primarily attributed to the planned uses of the ARPA funding received. This funding covered all specific program costs in 2023.

Local Investment. Payments from communities were \$157,041, or 3.44%, higher than in 2022. This was a result of an additional \$155,041, or approximately 3.42% in local assessments and match for operating costs. Match for capital costs declined \$30,461 or 19.59% when compared to 2022. The 2022 assessment did not include a CARES Act funding credit of \$351,661 which was the major contributor to the 2022 level. In addition to member community assessments, local investment includes contributions from Gorham, who is a non-member community for the Transit West expansion.

Budgeted Expenses

Total operating expenses for 2023 were under budget by 0.93%, or \$137,386, and about 6.36%, or \$873,646 more than 2022. The majority of the increase was incurred in personnel and fuel cost increases. The budget to actual schedule for expenses begins on page 28.

Wages and benefits (personnel). Total wages and benefits costs were about 4.59% higher, or \$454,757 than in 2022. This not only reflects a 3.00% wage increase and step increases for all employees, but a substantial decrease in overtime pay, as GPTD ramped up recruitment efforts to stem the shortage of bus operators and fleet care workers over the year, as well as prepare for planned service expansion later in 2023. Health insurance premiums again saw single digit increases in 2023, with stable pricing for dental and vision. Lower than anticipated benefit cost increases allowed benefits to be under expended by \$77,435, or 2.53%, aided by the staffing shortages experienced. In total, wages and benefits were marginally over budget by 0.28%, or \$28,953 in 2023.

Fleet parts and services and fuel. The cost of maintaining the fleet combined with fuel costs, were under budget by \$70,997, about 6.35% with a savings in diesel fuel of \$53,082 and CNG fuel of \$40,886. Other under expended items included electricity (as a fuel), and tires and tubes and greases and fluids of \$15,781, and \$7,349, respectively. Fleet parts was over expended by \$46,101 for 2023. However, the total expense of both categories was \$178,493 higher than 2022. GPTD continues to experience inflationary pressures on cost and supply chain issues which has pushed fleet parts over budget. GPTD locked in lower diesel fuel pricing and lower CNG supplier service costs in its current contracts which resulted in the net savings overall.

Advertising services. Advertising services were slightly under budget by about 0.22%, or \$307. A majority of GPTD's advertising dollars are typically used for initiatives to grow ridership. 2023 was no exception, with the marketing spending focus placed on the transit awareness campaign including the Transit Together program, and the ARPA-funded passenger fare reduction (Fare Deal), and service expansion programs. Other advertising spending was directed to stemming the workforce shortage. This resulted in the 2023 budgetary savings.

Contracted services. Contracted services were under budget by about 1.38%, or \$6,277. This is almost entirely due to the shift in programmatic focus to the ARPA-funded passenger fare reduction and service expansion programs. Other planned contracted services expenditures have been pushed to future periods based on contract timing. Contracted services were also higher than 2022 levels by \$42,880 or 10.61%.

Utilities and telephone. The total cost of heat, electricity, phone, water, sewer, and storm water was under budget by about 9.23%, or \$74,328. Total costs also decreased 2.24% compared to 2022. GPTD locked in lower CNG supplier service costs in its current contract coupled with mild winter seasons that resulted in the net savings in heating fuel, and lower than anticipated electricity cost increases were realized.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2023

Maintenance services. The total cost of maintenance services was under budget by 1.23%, or \$5,244, but \$80,323 higher than 2022. Costs budgeted for maintenance supplies, copier maintenance, and snow plowing were under budget, partially offset by over budget maintenance services by \$25,240. This was largely due to maintenance provider cost increases coupled with greater than anticipated external engine and body repair of fleet vehicles and garage door maintenance and repair services.

Growth and Initiatives

GPTD's progress in growing ridership through 2019 slowed during the pandemic, with overall ridership in 2023 being about 19% less than the pre-pandemic levels of 2019. Nonetheless, a positive trend. Depressed ridership and the slow recovery mean fare revenues have been, and are forecast to be below historical trends. Agencies are also facing significant budgetary pressure due to rising costs in all major categories (e.g., labor, services, and commodities). Additionally, low unemployment and declining labor force participation rates aggravate transit agencies ability to recruit and retain qualified transit workers, particularly for bus operator and mechanic jobs. As a result of the final drawdowns of federal emergency funding, the impact of depressed fare revenues, and the impact of rising costs, GPTD is forecasting a structural deficit for the years 2025-2028.

As with transit systems nationwide, agencies are working to adapt and grow mobility services in ways that will rebuild and grow ridership. In the near term, GPTD will implement a series of service improvements and capital projects aimed at improving the transit system and rebuilding ridership. These improvements are funded with American Rescue Plan Act funding and are targeted for implementation in 2024 and 2025.

GPTD undertook a strategic planning process in 2023 to outline major priorities and goals for the balance of the decade. Subject to public engagement and board approval, the following initiatives and areas of focus are likely to be covered as part of the completed strategic plan in 2024 and beyond:

- Maintain assets in a state of good repair and ensure strong and reliable service continuity.
- Recruit and support qualified, committed employees while building a great place to work for everyone.
- Reconstruct and expand operations-maintenance facility to accommodate 100+ buses.
- Continue progress on electrification of transit fleet.
- Continue to seek funding for and implement service improvements that improve frequencies, expand hours, and make transit faster.
- Deploy micro-transit service in geographic zones where it can be productive while widening mobility coverage and integrations with fixed route bus system.
- Expand transit pass programs to more organizations and work toward creation of a low-income pass program backed by appropriate funding.
- Deploy technology projects that reduce transit system travel times and improve the customer experience.
- Continue improving bus stops to enhance accessibility, customer experience, and public perception of transit.
- Sustainably grow the agency's organizational and technical capacity to continue expanding the region's public transportation service and infrastructure.

Conclusion

GPTD's commitment to technology and infrastructure enhancements, along with a continued effort to introduce service and frequency improvements, allows the delivery of public transit services that are easily accessible, convenient, and increase mobility in its areas of operation. GPTD is confident that the increasing ridership trend that has continued into 2024 will lead to strengthening GPTD's future fiscal health.

Requests for Information

This purpose of this financial report is to provide a general overview of the Greater Portland Transit District's finances. Any questions concerning this report or additional information should be addressed to Shelly Brooks, Finance Director, Greater Portland Transit District, 14 Valley Street, Portland, Maine 04102. More information about GPTD can be found on its web site, gpmetro.org, where past budgets and financial reports can also be accessed.

GREATER PORTLAND TRANSIT DISTRICT
Statements of Net Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,029,361	2,369,105
Accounts receivable	148,132	150,576
Receivables from other governments:		
Grants	559,943	1,168,388
Other	152,513	454,047
Lease receivable	633,618	777,730
Inventory	409,188	390,979
Prepaid expenses	109,868	87,594
Total current assets	5,042,623	5,398,419
Capital assets:		
Land	133,175	133,175
Construction in progress	62,700	96,027
Buildings and improvements	6,731,747	6,634,498
Vehicles	22,310,798	20,569,805
Passenger shelters	716,181	696,408
Equipment	5,406,225	5,406,225
Right to use asset - lease	2,035,170	2,035,170
Total capital assets	37,395,996	35,571,308
Less accumulated depreciation and amortization	20,328,118	18,261,099
Capital assets, net	17,067,878	17,310,209
Total assets	22,110,501	22,708,628
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to OPEB	11,242	99,794
Total deferred outflows of resources	11,242	99,794
LIABILITIES		
Current liabilities:		
Accounts payable	190,716	539,025
Payable to other governments	117,195	180,865
Accrued payroll and payroll taxes	230,206	234,994
Other liabilities	163,775	195,942
Unearned fare revenue	323,444	279,048
Current portion of accrued compensated absences	19,221	10,054
Current portion of notes payable	199,150	199,150
Current portion of lease payable	277,118	258,637
Total current liabilities	1,520,825	1,897,715
Noncurrent liabilities:		
OPEB obligation	800,698	803,410
Accrued compensated absences	178,778	150,937
Notes payable	1,011,200	1,210,350
Lease payable	1,251,093	1,528,211
Total noncurrent liabilities	3,241,769	3,692,908
Total liabilities	4,762,594	5,590,623
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to OPEB	82,659	86,940
Deferred inflows of resources related to leases	597,038	769,515
Total deferred inflows of resources	679,697	856,455
NET POSITION		
Net investment in capital assets	14,329,317	14,113,861
Restricted	497,016	563,286
Unrestricted, reserved for board policy	1,250,000	1,100,000
Unrestricted, unreserved	603,119	584,197
Total net position	\$ 16,679,452	16,361,344

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
For the years ended December 32, 2023 and 2022

	2023	2022
Operating revenues:		
Passenger fares	\$ 2,187,081	2,108,658
Rental income	271,499	97,602
Outside repairs, maintenance and CNG sales	10,137	13,868
Federal and state operating grants	7,232,621	6,722,317
Local assessments for operating	4,592,772	4,405,270
Advertising	243,637	349,816
Insurance proceeds	44,696	46,947
Autofare reimbursement	15,861	13,887
Miscellaneous income	39,856	27,859
Total operating revenues	14,638,160	13,786,224
Operating expenses before depreciation and amortization:		
Personnel	10,434,110	9,991,812
Temporary help	82,181	46,915
ADA Paratransit	458,106	408,210
Fuel	604,485	503,263
Dues and subscriptions	36,519	38,471
Other employee costs	43,372	44,366
Fleet parts and services	489,051	445,366
Insurance	394,403	364,131
Advertising	140,289	101,672
Office and building supplies	18,665	24,558
Contract services	484,715	615,028
Utilities	472,625	499,702
Maintenance costs	437,087	283,811
Total operating expenses before depreciation and amortization	14,095,608	13,367,305
Operating income (loss) before depreciation and amortization	542,552	418,919
Depreciation and amortization expense	2,357,528	2,379,379
Operating income (loss) after depreciation and amortization	(1,814,976)	(1,960,460)
Nonoperating revenues (expenses):		
Federal and state capital grants	2,153,293	2,877,703
Local assessments for capital	171,872	(26,286)
Wellness and training grants	360	3,156
Gain (loss) on disposal of capital assets	(223,030)	(103,573)
Interest income	150,889	48,027
Bank interest and fees	(20,971)	(21,602)
Interest on debt service	(99,329)	(54,324)
Total nonoperating revenues (expenses)	2,133,084	2,723,101
Change in net position	318,108	762,641
Net position, beginning of year	16,361,344	15,598,703
Net position, end of year	\$ 16,679,452	16,361,344

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Statements of Cash Flows
For the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 3,088,440	2,254,740
Receipts from federal and state operating grants	7,841,066	7,299,217
Receipts from local sources	4,592,772	4,405,270
Receipts from insurance proceeds	44,696	46,947
Payments to suppliers	(4,041,545)	(3,613,331)
Payments to employees	(10,445,884)	(9,931,372)
Net cash provided by (used in) operating activities	1,079,545	461,471
Cash flows from investing activities:		
Interest income	150,889	48,027
Net cash provided by (used in) investing activities	150,889	48,027
Cash flows from capital and related financing activities:		
Local sources	171,872	(26,286)
Federal and State capital grants	2,153,293	2,877,703
Note issuance proceeds	-	166,500
Principal payments on notes	(199,150)	(182,500)
Principal payments on lease	(258,637)	(248,322)
Purchase of capital assets	(2,338,227)	(2,775,109)
Interest payments	(99,329)	(54,324)
Net cash provided by (used in) capital and related financing activities	(570,178)	(242,338)
Net increase (decrease) in cash and cash equivalents	660,256	267,160
Cash and cash equivalents, beginning of year	2,369,105	2,101,945
Cash and cash equivalents, end of year	\$ 3,029,361	2,369,105
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (1,814,976)	(1,960,460)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,357,528	2,379,379
Bank interest and fees	(20,971)	(21,602)
Wellness and training grants	360	3,156
Amortization of deferred inflows and outflows of resources related to OPEB	84,271	61,241
Amortization of deferred inflows and outflows of resources related to leases	(172,477)	769,515
Change in operating assets and liabilities:		
Accounts receivable	303,978	(457,549)
Grants receivable	608,445	(163,602)
Lease receivable	144,112	(777,730)
Inventory	(18,209)	(49,542)
Prepaid expenses	(22,274)	20,194
Accounts payable	(411,979)	311,502
Accrued payroll and payroll taxes	(4,788)	59,277
Other liabilities	(32,167)	150,831
Unearned fare revenue	44,396	105,658
Accrued compensated absences	37,008	(1,574)
Net OPEB obligation	(2,712)	32,777
Net cash provided by (used in) operating activities	\$ 1,079,545	461,471

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Greater Portland Transit District (the District), incorporated June 24, 1966, is a quasi-municipal corporation, organized in accordance with the provisions of Title 30-A, Chapter 163, of the Maine State Statutes, to operate a public mass transit passenger bus service for the inhabitants of the municipalities comprising the District. The membership of the District is composed of the cities of Portland and Westbrook, and the Towns of Falmouth, Yarmouth, Freeport, and Brunswick. The Board of Directors consists of five directors appointed from the City of Portland, three directors appointed from the City of Westbrook, two directors appointed from the Town of Falmouth, and one each from the Towns of Yarmouth, Freeport, and Brunswick.

Economic Dependency - The District is economically dependent upon grants from the Federal Transit Administration and subsidies from its member municipalities.

Measurement Focus and Basis of Accounting - The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services, operating grants from federal and state funding sources, and local member contributions. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

Accounts Receivable and Receivables from Other Governments - The District grants credit to local governments and businesses. In addition, grants are received for operations and various capital acquisitions. The portion of grants not received at year-end is included in the balance sheet as grants receivable. The amounts of these receivables are subject to acceptance of qualified expenses by responsible grantor agencies. Grants received prior to obligation or spending of funds are recorded as unearned grants.

Management believes that all accounts receivable and grants receivable at December 31, 2023 and 2022 are fully collectable. Therefore, no allowance for doubtful accounts is recorded.

Net Position - Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the District's intent to use restricted resources first, then unrestricted resources as they are needed.

Net Position Reserve - The Board of Directors for the District adopted a Financial Reserve Policy in 2018 with a goal of achieving and maintaining an unrestricted amount of net position of no less than 16.66%, or two months, of the subsequent year's operating budget expenses. That Policy also requires an equal amount of cash to be restricted to match the amount reserved.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory - Inventories are valued at the lower of cost (first-in, first-out basis) or market and are recorded as expenses when used (consumption method). Inventory consists of materials and supplies.

Prepaid Expenses - Payments to vendors that will benefit periods beyond the fiscal year are recorded as prepaid expenses.

Capital Assets - Capital assets owned by the District are stated at the cost (except for intangible right-to-use lease assets, the measurement of which is discussed the leases note below) to acquire or construct the asset and are comprised of land, building, vehicles, and other capital assets. Donated capital assets are recorded at acquisition value. Routine maintenance and repairs are charged against income. Expenses, which materially increase values, change capacities, or extend useful lives are capitalized. The threshold for capitalization of an asset is \$5,000. The provision for depreciation has been computed by the use of the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives.

Estimated useful lives are as follows:

Buildings and improvements*	7-40 years
Bus stops and shelters	5-20 years
Office equipment	5-10 years
Service vehicles	7-12 years
Shop equipment	7-20 years
Vehicles	4-12 years
Computer equipment/software	3 years

*Including the right to use leased building

Deferred Inflows and Outflows of Resources - In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of total position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

The District has deferred outflows and inflows that relate to the total other postemployment benefits (OPEB) liability, which include the District's contributions subsequent to the measurement date, which is recognized as a reduction of the total OPEB liability in the subsequent year. They also include changes in assumptions and differences between expected and actual experience, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

The District also has lease related deferred inflows of resources that qualifies for reporting in this category of resources.

Leases

Lessee: The District is a lessee for a noncancellable lease of land and a building. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets on the statement of net position. The portions of lease liabilities due within one year are reported with current liabilities and the portions not due within one year are reported with noncurrent liabilities on the statements of net position.

Lessor: The District is the lessor for a non-cancellable sublease of a portion of the land and building that the District is leasing from another entity. The District has recognized a lease receivable and the related deferred inflows of resources in the financial statements. At the commencement of the lease, the District measures the lease asset at the present value of payments expected to be made during the lease term. Subsequently, the lease asset is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable is composed of fixed payments, from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Accrued Compensated Absences - Under terms of personnel policies and union contracts of the District, compensated absences are granted and paid out to employees upon departure from employment. The District currently offers vacation accrual, sick accrual, and paid time off (PTO). For non-union employees, vacation is paid out at 100% of earned time regardless of time of service. Sick and PTO are paid out based on length of service.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Union employees are paid out all accrued unused PTO and pro-rated vacation time based on length of service in the year of termination.

Use of Estimates - The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DEPOSITS

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District currently does not have a written deposit policy for custodial credit risk but does attempt to have all deposits insured and collateralized. As of December 31, 2023, the District reported deposits of \$3,029,361 with a bank balance of \$3,126,506. The District’s entire bank balance is insured by federal depository insurance.

Interest rate risk: The District currently does not have a written policy for interest rate risk.

Credit Risk: Maine statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The District currently does not have a written policy for credit risk.

CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2023 was as follows:

	<u>Balance</u> <u>12/31/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2023</u>
Capital assets not being depreciated:				
Land	\$ 133,175	-	-	133,175
Construction in progress	96,027	-	33,327	62,700
Total capital assets not being depreciated	229,202	-	33,327	195,875
Capital assets being depreciated:				
Buildings and improvements	6,634,498	97,249	-	6,731,747
Vehicles	20,569,805	2,254,532	513,539	22,310,798
Passenger stations	696,408	19,773	-	716,181
Equipment	5,406,225	-	-	5,406,225
Right to use asset – lease	2,035,170	-	-	2,035,170
Total capital assets being depreciated	35,342,106	2,371,554	513,539	37,200,121

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Less accumulated depreciation for:				
Buildings and improvements	\$ 5,456,791	204,067	-	5,660,858
Vehicles	8,426,925	1,650,773	290,509	9,787,189
Passenger stations	156,861	34,544	-	191,405
Equipment	3,922,692	170,314	-	4,093,006
Right to use asset – lease	297,830	297,830	-	595,660
Total accumulated depreciation	18,261,099	2,357,528	290,509	20,328,118
Total capital assets being depreciated, net	17,081,007	14,026	223,030	16,872,003
Capital assets, net	\$ 17,310,209	14,026	256,357	17,067,878

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the District for the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Notes from direct borrowing	\$ 1,409,500	-	199,150	1,210,350	199,150
Other postemployment liabilities	803,410	-	2,712	800,698	-
Accrued compensated absences	160,991	42,290	5,282	197,999	19,221
Leases payable	1,786,848	-	258,637	1,528,211	277,118
Total long-term liabilities	\$ 4,160,749	42,290	465,781	3,737,258	495,489

Notes payable at December 31, 2023 are comprised of the following individual issues:

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 12/31/23</u>	<u>Balance 12/31/22</u>
2018 Buses	2018	\$ 855,000	1.92-2.99%	11/1/2028	427,500	513,000
2019 Buses	2019	460,000	1.72-2.39%	11/1/2029	276,000	322,000
2020 Buses	2020	510,000	1.24-1.74%	11/1/2030	357,000	408,000
2022 Buses	2022	166,500	3.52-4.02%	11/1/2032	149,850	166,500
Total notes payable					\$ 1,210,350	1,409,500

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize notes payable outstanding as of December 31, 2023 are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 199,150	29,215	228,365
2025	199,150	24,746	223,896
2026	199,150	20,153	219,303
2027	199,150	15,415	214,565
2028	199,150	10,516	209,666
<u>2029-2032</u>	<u>214,600</u>	<u>10,307</u>	<u>224,907</u>
Totals	\$ 1,210,350	110,352	1,320,702

LEASES PAYABLE

During 2021, the District entered into a seven-year lease agreement as lessee for the use of land and a building. An initial lease liability was recorded in the amount of \$2,035,170 during 2021. As of December 31, 2023, the value of the lease liability was \$1,528,211. The District was required to make monthly principal and interest payments of \$27,625 for the period of January to October 2023 and \$28,178 for the period of November and December 2023, adjusted for a 2% increase each year annually in November. The lease has an interest rate of 4.43% derived from the District's estimated incremental borrowing rate. The value of the right-to-use asset as of the end of 2023 was \$2,035,170 and had \$595,660 in accumulated amortization as of December 31, 2023.

The future principal and interest lease payments as of December 31, 2023 were as follows:

	<u>Lease Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 277,118	62,139	339,257
2025	296,571	49,471	346,042
2026	317,042	35,921	352,963
2027	338,580	21,443	360,023
2028	298,900	6,102	305,002
Totals	\$ 1,528,211	175,076	1,703,287

GRANTOR REVIEW

Federal and State grants are subject to grantor review and final approval. Although it is not anticipated that any claims would be made against the District by the grantor agencies, grants remain subject to ultimate closeout.

RISK MANAGEMENT

The Greater Portland Transit District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Greater Portland Transit District carries commercial insurance.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

PENSION PLAN

The Greater Portland Transit District has a defined contribution retirement plan under Section 401(a) of the Internal Revenue Code covering all full-time employees.

Union employees are eligible to participate once their qualifying period has ended. Qualification for Union employees occurs the first of the month following 60 days after their date of hire. Nonunion employees are eligible to participate immediately following their date of hire. Union employees are fully vested after 60 months of employment. All nonunion employees are fully vested immediately.

The District matches voluntary union and nonunion employee contributions to a 401 (a) plan. All contributions are voluntary. The District contributed up to 7.5% of the employees' gross pay and the District contributed 15% of the General Manager's compensation, without regard to his contribution, for the years ended December 31, 2023 and 2022.

For the years ended December 31, 2023 and 2022, respectively, employee contributions amounted to \$0 and \$0 and employer contributions were \$451,131 and \$429,409.

457 RETIREMENT PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the District's financial statements. For the years ended December 31, 2023 and 2022 respectively, employee contributions amounted to \$545,801 and \$525,186 and employer contributions were \$0 and \$0.

LEASES RECEIVABLE

During 2022, the District entered into a leasing arrangement through which the District subleased part of the land and building that the District began leasing in 2021. The sublease is for a five-year term and the District received monthly payments of \$14,537 for the period January to September 2023 and \$14,828 for the period October to December 2023, adjusted for a 2% increase each year annually in October.

The District recognized \$172,478 in lease revenue and \$31,209 in related interest revenue during 2023. As of December 31, 2023, the District's receivable for lease payments was \$633,618. Also, the District has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of December 31, 2023, the balance of the deferred inflow of resources was \$597,038.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plans

Plan Description - The District sponsors a postretirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Board of Directors have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health insurance benefits. The eligibility for explicit subsidy is age 62 and 20 years of service. The explicit subsidy represents the contributions towards retiree health insurance that District pays. Currently, the District provides an explicit subsidy of 100% of single Pre-Medicare coverage. The District does not provide any subsidy for spouses.

Employees Covered by Benefit Terms – At December 31, 2023, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>89</u>
Total	<u><u>91</u></u>

Contributions - The District is required to pay 100% of the health insurance premiums toward single Pre-Medicare coverage, the total District contributions for the year ended December 31, 2023 were \$9,030.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The District's total Health Plan OPEB liability of \$800,698 was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Changes in the Total Health Plan OPEB Liability

		Total OPEB Liability
Balance at December 31, 2022	\$	803,410
Changes for the year:		
Service cost		81,164
Interest		18,130
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions or other inputs		(92,976)
Benefit payments		(9,030)
Net changes		<u>(2,712)</u>
Balance at December 31, 2023	\$	<u>800,698</u>

Change in assumptions reflects a change in the discount rate from 2.06% to 3.72%.

For the year ended December 31, 2023, the District recognized OPEB expense of \$81,559 related to the Health Plan. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	66,573
Changes of assumption or other inputs		-	16,086
Contributions after measurement date		11,242	-
Total	\$	<u>11,242</u>	<u>82,659</u>

An amount of \$11,242 is reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		
2024	\$	(6,487)
2025		(10,920)
2026		(3,647)
2027		(12,340)
2028		(18,824)
Thereafter		(30,441)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2023 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Inflation	3.00% per annum
Salary increases	2.75% per annum
Discount rate	3.72%
Healthcare cost trend rates	7.95% Non-Medicare, decreasing to 4.55% by 2043.
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the January 1, 2023 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 3.72%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the District's total OPEB liability related to the Health Plan calculated using the discount rate of 3.72%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.72%) or 1 percentage-point higher (4.72%) than the current rate:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB liability	\$ 932,140	800,698	693,608

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the District's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 675,389	800,698	960,999

SHORT-TERM LIABILITIES

The District obtained short-term borrowing in the form of a tax anticipation note for immediate cash flow needs. Short-term liability transactions for the year ended December 31, 2023 were as follows:

	Beginning Balance	Additions	Deletions	Ending balance
Tax anticipation note	\$ -	3,300,001	3,300,001	-

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding long-term debt and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is any remainder of total net position less net investment in capital assets and restricted net position.

The District's net investment in capital assets was calculated as follows at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 37,395,996	35,571,308
Accumulated depreciation	(20,328,118)	(18,261,099)
Notes payable	(1,210,350)	(1,409,500)
Lease payable	(1,528,211)	(1,786,848)
Total net investment in capital assets	\$ 14,329,317	14,113,861

The District's net position at December 31, 2023 and 2022 was restricted for the local match of the following grants and projects:

	<u>2023</u>	<u>2022</u>
ME-2016-016 2016 Operating Assistance & Cap Maintenance	\$ 14,077	14,632
ME-2016-017 Regional Bus Shelter/Sign Project	7,730	7,730
ME-2017-008 2017 Operating Assistance & Cap Maintenance	30,083	30,083
ME-2019-010 2019 Operating Assistance & Cap Maintenance	10,000	10,000
ME-2020-025 2020 Operating Assistance & Cap Maintenance	15,812	28,989
ME-2021-016 2021 Operating Assistance & Cap Maintenance	69,901	73,108
ME-2022-011 2022 Operating Assistance & Cap Maintenance	14,000	14,000
ME-2023-002 BREEZ Bus Replacement	635	165,926
ME-2023-044 2023 Operating Assistance & Cap Maintenance	157,891	-
N/A Facility	5,000	5,000
N/A Bus Stop Improvement	70,000	70,000
N/A 2018 Operations - Electric signs	42,958	42,958
N/A RTP Reno	-	10,000
N/A Security	10,000	10,000
N/A TSAP – Construction	39,529	73,460
N/A Proceeds On Sale of FTA Assets	7,400	7,400
N/A Service Vehicle	2,000	-
Total restricted net position	\$ 497,016	563,286

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

NET POSITION, CONTINUED

The District has set aside cash balances to support restricted net position and unrestricted net position, reserved for board policy to ensure that cash will be on hand when these amounts are drawn upon. As of December 31, 2023 and 2022, the District has designated the following amounts of net position within cash and cash equivalents:

	<u>2023</u>	<u>2022</u>
Restricted net position	\$ 497,016	563,286
Unrestricted, reserved for board policy	1,250,000	1,100,000
Total	\$ 1,747,016	1,663,286

GREATER PORTLAND TRANSIT DISTRICT
Required Supplementary Information

Schedule of Changes in the District's Total Health Plan OPEB Liability and Related Ratios

Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 81,164	80,573	70,683	45,853	50,269
Interest	18,130	17,960	19,447	23,597	19,542
Changes of benefit terms	-	-	-	(13,451)	-
Differences between expected and actual experience	-	(53,799)	-	(44,040)	-
Changes of assumptions or other inputs	(92,976)	(3,812)	45,400	104,895	(50,926)
Benefit payments	(9,030)	(8,145)	(7,832)	(7,152)	(6,877)
Net change in total OPEB Liability	<u>(2,712)</u>	<u>32,777</u>	<u>127,698</u>	<u>109,702</u>	<u>12,008</u>
Total OPEB liability - beginning	<u>803,410</u>	<u>770,633</u>	<u>642,935</u>	<u>533,233</u>	<u>521,225</u>
Total OPEB liability - ending	\$ <u>800,698</u>	<u>803,410</u>	<u>770,633</u>	<u>642,935</u>	<u>533,233</u>
Covered-employee payroll	\$ 5,023,094	5,023,094	4,688,671	4,688,671	3,885,661
Total OPEB liability as a percent of covered-employee payroll	15.94%	15.99%	16.44%	13.71%	13.72%

*Only five years of information available.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Required Supplementary Information

Total OPEB Liability

Changes of Benefit Terms (OPEB) - None

Changes of Assumptions (OPEB) - Under the Health Plan - MMEHT, changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2023	3.72%
2022	2.06%
2021	2.12%
2020	2.74%
2019	4.10%
2018	3.44%

In 2018 through 2021, mortality rates were based on the RP2014 total data set healthy annuitant mortality table. In 2022 and forward, mortality rates were based on the 2010 Public Plan General Benefits-Weighted Employee Healthy Retiree Mortality Table projected generationally using the RPEC 2020 model.

Additionally, the valuation method for the District Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

SCHEDULES

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis
For the year ended December 31, 2023
(With Comparative Actual Amounts for the year ended December 31, 2022)

	2023		Actual	Variance with final budget positive (negative)	2022
	Budgeted amounts				
	Original	Final			
Revenues:					
Passenger fares:					
Regular fares	\$ 1,531,638	1,531,638	1,217,340	(314,298)	1,325,270
Organization paid fares	850,429	850,429	969,741	119,312	783,388
Total passenger fares	2,382,067	2,382,067	2,187,081	(194,986)	2,108,658
Federal assistance:					
Operating assistance	3,928,774	3,928,774	3,719,537	(209,237)	3,247,517
CARES act	865,292	865,292	865,292	-	1,400,000
American Rescue Plan	-	-	494,585	494,585	-
American Rescue Plan - service expansion	191,975	191,975	111,277	(80,698)	-
ADA paratransit	333,123	333,123	346,387	13,264	326,566
Western expansion	-	-	-	-	219,674
Preventive maintenance	1,248,269	1,248,269	1,211,036	(37,233)	1,107,990
Total federal assistance	6,567,433	6,567,433	6,748,114	180,681	6,301,747
State assistance	405,080	405,080	405,080	-	397,770
Local investment:					
Members	4,676,711	4,676,711	4,682,771	6,060	4,527,730
Operating assessments	4,374,570	4,374,570	4,374,572	2	4,198,244
Operating assessments - lease	93,861	93,861	93,861	-	90,938
Capital assessments	124,999	124,999	124,999	-	155,460
ADA paratransit	83,281	83,281	89,339	6,058	83,088
Non-members	35,000	35,000	35,000	-	33,000
BREEZ/TW operating contributions	35,000	35,000	35,000	-	136,530
BREEZ capital contributions	-	-	-	-	13,500
Total local investment	4,711,711	4,711,711	4,717,771	6,060	4,560,730
Miscellaneous:					
Rental of property	269,990	269,990	271,499	1,509	97,602
Fleet maintenance services	5,000	5,000	6,000	1,000	6,000
Advertising	355,000	355,000	243,637	(111,363)	349,816
Interest income	15,000	15,000	150,889	135,889	48,027
Fuel sales	7,000	7,000	4,137	(2,863)	7,868
Autofare reimbursement	14,450	14,450	15,861	1,411	13,887
Wellness grant	5,500	5,500	210	(5,290)	1,284
Training grant	2,000	2,000	150	(1,850)	1,872
Miscellaneous income	10,000	10,000	39,856	29,856	27,859
Total miscellaneous	683,940	683,940	732,239	48,299	554,215
Total revenues	14,750,231	14,750,231	14,790,285	40,054	13,923,120

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2023
(With Comparative Actual Amounts for the year ended December 31, 2022)

	2023					2022
	Budgeted amounts		Actual	Variance with final budget positive (negative)		
	Original	Final				
Expenses:						
Personnel:						
Regular wages and salaries	\$	6,759,937	6,759,937	6,808,463	(48,526)	6,265,635
Overtime		496,935	496,935	554,797	(57,862)	882,050
Benefits		3,066,726	3,066,726	2,989,291	77,435	2,750,109
Total personnel		10,323,598	10,323,598	10,352,551	(28,953)	9,897,794
Temporary help		30,000	30,000	82,181	(52,181)	46,915
ADA paratransit		416,402	416,402	458,106	(41,704)	408,210
Fuel:						
CNG fuel		133,306	133,306	92,420	40,886	106,653
Diesel fuel		550,928	550,928	497,846	53,082	386,878
Electricity as a fuel		30,000	30,000	14,219	15,781	9,732
Total fuel		714,234	714,234	604,485	109,749	503,263
Dues and subscriptions:						
Dues and subscriptions		30,120	30,274	28,219	2,055	29,382
HRA annual dues		8,636	8,636	8,098	538	8,514
Licenses and permits		1,500	1,500	202	1,298	575
Total dues and subscriptions		40,256	40,410	36,519	3,891	38,471
Other employee costs:						
Wellness program		10,000	10,000	-	10,000	1,789
Meals and hosting		8,500	11,404	12,530	(1,126)	10,460
Travel, conferences, meetings		19,430	20,249	14,451	5,798	9,504
Employment services		12,287	12,287	13,402	(1,115)	13,898
Total other employee costs		50,217	53,940	40,383	13,557	35,651
Fleet parts and services:						
Parts		260,000	265,000	311,101	(46,101)	239,852
Tires and tubes		69,750	69,750	68,767	983	60,245
Greases and fluids		68,040	68,040	61,674	6,366	64,174
Total fleet parts and services		397,790	402,790	441,542	(38,752)	364,271
Insurance		395,309	395,309	394,403	906	364,131
Advertising:						
Advertising		124,500	120,487	106,612	13,875	86,862
Fare media		6,000	6,000	19,950	(13,950)	1,690
Marketing supplies		10,500	14,109	13,727	382	13,120
Total advertising		141,000	140,596	140,289	307	101,672
Office and building supplies:						
Supplies		19,500	19,500	16,509	2,991	22,304
Postage		2,954	2,954	2,156	798	2,254
Total office and building supplies		22,454	22,454	18,665	3,789	24,558

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2023
(With Comparative Actual Amounts for the year ended December 31, 2022)

	Budgeted amounts		Actual	Variance with final budget positive (negative)	2022
	Original	Final			
Contract services:					
Technology services	\$ 188,415	188,415	189,967	(1,552)	177,873
Legal fees	45,000	45,000	74,547	(29,547)	49,587
Audit fees	26,000	26,000	25,000	1,000	23,500
Other contracted services	191,029	182,556	146,349	36,207	147,777
Real estate broker services - lease	8,766	8,766	8,766	-	2,982
Miscellaneous services	2,500	2,500	2,331	169	2,361.00
Total contract services	461,710	453,237	446,960	6,277	404,080
Utilities and telephone:					
Heating fuel	175,469	175,469	146,979	28,490	165,246
Electricity	137,711	137,711	115,893	21,818	121,646
Water/sewer/storm water	43,563	43,563	32,400	11,163	36,086
Phone/cell/internet	76,060	76,060	66,097	9,963	63,660
Real estate taxes - lease	40,182	40,182	37,288	2,894	35,302
Rental Fees	332,605	332,605	332,605	-	326,083
Total utilities and telephone	805,590	805,590	731,262	74,328	748,023
Maintenance costs:					
Maintenance services	298,294	294,794	320,034	(25,240)	236,173
Copier maintenance	8,000	8,000	4,543	3,457	6,236
Maintenance supplies	101,000	104,500	93,798	10,702	94,693
Snow plowing and removal	19,000	19,000	2,675	16,325	3,625
Total maintenance costs	426,294	426,294	421,050	5,244	340,727
Bank and credit card fees	24,050	24,050	20,971	3,079	21,602
Capital match	124,999	124,999	124,999	-	155,460
Capital expense	-	-	-	-	47,547
Debt service principal	199,150	199,150	199,150	-	182,500
Debt service interest	132,178	132,178	99,329	32,849	54,324
Fund balance restoration	45,000	45,000	-	45,000	-
Total expenditures	14,750,231	14,750,231	14,612,845	137,386	13,739,199
Change in net position - budgetary basis	-	-	177,440	177,440	183,921

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2023

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Reconciliation to GAAP:	\$			
Unbudgeted federal and state capital grants			2,153,293	
Unbudgeted federal and state operating grants			79,427	
Unbudgeted capital maintenance expense			(16,037)	
Unbudgeted contracted services			(37,755)	
Unbudgeted supplies/parts			(47,509)	
Unbudgeted other employee costs			(2,989)	
Unbudgeted local contributions			46,873	
Depreciation and amortization expense			(2,357,528)	
Insurance proceeds			44,696	
Capitalized local match			124,999	
Principal payment on debt service			199,150	
Other postemployment benefits expense			(81,559)	
Lease capitalization / GASB 87 adjustments			258,637	
Gain (loss) on disposal of capital assets			(223,030)	
Net change in net position - GAAP basis			318,108	
Net position, beginning of year			16,361,344	
Net position, end of year	\$		16,679,452	

GREATER PORTLAND TRANSIT DISTRICT

**Reports Required by *Government Auditing
Standards* and the Uniform Guidance**

For the Year Ended December 31, 2023

GREATER PORTLAND TRANSIT DISTRICT
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
For the Year Ended December 31, 2023

Table of Contents

	<u>Page</u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditor's Results	8
Section II - Findings Required to be Reported Under <i>Government Auditing Standards</i>	9
Section III - Findings and Questioned Costs for Federal Awards	10
Section IV - Status of Prior Year Findings and Questioned Costs for Federal Awards and <i>Government Auditing Standards</i>	11

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

To the Board of Directors
Greater Portland Transit District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Portland Transit District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Greater Portland Transit District’s basic financial statements, and have issued our report thereon dated April 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater Portland Transit District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Portland Transit District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Greater Portland Transit District’s internal control.

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



April 22, 2024
South Portland, Maine

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Greater Portland Transit District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Greater Portland Transit District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Greater Portland Transit District's major federal programs for the year ended December 31, 2023. Greater Portland Transit District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Greater Portland Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Greater Portland Transit District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Greater Portland Transit District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Greater Portland Transit District's federal programs.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greater Portland Transit District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Greater Portland Transit District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Greater Portland Transit District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greater Portland Transit District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Greater Portland Transit District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Greater Portland Transit District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Greater Portland Transit District's basic financial statements. We issued our report thereon dated April 22, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



April 22, 2024
South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass- through/ Agreement Number	Total Federal Expenditures	Assistance Listing/ Cluster Totals	Passed Through to Subrecipients
U. S. Department of Transportation:					
Direct Programs:					
Federal Transit Cluster:					
Federal Transit Formula Grants	20.507	ME-2016-016-00	\$ 2,223		-
Federal Transit Formula Grants	20.526	ME-2019-013-00	72,798		-
Federal Transit Formula Grants - COVID-19	20.507	ME-2020-010-03	536,938		416,954
Federal Transit Formula Grants	20.507	ME-2020-025-01	86,702		65,906
Federal Transit Formula Grants	20.507	ME-2021-016-00	12,830		-
Federal Transit Formula Grants	20.507	ME-2022-008-00	865,292		-
Federal Transit Formula Grants	20.507	ME-2022-011-00	731,777		-
Federal Transit Formula Grants	20.526	ME-2023-002-00	1,870,934		-
Federal Transit Formula Grants - ARPA	20.507	ME-2023-012-00	605,862		-
Federal Transit Formula Grants	20.507	ME-2023-044-00	4,542,683		-
Total Federal Transit Cluster				9,328,039	
Transit Services Programs Cluster:					
Federal Transit Formula Grants - ARPA	20.513	ME-2023-017-00	21,967		21,967
Federal Transit Formula Grants - CRRSAA	20.513	ME-2023-018-00	21,967		21,967
Total Transit Services Programs Cluster				43,934	
Passed through the Maine Department of Transportation:					
Formula Grants for Rural Areas	20.509	ME-2018-024-00	2,500		-
Formula Grants for Rural Areas	20.509	ME-2016-008-03	2,500	5,000	-
Total U. S. Department of Transportation			9,376,973		526,794
Totals			\$ 9,376,973		526,794

See accompanying notes to schedule of expenditures of federal awards.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

PURPOSE OF THE SCHEDULE

The Office of Management and Budget (OMB)'s Uniform Guidance requires a schedule of expenditures of federal awards showing total expenditures for each federal award program as identified in the Assistance Listings in the System for Award Management.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs of the Greater Portland Transit District for the fiscal year ended December 31, 2023. The reporting entity is defined in notes to financial statements of the Greater Portland Transit District.

- B. Basis of Presentation - The information in the accompanying schedule of expenditures of federal awards is presented in accordance with the Uniform Guidance.
 - 1. Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.

 - 2. Major Programs - the Uniform Guidance establishes the level of expenditures or expenses to be used in defining major federal award programs. Major programs for the Greater Portland Transit District are identified in the summary of auditor's results in the schedule of findings and questioned costs.

- C. Basis of Accounting - The information presented in the schedule of expenditures of federal awards is presented on the accrual basis of accounting, which is consistent with the reporting in the Transit District's financial statements.

- D. Indirect Cost Rate - Greater Portland Transit District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs
For the year ended December 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Identification of major federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507, 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs, Continued

Section II - Findings Required to be Reported Under *Government Auditing Standards*

None

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs, Continued

Section III - Findings and Questioned Costs for Federal Awards

None

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs, Continued

Section IV - Status of Prior Year Findings and Questioned Costs for Federal Awards and *Government Auditing Standards*

None

GREATER PORTLAND TRANSIT DISTRICT

**Reports Required by *Maine Uniform
Accounting and Auditing Practices for
Community Agencies***

For the Year Ended December 31, 2023

GREATER PORTLAND TRANSIT DISTRICT
Reports Required by *Maine Uniform Accounting and*
Auditing Practices for Community Agencies
For the Year Ended December 31, 2023

Table of Contents

	<u>Report Page</u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Department Agreement and on Internal Control over Compliance Required by <i>Maine Uniform Accounting and Auditing Practices for Community Agencies</i>	3-6
Schedule of Expenditures of Department Agreements	7
Notes to Schedule of Expenditures of Department Agreements	8
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditor's Results	9
Section II - Findings Required to be Reported Under <i>Government Auditing Standards</i>	10
Section III - Findings and Questioned Costs for Department Agreements	11
Section IV - Status of Prior Year Audit Findings	12

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

To the Board of Directors
Greater Portland Transit District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Portland Transit District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Greater Portland Transit District's basic financial statements, and have issued our report thereon dated April 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater Portland Transit District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Portland Transit District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greater Portland Transit District's internal control.

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



April 22, 2024
South Portland, Maine

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY MAINE UNIFORM ACCOUNTING AND
AUDITING PRACTICES FOR COMMUNITY AGENCIES**

To the Board of Directors
Greater Portland Transit District

Report on Compliance for Each Major Department Agreement

Opinion on Each Major Department Agreement

We have audited Greater Portland Transit District's compliance with the types of compliance requirements identified as subject to audit in the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP) that could have a direct and material effect on each of Greater Portland Transit District's major department agreements for the year ended December 31, 2023. Greater Portland Transit District's major department agreements are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Greater Portland Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major department agreements for the year ended December 31, 2023.

Basis for Opinion on Each Major Department Agreement

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Greater Portland Transit District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major department agreement. Our audit does not provide a legal determination of Greater Portland Transit District's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY MAINE UNIFORM ACCOUNTING AND
AUDITING PRACTICES FOR COMMUNITY AGENCIES, CONTINUED**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Greater Portland Transit District's department agreements.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greater Portland Transit District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Maine Uniform Accounting and Auditing Practices for Community Agencies* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Greater Portland Transit District's compliance with the requirements of each major department agreements as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Maine Uniform Accounting and Auditing Practices for Community Agencies*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Greater Portland Transit District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greater Portland Transit District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with MAAP, but not for the purpose of expressing an opinion on the effectiveness of Greater Portland Transit District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY MAINE UNIFORM ACCOUNTING AND
AUDITING PRACTICES FOR COMMUNITY AGENCIES, CONTINUED**

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Department Agreements Required by *Maine Uniform Accounting and Auditing Practices for Community Agencies*

We have audited the financial statements of Greater Portland Transit District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Greater Portland Transit District basic financial statements. We issued our report thereon dated April 22, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY MAINE UNIFORM ACCOUNTING AND
AUDITING PRACTICES FOR COMMUNITY AGENCIES, CONTINUED**

The accompanying schedule of expenditures of department agreements is presented for the purposes of additional analysis as required by *Maine Uniform Accounting and Auditing Practices for Community Agencies* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of department agreements is fairly stated in all material respects in relation to the basic financial statements as a whole.



April 22, 2024
South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Expenditures of Department Agreements
For the year ended December 31, 2023

Department Office:	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses
Maine Department of Transportation, Direct:								
Transportation Systems Planning	CSN:44156 (State Funds Only) State Funds - 022762.22	\$ 170,426	7/1/2022-6/30/2023	Multimodal Transit Account	Final	-	170,426	170,426
Transportation Systems Planning	CSN: 44695 (State Funds Only) State Funds - 026308.00	234,654	1/1/2023-12/31/2023	Multimodal Transit Account	Final	-	234,654	234,654
Transportation Systems Planning	CSN: 44325 (State Funds only) State Funds - 22783.21	166,500	8/23/2022-6/30/2023	Capital	Final	-	165,083	165,083
Transportation Systems Planning	CSN: 44954 (operating) ME-2018-024-00 - 22780.18	2,500	1/1/2023-12/31/2023	Operating	Final	2,500	-	2,500
Transportation Systems Planning	CSN: 44738 (operating) ME-2016-008-03 - 22780.01	2,500	1/1/2022-12/31/2022	Operating	Final	2,500	-	2,500
Totals						\$ 5,000	570,163	575,163

GREATER PORTLAND TRANSIT DISTRICT
Notes to Schedule of Expenditures of Department Agreements
December 31, 2023

PURPOSE OF THE SCHEDULE

Maine Uniform Accounting and Auditing Practices for Community Agencies requires a Schedule of Expenditures of Department Agreements showing total expenditures for each award as identified in the respective department agreements.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all department agreements of Greater Portland Transit District for the fiscal year ended December 31, 2023. The reporting entity is defined in Notes to Financial Statements of Greater Portland Transit District.

- B. Basis of Presentation - The information in the accompanying Schedule of Expenditures of Department Agreements is presented in accordance with *Maine Uniform Accounting and Auditing Practices for Community Agencies*.
 - 1. Pursuant to *Maine Uniform Accounting and Auditing Practices for Community Agencies*, department agreements are defined as a legally binding written document between two or more parties, including, but not limited to, a document commonly referred to as accepted application, proposal, prospectus, contract, grant, joint or cooperative agreement, purchase of service or state aid.

 - 2. Major Agreement - *Maine Uniform Accounting and Auditing Practices for Community Agencies* establishes the levels of expenditures or expenses to be used in defining major department agreements. Major agreements for Greater Portland Transit District have been identified in the attached Schedule of Findings and Questioned Costs - Summary of Auditor's Results.

- C. Basis of Accounting - The information presented in the Schedule of Expenditures of Department Agreements is presented on the accrual basis of accounting, which is consistent with the reporting in the Organization's financial statements, with the exception that acquisitions of major equipment subject to capitalization for financial statement purposes are nonetheless treated as current period expenditures of department financial assistance for purposes of this schedule.

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs
December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Department Agreements

Internal control over programs tested:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported

Type of auditor's report issued on compliance for programs tested:	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with <i>Maine Uniform Accounting and Auditing Practices for Community Agencies</i> ?	No
--	----

Identification of program(s) tested:

<u>Agreement Number(s)</u>	<u>Name of Department-Agreement</u>
CSN: 44156 State only funds - 022762.22	DOT – Multimodal
CSN: 44695 State only funds - 026308.00	DOT – Multimodal
CSN: 44325 State only funds - 22783.21	DOT – Capital

Total agreement expenses tested	\$ 570,163
Total Department expenses	\$ 575,163
Percentage tested	99.13%

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs, Continued

Section II - Findings Required to be Reported Under *Government Auditing Standards*

None

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs, Continued

Section III - Findings and Questioned Costs for Department Agreements

None

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Findings and Questioned Costs, Continued

Section IV - Status of Prior Year Findings and Questioned Costs

None



BOARD OF DIRECTORS

AGENDA ITEM 7

DATE

April 25, 2024

SUBJECT

Review of Metro Drug and Alcohol Testing Program

PURPOSE

Review of the results of the FTA's audit of Metro's Drug and Alcohol Testing Program and revisions to Metro's Drug and Alcohol Testing Policy and Drug-Free Workplace Program.

BACKGROUND/ANALYSIS

In October 2023, FTA conducted an audit of the FTA mandated Drug and Alcohol Testing Policy and Drug Free Workplace Program of Greater Portland Metro. The auditors performed a detailed review of Metro's D&A Program, including policy review, staff interviews, records review and mock testing at Metro's testing sites.

The findings of the audit noted that certain sub-sections of GP Metro's policy document were not compliant with current FTA Drug and Alcohol Testing Program regulations. Additionally, Metro's program administrator was not able to answer some interview questions correctly. Based on these findings, GP Metro was given 90 days to take corrective action.

The actions taken to resolve deficiencies in the findings:

1. Revisions were made to Drug and Alcohol Testing Policy and Drug-Free Workplace Program to make sure that the policy was compliant with current federal regulations. This included a review by FTA auditors.
2. Supervisors responsible for certain aspects of administering that Drug and Alcohol Testing Policy were retrained to cover gaps in the old policy.
3. GP Metro's Drug and Alcohol Program Manager attended a training specifically for program administrators.

The final step to in assuring GP Metro's compliance with FTA requirements for drug and alcohol testing is to have GP Metro's Board formally adopt the revised Drug and Alcohol Testing Policy. This policy has already been reviewed and approved by GP Metro's union, ATU Local 714 as is required.

PRIOR COMMITTEE ACTION

None

RECOMMENDATION

Approve the Revised Drug and Alcohol Testing Policy and Drug-Free Workplace Program

CONTACT

Glenn Fenton

Interim Executive Director

(207) 517-3029

gfenton@gpmetro.org

ATTACHMENTS

Attachment A – Revised Drug and Alcohol Testing Policy and Drug-Free Workplace Program

Attachment B – Final Audit Report- FTA Drug and Alcohol Compliance Auditing Program



Greater Portland Transit District

Drug and Alcohol Testing Policy
And
Drug-Free Workplace Program

Revised and Approved: December 2020
Revised: January 2024
Approved: Pending

A. Table of Contents

A. Table of Contents	2
B. PURPOSE.....	3
C. APPLICABILITY.....	3
D. EDUCATION AND TRAINING.....	4
E. PROHIBITED CONDUCT	4
F. DRUG STATUTE CONVICTION.....	5
G. TESTING REQUIREMENTS.....	5
H. DRUG TESTING PROCEDURES	5
<i>Dilute Urine Specimen</i>	6
<i>Split Specimen Test</i>	6
I. PRE-EMPLOYMENT TESTING.....	6
J. REASONABLE SUSPICION TESTING.....	7
K. POST-ACCIDENT TESTING	7
L. RANDOM TESTING	8
M. RANDOM TESTING – END OF SHIFT.....	9
N. RETURN-TO-DUTY TESTING	9
O. FOLLOW-UP TESTING	9
P. CONSEQUENCES FOR VIOLATIONS	10
R. TEST REFUSALS.....	12
S. VOLUNTARY SELF-REFERRAL.....	13
T. Prescription Drug Use.....	13
U. GRIEVANCE AND APPEAL	13
V. PROPER APPLICATION OF THE POLICY	13
W. INFORMATION DISCLOSURE	13
Q. SYSTEM CONTACTS	15
R. Attachment A.....	16
Attachment B	17
GLOSSARY.....	37
Reasonable Suspicion Check list	41

Greater Portland Transit
District Drug and Alcohol
Testing Policy

B. PURPOSE

The Greater Portland Transit District (METRO) provides public transit services for the residents of the Greater Portland area. Part of our mission is to ensure that this service is delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of employees as well as the general public.

This policy complies with 49 CFR Part 655, as amended and 49 CFR Part 40, as amended. Copies of Parts 655 and 40 are available in the drug and alcohol program manager's office and can be found on the internet at the Federal Transit Administration (FTA) Drug and Alcohol Program website <http://transit-safety.fta.dot.gov/DrugAndAlcohol/>.

All covered employees are required to submit to drug and alcohol tests as a condition of employment in accordance with 49 CFR Part 655.

Portions of this policy are not FTA-mandated but reflect Greater Portland Transit District's policy. These additional provisions are identified by **bold text**.

In addition, DOT has published 49 CFR Part 32, implementing the Drug-Free Workplace Act of 1988, which requires the establishment of drug-free workplace policies and the reporting of certain drug-related offenses to the FTA.

All Greater Portland Transit District employees are subject to the provisions of the Drug-Free Workplace Act of 1988.

The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace. An employee who is convicted of any criminal drug statute for a violation occurring in the workplace shall notify the Human Resources Manager no later than five days after such conviction.

C. APPLICABILITY

This policy applies to every person, including an applicant or transferee, who performs or will perform a "safety-sensitive function" as defined in Part 655, section 655.4.

You are a covered employee if you perform any of the following:

- Operating a revenue service vehicle, in or out of revenue service
- Operating a non-revenue vehicle requiring a commercial driver's license
- Controlling movement or dispatch of a revenue service vehicle

- Maintaining (including repairs, overhaul and rebuilding) of a revenue service vehicle or equipment used in revenue service
- Carrying a firearm for security purposes

See Attachment A for a list of covered positions by job title.

D. EDUCATION AND TRAINING

Every covered employee will receive a copy of this policy and will have ready access to the corresponding federal regulations including 49 CFR Parts 655 and 40, as amended. In addition, all covered employees will undergo a minimum of 60 minutes of training on the signs and symptoms of drug use including the effects and consequences of drug use on personal health, safety, and the work environment. The training also includes manifestations and behavioral cues that may indicate prohibited drug use.

All supervisory personnel or company officials who are in a position to determine employee fitness for duty will receive 60 minutes of reasonable suspicion training on the physical, behavioral, and performance indicators of probable drug use and 60 minutes of additional reasonable suspicion training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse. Information on the signs, symptoms, health effects, and consequences of alcohol misuse is presented in Attachment C of this policy.

E. PROHIBITED CONDUCT

Use of these illegal drugs is prohibited at all times. ~~Prohibited drugs include:~~ ~~All covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body at or above the minimum thresholds defined in Part 40.~~ Prohibited drugs include:


- marijuana
- cocaine
- phencyclidine (PCP)
- opioids
- amphetamines

All covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater.

All covered employees are prohibited from consuming alcohol while performing safety-sensitive job functions or while on-call to perform safety-sensitive job functions. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. If the on-call employee claims the ability to perform his or her safety-sensitive function, he or she must take an alcohol test with a result of less than 0.02 prior to performance.

Summary of Comments on Policy Manual Review Interview Items 1-5.pdf

Page: 4

 Number: 1 Author: HRManager Date: 12/4/2023 2:05:00 PM -05'00'

Item 1- This prohibition is inaccurately stated. On page 5, prohibited drug use is defines as having drugs or drug metabolites in the body above the minimum thresholds specified in part 40. Part 655 expressly prohibits drugs use at all times. The policy must not suggest that drug use is only prohibited in certain situations or at certain quantities. In response to this and the following policy findings, submit to FTA a revised policy that is compliant with the listed regulatory requirements. For this finding, ensure the revised policy states that use of these drugs is prohibited at all times.

All covered employees are prohibited from consuming alcohol within four (4) hours prior to the performance of safety-sensitive job functions.

All covered employees are prohibited from consuming alcohol for eight (8) hours following involvement in an accident or until he or she submits to the post-accident drug and alcohol test, whichever occurs first.

F. DRUG STATUTE CONVICTION

Consistent with the Drug Free Workplace Act of 1998, all employees are required to notify METRO management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. **Failure to comply with this provision shall result in disciplinary action as defined in this policy.**

G. TESTING REQUIREMENTS


Analytical urine drug testing and breath testing for alcohol will be conducted as required by 49CFR Part 40 as amended. All covered employees shall be subject to testing prior to employment, for reasonable suspicion, following an accident, and random as defined in this policy. All covered employees who have tested positive for drugs or alcohol on a random, reasonable suspicion or post-accident will be tested prior to returning to duty after completion of the Substance Abuse Professional's recommended treatment program and subsequent release to duty. Follow-up testing will also be conducted following return-to-duty for a period of one to five years, with at least six tests performed during the first year. The duration and frequency of the follow-up testing ~~above the minimum requirements~~ will be at the discretion of the Substance Abuse Professional.

A drug test can be performed any time a covered employee is on duty. An alcohol test can be performed just before, during, or after the performance of a safety-sensitive job function.

All covered employees will be subject to urine drug testing and breath alcohol testing as a condition of ongoing employment with METRO. Any safety-sensitive employee who refuses to comply with a request for testing shall be removed from duty and subject to discipline as defined in this policy. Any covered employee who is suspected of falsifying test results through tampering, contamination, adulteration, or substitution will be required to undergo an observed collection. Verification of the above listed actions will be considered a test refusal and will result in the employee's removal from duty and disciplined as defined in this policy.

H. DRUG TESTING PROCEDURES

All FTA drug and alcohol testing will be conducted in accordance with 49 CFR Part 40, as amended.

 Number: 1 Author: HRManager Date: 12/4/2023 2:35:00 PM -05'00'

Item 5A "The duration and frequency of the follow-up testing above the minimum requirements will be at the discretion of the Substance Abuse Professional." This statement implies that someone other than the SAP has the discretion to determine if a follow-up testing plan will be for the minimum number of tests. Remove the phrase "Above the minimum requirements" from this policy

Dilute Urine Specimen

If there is a negative dilute test result, Greater Portland Transit District will conduct one additional retest. The result of the second test will be the test of record.

Dilute negative results with a creatinine level greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL require an immediate recollection under direct observation (see 49 CFR Part 40, section 40.67).

Split Specimen Test

In the event of a verified positive test result, or a verified adulterated or substituted result, the employee can request that the split specimen be tested at a second laboratory. Greater Portland Transit District guarantees that the split specimen test will be conducted in a timely fashion.

ME¹TRO affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process. If at any time the integrity of the testing procedures or the validity of the test results is compromised, the test will be canceled. Minor inconsistencies or procedural flaws that do not impact the test result will not result in a cancelled test. Procedural flaws that could impact the test result may be subject to appeal. (Un-bolded)

I. PRE-EMPLOYMENT TESTING

A negative pre-employment drug test result is required before an employee can first perform safety-sensitive functions. If a pre-employment test is cancelled, the individual will be required to undergo another test and successfully pass with a verified negative result before performing safety-sensitive functions.

If a covered employee has not performed a safety-sensitive function for 90 or more consecutive calendar days and has not been in the random testing pool during that time, the employee must take and pass a pre-employment test before he or she can return to a safety-sensitive function.

A covered employee or applicant who has previously failed or refused a DOT pre-employment drug and/or alcohol test must provide proof of having successfully completed a referral, evaluation, and treatment plan meeting DOT requirements.

If an applicant fails a pre-employment drug test, the conditional offer of employment shall be rescinded. Failure of a pre-employment drug test will disqualify an applicant for employment for a period of at least one year. The cost for the assessment and any

Number: 1 Author: HRManager Date: 12/4/2023 2:25:00 PM -05'00'

Item 4 – If the employer implements elements of an anti-drug or alcohol misuse program that re in addition to those required by part 655, are such elements clearly described as being based on the employer’s independent authority? NO Bold text is used to indicate employer-specific provisions and this paragraph is a federal requirement. UNBOLD

subsequent treatment will be the sole responsibility of the applicant.

When an employee being placed, transferred or promoted from a non-covered position to a covered position submits a drug test with a verified positive result, the employee shall be subject to disciplinary action in accordance with this policy.

J. REASONABLE SUSPICION TESTING

All covered employees shall be subject to a drug and/or alcohol test when Greater Portland Transit District has reasonable suspicion to believe that the covered employee has used a prohibited drug and/or engaged in alcohol misuse. A reasonable suspicion referral for testing will be made by a trained supervisor or other trained company official on the basis of specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the covered employee.

Covered employees may be subject to reasonable suspicion drug testing any time while on duty. Covered employees may be subject to reasonable suspicion alcohol testing while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions.

METRO shall be responsible for transporting the employee to the testing site. Supervisors should avoid placing themselves and/or others into a situation which might endanger the physical safety of those present. The employee shall be placed on administrative leave pending disciplinary action described in this policy. An employee who refuses an instruction to submit to a drug/alcohol test shall not be permitted to finish his or her shift and shall immediately be placed on administrative leave pending disciplinary action as specified in this policy.

A written record of the observations which led to a drug/alcohol test based on reasonable suspicion shall be prepared and signed by the supervisor making the observation within 48 hours and prior to the release of the test results. This written record shall be submitted to the METRO management and shall be attached to the forms reporting the test results.

K. POST-ACCIDENT TESTING

Covered employees shall be subject to post-accident drug and alcohol testing under the following circumstances:

Fatal Accidents

As soon as practicable following an accident involving the loss of a human life, drug and alcohol tests will be conducted on each surviving covered employee operating the

public transportation vehicle at the time of the accident. In addition, any other covered employee whose performance could have contributed to the accident, as determined by Greater Portland Transit District using the best information available at the time of the decision, will be tested.

Non-fatal Accidents

As soon as practicable following an accident not involving the loss of a human life, drug and alcohol tests will be conducted on each covered employee operating the public transportation vehicle at the time of the accident if at least one of the following conditions is met:

- (1) The accident results in injuries requiring immediate medical treatment away from the scene, unless the covered employee can be completely discounted as a contributing factor to the accident
- (2) One or more vehicles incurs disabling damage and must be towed away from the scene, unless the covered employee can be completely discounted as a contributing factor to the accident
- (3) The vehicle is a rail car, trolley car or bus, or vessel, and is removed from operation, unless the covered employee can be completely discounted as a contributing factor to the accident

In addition, any other covered employee whose performance could have contributed to the accident, as determined by Greater Portland Transit District using the best information available at the time of the decision, will be tested.

A covered employee subject to post-accident testing must remain readily available, or it is considered a refusal to test. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a covered employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

L. RANDOM TESTING

Random drug and alcohol tests are unannounced and unpredictable, and the dates for administering random tests are spread reasonably throughout the calendar year. Random testing will be conducted at all times of the day when safety-sensitive functions are performed.

Testing rates will meet or exceed the minimum annual percentage rate set each year by the FTA administrator. The current year testing rates can be viewed online at www.transportation.gov/odapc/random-testing-rates.

The selection of employees for random drug and alcohol testing will be made by a scientifically valid method, such as a random number table or a computer-based random number generator. Under the selection process used, each covered employee will have an equal chance of being tested each time selections are made.

A covered employee may only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. A covered employee may be randomly tested for prohibited drug use anytime while on duty.

Each covered employee who is notified of selection for random drug or random alcohol testing must immediately proceed to the designated testing site.

M. RANDOM TESTING – END OF SHIFT

Random testing may occur anytime an employee is on duty so long as the employee is notified prior to the end of the shift. Employees who provide advance, verifiable notice of scheduled medical or childcare commitments will be random drug tested no later than three hours before the end of their shift and random alcohol tested no later than 30 minutes before the end of their shift. Verifiable documentation of a previously scheduled medical or childcare commitment, for the period immediately following an employee's shift, must be provided at least **2 days** before the end of the shift.

N. RETURN-TO-DUTY TESTING

Any employee who is allowed to return to safety-sensitive duty after failing or refusing to submit to a DOT drug and/or alcohol test must first be evaluated by a substance abuse professional (SAP), complete a SAP-required program of education and/or treatment, and provide a negative return-to-duty drug and/or alcohol test result. Any return-to-duty drug testing will be directly observed. All tests will be conducted in accordance with 49 CFR Part 40, Subpart O.

O. FOLLOW-UP TESTING

Employees returning to safety-sensitive duty following leave for substance abuse rehabilitation will be required to undergo unannounced follow-up alcohol and/or drug testing for a period of one (1) to five (5) years, as directed by the SAP. The duration of testing will be extended to account for any subsequent leaves of absence, as necessary. The type (drug and/or alcohol), number, and frequency of such follow-up testing shall be directed by the SAP.

A covered employee may only be subject to follow-up alcohol testing while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive

functions, or just after the employee has ceased performing such functions. A covered employee may be subject to follow-up drug testing anytime while on duty. All follow-up drug tests will be directly observed. All testing will be conducted in accordance with 49 CFR Part 40, Subpart O.

P. CONSEQUENCES FOR VIOLATIONS

Following a positive drug or alcohol (BAC at or above 0.04) test result or test refusal, the employee will be immediately removed from safety-sensitive duty and referred to a Substance Abuse Professional.

A positive drug and/or alcohol test will also result in disciplinary action as specified herein.

- (1) Per Greater Portland Transit District policy, any employee who tests positive for drugs or alcohol (BAC at or above 0.04) or refuses to test will be referred to a Substance Abuse Professional (SAP)
- (2) **For the first instance of a verified positive test from a sample submitted as the result of a random, drug/alcohol test (0.04 BAC), disciplinary action against the employee shall include:**
 - (a) **Mandatory referral to Substance Abuse Professional for assessment, formulation of a treatment plan, and execution of a return to work agreement;**
 - (b) **Failure to execute or remain compliant with the return-to-work agreement shall result in termination from METRO employment.**
 - **Compliance with the return-to-work agreement means that the employee has submitted to a drug/alcohol test immediately prior to returning to work; the result of that test is negative; in the judgment of the SAP the employee is cooperating with his/her SAP recommended treatment program; and, the employee has agreed to periodic unannounced follow-up testing as defined in this policy;**
 - (c) **Refusal to submit to a periodic unannounced follow-up drug/alcohol test shall be considered a direct act of insubordination and shall result in termination.**
 - (d) **A periodic unannounced follow-up drug/alcohol test which results in a verified positive shall result in termination from METRO employment.**
- (3) **The second instance of a verified positive drug or alcohol (0.04 BAC) test result including a sample submitted under the random, reasonable suspicion, return-to-duty, or follow-up drug/alcohol test provisions herein shall result in termination from METRO employment.**
- (4) **A verified positive post-accident, or reasonable suspicion drug and/or alcohol (>0.04) test shall result in termination.**

- (5) Following a BAC of 0.02 or greater, but less than 0.04, the employee will be immediately removed from safety-sensitive duties for at least eight hours unless a retest results in the employee's alcohol concentration being less than 0.02. The employee will not be allowed to return to safety-sensitive duty for his/her next shift until he/she submits to an alcohol test with a result of less than 0.02 BAC. If the employee has an alcohol test result of ≥ 0.02 to ≤ 0.039 two or more times within a six-month period, the employee will be removed from duty and referred to a counselor specializing in substance abuse for assessment and treatment consistent with this policy.
- (6) The cost of any treatment or rehabilitation services will be paid directly by the employee or their insurance provider. The employee will be permitted to take accrued sick leave or administrative leave to participate in the SAP prescribed treatment program. If the employee has insufficient accrued leave, the employee shall be placed on leave without pay until the SAP has determined that the employee has successfully completed the required treatment program and releases him/her to return-to-duty. Any leave taken, either paid or unpaid, shall be considered leave taken under the Family and Medical Leave Act.
- (7) In the instance of a self-referral or a management referral, disciplinary action against the employee shall include:
- (a) Mandatory referral to a Substance Abuse Professional counselor specializing in substance abuse for assessment, formulation of a treatment plan, and execution of a return to work agreement;
 - (b) Failure to execute or remain compliant with the return-to-work agreement shall result in termination from METRO employment. Compliance with the return-to-work agreement means that the employee has submitted to a drug/alcohol test immediately prior to returning to work; the result of that test is negative; in the judgment of the SAP substance abuse counselor, the employee is cooperating with his/her SAP their recommended treatment program; and, the employee has agreed to periodic unannounced Follow-up testing as defined in this policy;
 - (c) Refusal to submit to a periodic unannounced follow-up drug/alcohol test shall be considered a direct act of insubordination and shall result in termination.
 - (d) Periodic unannounced follow-up drug/alcohol test conducted as a result of a self-referral or management referral which results in a verified positive shall be considered a positive test result in relation to the progressive discipline defined in this policy.
 - (e) A Voluntary Referral does not shield an employee from disciplinary action or guarantee employment with METRO with regard to this policy.
 - (f) A Voluntary Referral does not shield an employee from the requirement to comply with drug and alcohol testing NON-DOT drug and alcohol testing.

Number: 1 Author: HRManager Date: 12/4/2023 2:36:00 PM -05'00'

Item 5B The current policy states that employees with more than one result from 0.02 to 0.039 will be referred to SAP. A breath alcohol result between 0.02 and 0.039 is NOT a DOT violation. Only employees who have a DOT violation should be referred to a SAP. Amend the policy accordingly. I changed SAP to counselor specializing in substance abuse.

Number: 2 Author: HRManager Date: 12/4/2023 2:41:00 PM -05'00'

Item 5C This section states that a SAP referral will be used for both voluntary and management referrals. Because "SAP" is a term specific to the DOT return-to-duty process, revise this section to refer employees to "EAPs", "counselors", or another professional and clarify that any testing taking place due to self-referral would be NON DOT testing. See NON-DOT drug testing added in section (F)

(8) Failure of an employee to report within five days a criminal drug statute conviction for a violation occurring in the workplace shall result in termination.

R. TEST REFUSALS

As a covered employee, you have refused to test if you:

- (1) Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by Greater Portland Transit District.
- (2) Fail to remain at the testing site until the testing process is complete. An employee who leaves the testing site before the testing process commences for a pre-employment test has not refused to test.
- (3) Fail to attempt to provide a breath, urine or oral fluid specimen. An employee who does not provide a urine, breath or oral fluid specimen because he or she has left the testing site before the testing process commenced for a pre-employment test has not refused to test.
- (4) In the case of a directly observed or monitored urine drug collection, fail to permit monitoring or observation of your provision of a specimen.
- (5) Fail to provide a sufficient quantity of urine, breath or oral fluid without a valid medical explanation.
- (6) Fail or decline to take a second test as directed by the collector or Greater Portland Transit District for drug testing.
- (7) Fail to undergo a medical evaluation as required by the MRO or Greater Portland Transit District's Designated Employer Representative (DER).
- (8) Fail to cooperate with any part of the testing process.
- (9) Fail to follow an observer's instructions to raise and lower clothing and turn around during a directly observed test.
- (10) Possess or wear a prosthetic or other device used to tamper with the collection process.
- (11) Admit to the adulteration or substitution of a specimen to the collector or MRO.
- (12) Refuse to sign the certification at Step 2 of the Alcohol Testing Form (ATF).
- (13) Fail to remain readily available following an accident.

As a covered employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.

As a covered employee, if you refuse to take a drug and/or alcohol test, you incur the same consequences as testing positive and will be immediately removed from performing safety-sensitive functions and referred to a Substance Abuse Professional.

Number: 1 Author: HRManager Date: 12/4/2023 2:20:00 PM -05'00'

Item 2 -Refusals – Does the policy state that failure to attempt to provide a breath or urine specimen is a refusal? NO. The current policy does not include this refusal for oral fluid testing. Revise the policy accordingly.

Number: 2 Author: HRManager Date: 12/4/2023 2:21:00 PM -05'00'

Item 3 – Does the policy state that failure to provide a sufficient specimen without valid medical explanation is a refusal? NO The current policy does not include this refusal for oral fluids testing. Revise the policy accordingly

S. VOLUNTARY SELF-REFERRAL

Any employee who has a drug and/or alcohol abuse problem and has not been selected for reasonable suspicion, random or post-accident testing or has not refused a drug or alcohol test may voluntarily refer her or himself to the Human Resources Manager, who will refer the individual to a substance abuse counselor for evaluation and treatment.

The substance abuse counselor will evaluate the employee and make a specific recommendation regarding the appropriate treatment. Employees are encouraged to voluntarily seek professional substance abuse assistance before any substance use or dependence affects job performance.

Any safety-sensitive employee who admits to a drug and/or alcohol problem will immediately be removed from his/her safety-sensitive function and will not be allowed to perform such function until successful completion of a prescribed rehabilitation program.

T. Prescription Drug Use

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to the Human Resources Manager. Medical advice should be sought, as appropriate, while taking such medication and before performing safety-sensitive duties.

U. GRIEVANCE AND APPEAL

The consequences specified by 49 CFR Part 655 for a positive test or test refusal are not subject to arbitration. However, the underlying facts triggering the test, and the procedures of the testing process remain subject to the grievance and arbitration process.

V. PROPER APPLICATION OF THE POLICY

METRO is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including termination.

W. INFORMATION DISCLOSURE

Drug/alcohol testing records shall be maintained by the METRO Drug and Alcohol Program Manager and, except as provided below or by law, the results of any drug/alcohol test shall not be disclosed without express written consent of the tested employee.

- (1) The employee, upon written request, is entitled to obtain copies of any records

pertaining to their use of prohibited drugs or misuse of alcohol including any drug or alcohol testing records. Covered employees have the right to gain access to any pertinent records such as equipment calibration records, and records of laboratory certifications.

- (2) Records of a verified positive drug/alcohol test result shall be released to the Drug and Alcohol Program Manager, Department Supervisor and Personnel Manager on a need to know basis.
- (3) Records will be released to a subsequent employer only upon receipt of a written request from the employee.
- (4) Records of an employee's drug/alcohol tests shall be released to the adjudicator in a grievance, lawsuit, or other proceeding initiated by or on behalf of the tested individual arising from the results of the drug/alcohol test. The records will be released to the decision-maker in the proceeding. The information will only be released with binding stipulation from the decision maker will make it available only to parties in the proceeding.
- (5) Records will be released to the National Transportation Safety Board during an accident investigation.
- (6) Records will be released to the DOT or any DOT agency with regulatory authority over the employer or any of its employees.
- (7) Records will be released if requested by a Federal, state or local safety agency with regulatory authority over METRO or the employee.
- (8) If a party seeks a court order to release a specimen or part of a specimen contrary to any provision of Part 40 as amended necessary legal steps to contest the issuance of the order will be taken.
- (9) In cases of a contractor or sub-recipient of a state department of transportation, records will be released when requested by such agencies that must certify compliance with the regulation to the FTA.

This policy may be reopened for discussion with the Union after a one-year period.

Glenn Fenton, Interim Executive Director

Greater Portland Transit District

Revised: 2023

Joe Thomas, President
ATU, Local 714 President

Q. SYSTEM CONTACTS

Any questions regarding this policy or any other aspect of the substance abuse policy should be directed to the following individual(s):

METRO Drug and Alcohol Program Manager:

Name: Kimberly Watson, Human Resources Manager
Address: Greater Portland Transit District
(METRO) 114 Valley Street
Portland ME 04102
Telephone Number: (207) 774-0351
FAX Number: (207) 774-6241

Medical Review Officer:

Name: Dr. Richard Weinstein, M.D.
Address: University Services
2800 Black Lake Place, Ste. A
Philadelphia, PA 19154
Telephone Number: Office: (800) 624-3784
Fax: (215) 627-6998

Collection and Processing Site:

Name: Concentra Urgent Care
Address: 85 Western Avenue, Unit 6, 7, 8
South Portland, ME 04106
Telephone Number: (207) 774-7751 - Fax -(207) 828-5140
Contact: Ericka Arsenault

Substance Abuse Professionals:

Name: Kara-Bath Levesque, SAP (DOT)
Address: Work Force EAP
707 Sable Oaks Drive, Suite 125
South Portland, ME 04106
Telephone Number: 1-800-769-9819
Email: kblevesque@northernlight.org

R. Attachment A

Employee Categories Subject to Testing

All employees who perform safety-sensitive functions as a regular part of their job duties are subject to the testing provisions set forth in the FTA regulations. METRO positions that are subject to drug and alcohol testing include:

Administration

N/A

Transportation

Safety/Training

Dispatcher

Bus Operator

Maintenance

Master Technician

Technician

Mechanic I

Mechanic II

Fleet Care Worker

Any other position whose responsibilities include operation or control of movement of revenue service vehicles.

Revised to only include employees that regularly perform safety sensitive functions.

Attachment B

Alcohol Fact Sheet

Alcohol is a socially acceptable drug that has been consumed throughout the world for centuries. It is considered a recreational beverage when consumed in moderation for enjoyment and relaxation during social gatherings. However, when consumed primarily for its physical and mood-altering effects, it is a substance of abuse. As a depressant, it slows down physical responses and progressively impairs mental functions.

A 12 ounce can of beer, a 5-ounce glass of wine and a 1.5 ounce shot of hard liquor all contain the same amount of alcohol. Coffee, cold showers and exercise do not quicken sobriety. Each .5 ounce of alcohol takes the average body about one hour to process and eliminate.

Signs and Symptoms of Use

- Dulled mental process
- Lack of Coordination
- Odor of alcohol on breath
- Possible constricted pupils
- Sleepy or stuporous condition
- Slowed reaction rate
- Slurred speech

(Note: Except for the odor, these are the general signs and symptoms of any depressant substance.)

Health Effects

The chronic consumption of alcohol (average of three or more servings per day of beer - 12 ounces, whiskey - 112 ounce, or wine - 5-ounce glass) over time may result in the following health hazards:

- Dependency (up to 10% of all people who drink become physically and/or mentally dependent on alcohol and can be termed "alcoholic")
- Fatal liver diseases
- Increased cancers of the mouth, tongue, pharynx, esophagus, rectum, breast and malignant melanoma
- Kidney Disease
- Pancreatitis
- Spontaneous abortion and neonatal mortality
- Ulcers

- Birth Defects (up to 54% of all birth defects are alcohol related).
- Decreased sexual functioning

Social Issues

- Two-thirds of all homicides are committed by people who drink prior to the crime.
- Two to three percent of the driving population is legally drunk at any one time. This rate is doubled at night and on weekends.
- Two-thirds of all Americans will be involved in an alcohol related vehicle accident during their lifetimes.
- The rate of separation and divorce in families with alcohol dependency problems is 7 times the average.
- 40% of family court cases are alcohol problem related.
- Alcoholics are 15 times more likely to commit suicide than are other segments of the population.
- More than 60% of bums, 40% of falls, 69% of boating accidents and 76% of private aircraft accidents are alcohol related.

The Annual Toll

- 24,000 people will die on the highway due to legally impaired drivers.
- 12,000 more will die on the highway due to the alcohol-affected driver.
- 15,800 will die in non-highway related accidents.
- 30,000 will die due to alcohol caused liver disease.
- 10,000 will die due to alcohol induced brain disease or suicide.
- Up to another 125,000 will die due to alcohol-related conditions or accidents.

Workplace Issues

- It takes one hour for the average person (150 pounds) to process one serving of an alcoholic beverage from the body.
- Impairment in coordination and judgment can be objectively measured with as little as two drinks in the body.
- A person who is legally intoxicated is 6 times more likely to have an accident than a sober person.

Amphetamines are central nervous system stimulants that speed up the mind and body. The physical sense of energy at lower doses and the mental exhilaration at higher doses are the reason for their abuse. Although widely prescribed at one time for weight reduction and mood elevation, the legal use of amphetamines is now limited to a very narrow range of medical conditions. Most amphetamines that are abused are illegally manufactured in foreign countries and smuggled into the U.S. or clandestinely manufactured in crude laboratories.

Description

- Amphetamines are sold in counterfeit capsules or as white, flat, double-scored "mini-bennies". It is usually taken by mouth.
- Methamphetamine is often sold as a creamy white and granular powder or in lumps and is packaged in aluminum foil wraps or resealable plastic bags. Methamphetamine may be taken orally, injected or snorted into the nose.
- Trade/street names include Biphphetamine, Delcobese, Desotyn, Detedrine, Chetrol, Ritalin, Speed, Meth, Crank, Crystal, Monster, Black Beauties and Rits.

Signs and Symptoms of Use

- Hyper excitability, restlessness
- Dilated Pupils
- Increased heart rate and blood pressure
- Heart palpitations and irregular beats
- Profuse sweating
- Rapid respiration
- Confusion
- Panic
- Talkativeness
- Inability to concentrate
- Heightened aggressive behavior

Health Effects

- Regular use produces strong psychological dependence and increasing tolerance to drug.
- High doses may cause toxic psychosis resembling schizophrenia.
- Intoxication may induce a heart attack or stroke due to spiking of blood pressure.
- Chronic use may cause heart and brain damage due to severe constriction of capillary blood vessels.
- The euphoric stimulation increases impulsive and risk-taking behaviors, including bizarre and violent acts.
- Withdrawal from the drug may result in severe physical and mental depression.

Workplace Issues

- Since Amphetamines alleviate the sensation of fatigue; they may be abused to increase alertness because of unusual overtime demands or failure to get rest.
- Low-dose amphetamine use will cause a short-term improvement in mental and physical functioning. With greater use or increasing fatigue, the effect reverses and has an impairing effect. Hangover effect is characterized by physical fatigue and depression, which may make operation of equipment or vehicles dangerous.

Cocaine is used medically as a local anesthetic. It is abused as a powerful physical and mental stimulant. The entire central nervous system is energized. Muscles are more tense, the heart beats faster and stronger, and the body burns more energy. The brain experiences an exhilaration caused by a large release of neurohormones associated with mood elevation.

Description

- The Source of Cocaine is the coca bush, grown almost exclusively in the mountainous regions of South America.
- Cocaine Hydrochloride - "snorting coke" - is a white to creamy granular or lumpy powder that is chopped into a fine powder before use. It is snorted into the nose, rubbed on the gums, or injected in veins. The effect is felt within minutes and lasts 40 to 50 minutes per "line" (about 60 to 90 milligrams). Common paraphernalia include a single-edged razor blade and a small mirror or piece of smooth metal, a half straw or metal tube, and a small screw cap vial or folded paper packet containing the cocaine.
- Cocaine Base - a small crystalline rock about the size of a small pebble. It boils at low temperature, is not soluble in water, and is up to 90% pure. It is heated in a glass pipe and the vapor is inhaled. The effect is felt within seven seconds. Common paraphernalia includes a "crack pipe" and lighter, alcohol lamp, or small butane torch for heating.
- Trade/street names include Coke, Rock, Crack, Free Base, Flake, Snow, Smoke and Blow.

Signs and Symptoms of Use

- Financial problems
- Frequent and extended absences from meetings or work assignments
- Increased physical activity and fatigue
- Isolation and withdrawal from friends and normal activities
- Secretive behaviors, frequent non-business visitors, delivered packages, phone calls
- Unusual defensiveness, anxiety, agitation
- Wide mood swings
- Runny or irritated nose
- Difficulty in concentration
- Dilated pupils and visual impairment
- Restlessness
- Formication (sensation of bugs crawling on the skin)
- High blood pressure, heart palpitations and irregular rhythm
- Hallucinations
- Insomnia

- Paranoia
- Profuse sweating and dry mouth
- Talkativeness

Health Effects

- Research suggests that regular cocaine use may upset the chemical balance of the brain. As a result, it may speed up the aging process by causing irreparable damage to critical nerve cells. The onset of nervous system illnesses such as Parkinson's disease could also occur.
- Cocaine use causes the heart to beat faster and harder and rapidly increases blood pressure. In addition, cocaine causes spasms of blood vessels in the brain and heart. Both effects lead to ruptured vessels causing strokes or heart attacks.
- Strong psychological dependency can occur with one "hit" of crack. Usually, mental dependency occurs within days (crack) or within several months (snorting coke). Cocaine causes the strongest mental dependency of any known drug.
- Treatment success rates are lower than for any other chemical dependencies.
- Cocaine is extremely dangerous when taken with depressant drugs. Death due to overdose is rapid. The fatal effects of an overdose are not usually reversible by medical intervention. The number of cocaine overdose deaths has tripled in the last four years.
- Cocaine overdose was the second most common drug emergency in 1986 - up from 11th place in 1980.

Workplace Issues

- Extreme mood and energy swings create instability. Sudden noises can cause a violent reaction.
- Lapses in attention and ignoring warning signals greatly increase the potential for accidents.
- The high cost of cocaine frequently leads to workplace theft and/or stealing.
- A developing paranoia and withdrawal create unpredictable and sometimes violent behavior.
- Work performance is characterized by forgetfulness, absenteeism, tardiness and missed assignments.

Cannabinoids (Marijuana) Fact Sheet

Marijuana is one of the most misunderstood and underestimated drugs of abuse. People use marijuana for the mildly tranquilizing and mood and perception altering effects it produces.

Description

- Usually sold in plastic sandwich bags, leaf marijuana will range in color from green to light tan. The leaves are usually dry and broken into small pieces. The seeds are oval with one slightly pointed end. Less prevalent, hashish is a compressed, sometimes tarlike substance ranging in color from pale yellow to black. It is usually sold in small chunks wrapped in aluminum foil. It may also be sold in an oily liquid.
- Marijuana has a distinct aroma resembling a combination of sweet alfalfa and incense.
- Cigarette papers, roach clip holders, and small pipes made of bone, brass, or glass are commonly found. Smoking bongs can easily be made from soft drink cans and toilet paper rolls.
- Trade/street names include Marino, THC, Grass, Pot, Joint, Reefer, Acapulco Gold, Sinsemilla, Thai sticks, Hash and Hash oil.

Signs and Symptoms

- Reddened eyes (often masked by eye drops)
- Slowed speech
- Distinctive odor on clothing
- Lackadaisical "I don't care" attitude
- Chronic fatigue and lack of motivation
- Irritating cough, chronic sore throat

Health Effects

General

- When Marijuana is smoked, it is irritating to the lungs. Chronic smoking causes emphysema like conditions.
- One joint causes the heart to race and be over-worked. People with undiagnosed heart conditions are at risk.
- Marijuana is commonly contaminated with the fungus *Aspergillus*, which can cause serious respiratory tract and sinus infection.
- Marijuana smoking lowers the body's immune system response, making users more susceptible to infection. The U.S. government is actively researching a possible connection between smoking and the activation of AIDS in positive human immunodeficiency virus (HN) carriers.

Pregnancy Problems and Birth Defects

- The active chemical, tetrahydrocannabinol (THC), and 60 other related chemicals in marijuana concentrate in the ovaries and testes.
- Chronic smoking of marijuana in males causes a decrease in sex hormone, testosterone, and an increase in estrogen, the female sex hormone. The result is a decrease in sperm count, which can lead to temporary sterility. Occasionally, the onset of female sex characteristics including breast development occurs in heavy users.
- Chronic smoking of marijuana in females causes a decrease in fertility and an increase in testosterone.
- Pregnant women who are chronic marijuana smokers have a higher than normal incidence of stillborn births, early termination of pregnancy and higher infant mortality rate during the first few days of life.
- In test animals, THC causes birth defects, including malformations of the brain, spinal cord, forelimbs and liver, and water on the brain and spine.
- One of the most common effects of prenatal cannabinoid exposure is underweight newborn babies.
- Fetal exposure may decrease visual functioning and causes other ophthalmic problems.

Mental Function

Regular use can cause the following defects:

- Delayed decision-making.
- Diminished concentration.
- Impaired short-term memory, interfering with learning.
- Impaired signal detection (ability to detect a brief flash of light), a risk for users who operate machinery.
- Impaired tracking and visual distance measurements.
- Erratic cognitive function.
- Distortions in time estimation.
- Long term negative effects on mental functions known as "acute brain syndrome", which is characterized by disorders in memory, cognitive function, sleep patterns and physical condition.

Acute Effects

Aggressive urges	Hallucinations	Heavy sedation	Mental dependency
Anxiety	Immobility	Panic	Paranoid reaction
Confusion	Fearfulness	Unpleasant Distortions in body Image	

Workplace Issues

- The active chemical, THC, stores in body fat and slowly releases over time. Marijuana smoking has a long-term effect on performance.
- A 500 to 800 percent increase in THC concentration in the past several years makes smoking three to five joints a week equivalent to 15 to 40 joints a week in 1978.
- Combined alcohol or other depressant drugs and marijuana can produce a multiplied effect, increasing the impairing effect of both the depressant and marijuana.

Opiates (also called narcotics) are drugs that alleviate pain, depress body functions and reactions, and when taken in large doses, cause a strong euphoric feeling.

Description

- Natural and natural derivatives - opium, morphine, codeine and heroin.
- Synthetics - meperidine (Demerol), oxymorphone (Numorphan) and oxycodone (Percodan).
- May be taken in pill form, smoked, or injected, depending upon the type of narcotic used.
- Trade/street names include Smack, Horse, Emma, Big D, Dollies, Juice and China White.

Signs and Symptoms of Use

- Mood changes
- Impaired mental functions and effectiveness
- Constricted pupils
- Depression and apathy
- Impaired coordination
- Physical fatigue and drowsiness
- Nausea, vomiting and constipation
- Impaired respiration

Health Effects

- IV needle users have a high risk of contracting hepatitis and AIDS due to the sharing of needles.
- Narcotics increase pain tolerance. As a result, people could more severely injure themselves and fail to seek medical attention after an accident due to the lack of pain.
- Narcotics' effects are multiplied when used in combination with other depressant drugs and alcohol, causing increased risk for overdose.

Social Issues

- There are over 500,000 heroin addicts in the U.S., most of who are IV needle users.
- An even greater number of medicinal narcotic-dependent persons obtain their narcotics through prescriptions.
- Because of tolerance, there is an ever-increasing need for more narcotics to produce the same effect.
- Strong mental and physical dependency occurs.
- The combination of tolerance and dependency creates an increasing financial

burden for the user. Costs for heroin can reach hundreds of dollars a day.

Workplace Issues

- Unwanted side effects such as nausea, vomiting, dizziness, mental clouding and drowsiness place the legitimate user and abuser at higher risk for an accident.
- Narcotics have a legitimate medical use in alleviating pain. Workplace use may cause impairment of physical and mental function

Phencyclidine (PCP) Fact Sheet

Phencyclidine (PCP) was originally developed as an anesthetic, but the adverse side effects prevented its use except as a large animal tranquilizer. Phencyclidine acts as both a depressant and a hallucinogen, and sometimes as a stimulant. It is abused primarily for its variety of mood-altering effects. Low doses produce sedation and euphoric mood changes. The mood can change rapidly from sedation to excitation and agitation. Larger doses may produce a coma-like condition with muscle rigidity and a blank stare with the eyelids half closed sudden noises or physical shocks may cause a "freak out" in which the person has abnormal strength, extremely violent behavior and an inability to speak or comprehend communication.

Description

- PCP is sold as a creamy, granular powder and is often packaged in one-inch square aluminum foil or folded paper packets.
- It may be mixed with marijuana or tobacco and smoked. It is sometimes combined with procaine, a local anesthetic, and sold as imitation codeine.
- Trade/street names include Angel Dust, Dust and Hog.

Signs and Symptoms of Use

- Impaired coordination
- Severe confusion and agitation
- Extreme mood shifts
- Muscle rigidity
- Nystagmus (jerky eye movements)
- Dilated pupils
- Profuse sweating
- Rapid heartbeat
- Dizziness

Health Effects

- The potential for accidents and overdose emergencies is high due to the extreme mental effects combined with the anesthetic effect on the body.
- PCP is potentiated by other depressant drugs, including alcohol, increasing the likelihood of an overdose reaction.
- Misdiagnosing the hallucinations as LSD induced, and then treating with Thorazine, can cause a fatal reaction.
- Use can cause irreversible memory loss, personality changes and thought disorders.

- There are four phases to PCP abuse. The first phase is acute toxicity. It can last up to three days and can include combativeness, catatonia, convulsions and coma. Distortions of size, shape and distance perception are common. The second phase, which does not always follow the first, is a toxic psychosis. Users may experience visual and auditory delusions, paranoia and agitation. The third phase is a drug-induced schizophrenia that may last a month or longer. The fourth phase is PCP induced depression. Suicidal tendencies and mental dysfunction can last for months.

Workplace Issues

- PCP abuse is less common today than in recent years. It also is not generally used in a workplace setting because of the severe disorientation that occurs.

MDMA (3,4 methylenedioxymethamphetamine) is a synthetic, psychoactive drug that is chemically similar to the stimulant methamphetamine and the hallucinogen mescaline. MDMA produces feelings of increased energy, euphoria, emotional warmth, and distortions in time, perception, and tactile experiences.

How Is MDMA Abused?

MDMA is taken orally, usually as a capsule or tablet. It was initially popular among Caucasian adolescents and young adults in the nightclub scene or at weekend-long dance parties known as raves. More recently, the profile of the typical MDMA user has changed, with the drug now affecting a broader range of ethnic groups. MDMA is also popular among urban gay males- some report using MDMA as part of a multiple-drug experience that includes marijuana, cocaine, methamphetamine, ketamine, and other legal and illegal substances.

How Does MDMA Affect the Brain?

MDMA exerts its primary effects in the brain on neurons that use the chemical (or neurotransmitter) serotonin to communicate with other neurons. The serotonin system plays an important role in regulating mood, aggression, sexual activity, sleep, and sensitivity to pain. MDMA binds to the serotonin transporter, which is responsible for removing serotonin from the synapse (or space between adjacent neurons) to terminate the signal between neurons. MDMA also causes excessive release of serotonin from neurons containing the neurotransmitter, and it has similar but less potent effects on neurons that contain dopamine and norepinephrine.

MDMA can produce confusion, depression, sleep problems, drug craving, and severe anxiety. These problems can occur soon after taking the drug or, sometimes, even days or weeks after taking MDMA. In addition, chronic users of MDMA perform more poorly than nonusers on certain types of cognitive or memory tasks, although some of these effects may be due to the use of other drugs in combination with MDMA.

Research in animals indicates that MDMA can be harmful to the brain-one study in nonhuman primates showed that exposure to MDMA for only 4 days caused damage to serotonin nerve terminals that was still evident 6 to 7 years later. Although similar neurotoxicity has not been shown definitively in humans, the wealth of animal research indicating MDMA's damaging properties strongly suggests that MDMA is not a safe drug for human consumption. This is currently an area of active research.

Addictive Potential

For some people, MDMA can be addictive. A survey of young adult and adolescent MDMA

users found that 43 percent of those who reported ecstasy use met the accepted diagnostic criteria for dependence, as evidenced by continued use despite knowledge of physical or psychological harm, withdrawal effects, and tolerance (or diminished response). These results are consistent with those from similar studies in other countries that suggest a high rate of MDMA dependence among users. MDMA abstinence-associated withdrawal symptoms include fatigue, loss of appetite, depressed feelings, and trouble concentrating.

What Other Adverse Effects Does MDMA Have on Health?

MDMA can also be dangerous to overall health and, on rare occasions, lethal. MDMA can have many of the same physical effects as other stimulants, such as cocaine and amphetamines. These include increases in heart rate and blood pressure-which present risks of particular concern for people with circulatory problems or heart disease- and other symptoms such as muscle tension, involuntary teeth clenching, nausea, blurred vision, faintness, and chills or sweating.

In high doses, MDMA can interfere with the body's ability to regulate temperature. On rare but unpredictable occasions, this can lead to a sharp increase in body temperature (hyperthermia), which can result in liver, kidney, cardiovascular system failure, or death. MDMA can interfere with its own metabolism (breakdown within the body); therefore, potentially harmful levels can be reached by repeated MDMA administration within short periods of time.

Other drugs that are chemically similar to MDMA, such as MDA (methylenedioxyamphetamine, the parent drug of MDMA) and PMA (paramethoxyamphetamine, associated with fatalities in the United States and Australia), are sometimes sold as ecstasy. These drugs can be neurotoxic or create additional health risks to the user. Furthermore, ecstasy tablets may be mixed with other substances, such as ephedrine (a stimulant); dextromethorphan (DXM, a cough suppressant); ketamine (an anesthetic used mostly by veterinarians); caffeine; cocaine; and Methamphetamine. Although the combination of MDMA with one or more of these drugs may be inherently dangerous, users who also combine these with additional substances such as marijuana and alcohol may be putting themselves at even higher risk for adverse health effects.

What Treatment Options Exist?

There are no specific treatments for MDMA abuse and addiction. The most effective treatments for drug abuse and addiction in general are cognitive-behavioral interventions that are designed to help modify the patient's thinking, expectancies, and behaviors related to their drug use and to increase skills in coping with life stressors. Drug abuse recovery support groups may also be effective in combination with behavioral interventions to support long-term, drug-free recovery. There are currently no pharmacological treatments for addiction to MDMA.

How Widespread Is MDMA Abuse?

Monitoring the Future Survey*

While MDMA use is not rising currently, MTF investigators remain concerned because the perceived risk associated with MDMA use has been in decline for several years and may leave young people open to renewed interest in it. In fact, 10th-graders' and 12th-graders' perceived harmfulness dropped significantly between 2008 and 2009. In 2008, 43.2 percent of 10th-graders associated harmfulness with trying MDMA once or twice; in 2009, this percentage fell to 38.9.

GLOSSARY

Accident means an occurrence associated with the operation of a revenue service vehicle even when not in revenue service, if as a result-

- (1) A person dies;
- (2) An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or,
- (3) One or more vehicles incur disabling damage as the result of the occurrence and are transported away from the scene by a tow truck or other vehicle. For purposes of this definition, *disabling damage* means damage, which precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.

Adulterated specimen. A specimen that contains a substance that is not expected to be present in human urine, or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine.

Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols contained in any beverage, mixture, mouthwash, candy, food, preparation or medication.

Alcohol Concentration is expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath testing device.

Canceled Test is a drug test that has been declared invalid by a Medical Review Officer or the HHS certified laboratory. A canceled test is neither positive nor negative.

Covered Employee means an employee who performs a safety-sensitive function including an applicant or transferee who is being considered for hire into a safety-sensitive function (See Attachment A for a list of covered employees); **and other employees, applicants, or transferee that will not perform a safety-sensitive function but falls under the policy of the company's own authority will be subject to the District's testing program.**

Designated Employer Representative (DER) An employee authorized by the employer to take immediate action to remove employees from safety-sensitive duties and to make required decisions in testing. The DER also receives test results and other communications for the employer, consistent with the requirements of 49 CFR Parts 40 and 655.

Department of Transportation (DOT) Department of the federal government which includes the Federal Transit Administration, Federal Railroad Administration, Federal Highway Administration, Federal Motor Carrier Safety Administration, Research and Special Programs, and the Office of the Secretary of Transportation. Encompasses all DOT agencies, including, but not limited to, the Federal Aviation Administration (FAA), the Federal Railroad Administration (FRA), the Federal Motor Carrier Safety Administration (FMCSA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Office of Secretary (OST). For purposes of this part, the United States Coast Guard (USCG) in the Department of Homeland Security, is considered to be a DOT agency for drug testing purposes only since the USCG regulation does not incorporate Part 40 for its alcohol testing program. These terms include any designee of a DOT Agency.

Dilute specimen. A specimen with creatinine and specific gravity values that are lower than expected for human urine.


Disabling damage means damage that precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.

Evidentiary Breath Testing Device (EBT) A Device approved by the NHTSA for the evidential testing of breath. Approved devices are listed on the National Highway Traffic Safety Administration (NHTSA) conforming products list

Medical Review Officer (MRO) means a licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory results generated by the drug testing program who has knowledge of substance abuse disorders, and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result, together with his/her medical history, and any other relevant bio-medical information. An MRO's requirements are defined in 49CFR Part 40.121.

Negative Dilute A drug test result which is negative for the five drug/drug metabolites but has a specific gravity value lower than expected for human urine. Following a negative dilute test result the employee will be required to undergo another test. Should this second test result in a negative dilute result, the test will be considered a negative and no additional testing will be required unless directed to do so by the MRO.

Negative test result for a drug test means the lack of presence of an identified drug metabolite or a verified presence of the identified drug or its metabolite below the minimum levels specified in 49 CFR Part 40, as amended. An alcohol concentration of less than 0.02 BAC is a negative test result.

 Number: 1 Author: HRManager Date: 12/4/2023 2:52:00 PM -05'00'

Item 5D On page 38 in the glossary, the definition of Department of Transportation (DOT) is inaccurate, Remove or revise to match section 40.3

Non-negative test result is a test result found to be adulterated, substitute, invalid, or positive for drug/drug metabolites.

Performing (a safety-sensitive function) means a covered employee is considered to be performing a safety-sensitive function and includes any period in which he or she is actually performing, ready to perform, or immediately available to perform such functions.

Positive test result for a drug test means a verified presence of the identified drug or its metabolite at or above the minimum levels specified in 49 CFR Part 40, as amended. A positive alcohol test result means a confirmed alcohol concentration of 0.04 BAC or greater.

¹Prohibited drug Drugs- The drugs for which tests are required under this part and DOT agency regulations are marijuana, cocaine, amphetamines, phencyclidine (PCP) and opioids. Means marijuana, cocaine, opiates, amphetamines, or phencyclidine at levels above the minimum threshold specified in 49 CFR Part 40, as amended.


Revenue Service Vehicles include all transit vehicles that are used for passenger transportation service or that requires a CDL to operate. Include all ancillary vehicles used in support of the transit system.

Safety-sensitive functions include (a) the operation of a transit revenue service vehicle even when the vehicle is not in revenue service; (b) the operation of a non-revenue service vehicle by an employee when the operation of such a vehicle requires the driver to hold a Commercial Driver's License (CDL); (c) maintaining a revenue service vehicle or equipment used in revenue service; (d) controlling the movement of a revenue service vehicle; and (e) carrying a firearm for security purposes.


²Substance Abuse Professional (SAP) means a licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/ Alcohol and other Drug Abuse) with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders. A person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.

Substituted specimen. A specimen with creatinine and specific gravity values that are so diminished that they are not consistent with normal human urine.

Verified negative test means a drug test result reviewed by a medical review officer and determined to have no evidence of prohibited drug use above the minimum cutoff levels established by the Department of Health and Human Services (HHS).

 Number: 1 Author: HRManager Date: 12/4/2023 2:55:00 PM -05'00'

Item 5E – On page 39 in the glossary, the definition of Prohibited Drugs is inaccurate.. Remove or revise to match section 40.3

 Number: 2 Author: HRManager Date: 12/4/2023 3:04:00 PM -05'00'

Item 5F – On page 39, in the glossary, the definition of Substance Abuse Professional (SAP) is incomplete (i.e., the definition is missing marriage counselor as a qualified profession). Remove or revise to match section 40.3

Verified positive test means a drug test result reviewed by a medical review officer, an interview by the MRO and the employee was attempted and determined to have evidence of prohibited drug use above the minimum cutoff levels specified in 49 CFR Part 40 as revised.

Validity testing is the evaluation of the specimen to determine if it is consistent with normal human urine. The purpose of validity testing is to determine whether certain adulterants or foreign substances were added to the urine, if the urine was diluted, or if the specimen was substituted.

Reasonable Suspicion Checklist

Directions: Supervisor or Manager, please document your observations of the employee's behavior and indications on this form. You must personally observe the probable indicators of substance and/or alcohol use and note your observations below.

Employee Name: _____ Date: _____

Location of Observation: _____

Time: _____ Name of Observer: _____

Check All That Apply:

<p style="text-align: center;">Speech</p> <input type="checkbox"/> Slurred, Thick <input type="checkbox"/> Slow <input type="checkbox"/> Rapid <input type="checkbox"/> Silent <input type="checkbox"/> Loud <input type="checkbox"/> Hostile <input type="checkbox"/> Talkative <input type="checkbox"/> Incoherent <input type="checkbox"/> Difficulty speaking <input type="checkbox"/> Cursing, inappropriate <input type="checkbox"/> Nonsensical, silly	<p style="text-align: center;">Eyes</p> <input type="checkbox"/> Bloodshot/Reddened <input type="checkbox"/> Pupils dilated <input type="checkbox"/> Pupils constricted <input type="checkbox"/> Repetitive jerky motion <input type="checkbox"/> Glazed appearance <input type="checkbox"/> Droopy/partially closed <input type="checkbox"/> Tearing, watery <input type="checkbox"/> Unfocused, blank stare	<p style="text-align: center;">Odor</p> <input type="checkbox"/> Alcohol smell on breath or clothing <input type="checkbox"/> Chemical odor <input type="checkbox"/> Burnt rope odor <input type="checkbox"/> Other odor: _____ _____ _____
<p style="text-align: center;">Mood</p> <input type="checkbox"/> Hostile/Angry <input type="checkbox"/> Elated "Up" <input type="checkbox"/> Irritable/agitated <input type="checkbox"/> Anxious <input type="checkbox"/> Combative <input type="checkbox"/> Aggressive <input type="checkbox"/> Violent <input type="checkbox"/> Evasive <input type="checkbox"/> Sad/depressed	<p style="text-align: center;">Mental</p> <input type="checkbox"/> Poor judgment <input type="checkbox"/> Decreased inhibitions <input type="checkbox"/> Disoriented <input type="checkbox"/> Unpredictable <input type="checkbox"/> Distracted <input type="checkbox"/> Drowsy/sleepy <input type="checkbox"/> Restless <input type="checkbox"/> Suspicious/paranoid <input type="checkbox"/> Withdrawn	<p style="text-align: center;">Balance</p> <input type="checkbox"/> Slowed <input type="checkbox"/> Normal <input type="checkbox"/> Quickened <input type="checkbox"/> Staggering <input type="checkbox"/> Swaying <input type="checkbox"/> Falling <input type="checkbox"/> Holding on <input type="checkbox"/> Unsteady/uncoordinated <input type="checkbox"/> Clumsy
<p style="text-align: center;">Movement</p> <input type="checkbox"/> Slowed <input type="checkbox"/> Normal <input type="checkbox"/> Quickened <input type="checkbox"/> Shaking <input type="checkbox"/> Tremors	<p style="text-align: center;">Appearance</p> <input type="checkbox"/> Flushed <input type="checkbox"/> Sweating <input type="checkbox"/> Cold, clammy <input type="checkbox"/> Disheveled, messy <input type="checkbox"/> Vomit on clothing	<p style="text-align: center;">Other</p> <input type="checkbox"/> Frequent use of breath mints, gum, mouthwash <input type="checkbox"/> Physical evidence (like liquor bottle, drug paraphernalia) <input type="checkbox"/> Other: _____ _____

I certify that I have had training in the signs & symptoms of substance use and alcohol abuse, and to the best of my judgement, reasonable suspicion exists based on the physical and behavioral indicators noted above.

Signed: _____ Date: _____

Second Observer, if possible: _____ Date: _____



Federal Transit
Administration

FINAL AUDIT REPORT

FTA Drug and Alcohol Compliance Auditing Program

FTA Grantee
Greater Portland Metro



IYON ROSARIO
SR. DRUG AND ALCOHOL PROGRAM MANAGER
OFFICE OF TRANSIT SAFETY AND OVERSIGHT



U.S. Department
of Transportation

Federal Transit
Administration

Headquarters

1200 New Jersey Ave., S.E.
Washington, D.C. 20590

10/24/2023

Provided Personally
& Electronically

Mr. Gregory Jordan
Executive Director
Greater Portland Transit District
114 Valley Street
Portland, ME 04102

RE: FTA Drug and Alcohol Compliance Auditing Program

Dear Mr. Jordan,

As you know, during the period 10/23/2023 to 10/24/2023, the Federal Transit Administration (FTA) conducted an audit of the FTA-mandated drug and alcohol testing programs of the Greater Portland Transit District (Greater Portland Metro). Several items associated with Greater Portland Metro's program were found that require attention. The attached Final Audit Report summarizes the findings of the audit team.

A 90-day period for corrective action commences as of the date of this letter. Therefore, the completion date for responses needed to bring your program into compliance is **Monday, January 22, 2024**. Your staff has been provided access to FTA's secure Data Management System. Within this secure environment, you will find a download link for the software program you must use to respond to each audit finding, as well as a user manual for that software. When necessary, provide all supporting documentation that confirms the corrective actions taken.

For receipt on **1/22/2024**, please submit to FTA's secure Data Management System an electronic copy of the completed audit response, a copy of the electronic response file created by the software, and all supplemental materials.

Failure to fully resolve audit findings within 90 days may result in a formal finding of non-compliance by the FTA. Continued failure to fully implement FTA's drug and alcohol testing regulations may jeopardize the Greater Portland Metro's future funding from the FTA.

If you require assistance to resolve any of the deficiencies, please do not hesitate to contact Ms. Lori DeCoste or Ms. Katie Bell. If you have more general questions about the FTA's Drug and Alcohol Compliance Auditing Program or regulatory questions, please contact me, Lyon Rosario, FTA Senior Drug and Alcohol Program Manager, at (202) 366-2010, or via e-mail at lyon.rosario@dot.gov, or the FTA's Drug and Alcohol Program Hotline at (617) 494-6336 or email fta.damis@dot.gov.



U.S. Department
of Transportation

Federal Transit
Administration

Headquarters

1200 New Jersey Ave., S.E.
Washington, D.C. 20590

Audit Program Coordinator	Audit Team Leader
<p data-bbox="300 390 716 457">Ms. Lori DeCoste Operations Research Analyst</p> <p data-bbox="347 497 667 638">USDOT/Volpe Center Cambridge, MA 02142 (617) 494-2379 lori.decoste@dot.gov</p>	<p data-bbox="979 390 1252 457">Ms. Katie Bell Audit Team Leader</p> <p data-bbox="964 497 1268 638">Cahill Swift, LLC Boston, MA 02116 (617) 314-9208 kbell@cahillswift.com</p>

FTA's tools and publications may be useful to you and your staff as you prepare your audit response, and in the ongoing maintenance of your testing programs. Resources are available at the FTA Drug and Alcohol Program website at <https://www.transit.dot.gov/drug-alcohol-program>.

We understand that our audit has placed an additional management effort that entailed a great deal of time and planning on your part. We greatly appreciate your cooperation, patience and hospitality during this review. Because of your efforts, we believe that the goal of improved safety for patrons and employees of Greater Portland Metro will be more easily achieved.

Once again, thank you for your assistance. We look forward to working with you in the future.

Sincerely,

Lyon Rosario
Sr. Drug and Alcohol Program Manager
FTA Office of Transit Safety and Oversight

Electronic cc:

Kim Watson, Greater Portland Transit District
Shelly Brooks, Greater Portland Transit District
Peter Butler, FTA Region I Administrator
Matthew Keamy, FTA Region I
Loretta Bomgardner, FTA Office of Transit Safety & Oversight
Melonie Barrington, FTA Office of Transit Safety & Oversight
Mike Redington, USDOT/Volpe Center
Lori DeCoste, USDOT/Volpe Center
John Spelman, Cahill Swift, LLC

Table of Contents

Greater Portland Metro	2
Policy Manual Review Interview	2
Drug and Alcohol Program Manager Interview	5
Records Management Interview	8
Breath Alcohol Technician Interview.....	10
Urine Collections Interview	11

Greater Portland Metro

Policy Manual Review Interview

Greater Portland Metro
Interview Date: 10/23/2023

Greater Portland Metro - Policy Manual Review Interview

Item	Action Date:	1/22/2024	Question #:	13
------	--------------	-----------	-------------	----

1

Question: PROHIBITED BEHAVIOR: Does the policy indicate that covered employees are prohibited from using the following at all times: (1) Marijuana; (2) Cocaine; (3) Opioids; (4) Amphetamines; and (5) Phencyclidine?

Answer: No.

Supplemental Answer: This prohibition is inaccurately stated. On page 5, prohibited drug use is defined as having drugs or drug metabolites in the body above the minimum thresholds specified in Part 40. Part 655 expressly prohibits drug use at all times. The policy must not suggest that drug use is only prohibited in certain situations or at certain quantities.

In response to this and the following policy findings, submit to FTA a revised policy that is compliant with the listed regulatory requirements.

For this finding, ensure the revised policy states that use of these drugs is prohibited at all times.

FTA Rule Requirement: Section 655.15(c) states that the policy statement must include: "specific information concerning the behavior and conduct prohibited by this part."

Sections 655.21(b) and (c) state: "(b) When administering a drug test, an employer shall ensure that the following drugs are tested for: (1) Marijuana; (2) Cocaine; (3) Opioids; (4) Amphetamines; and (5) Phencyclidine. (c) Consumption of these products is prohibited at all times."

Greater Portland Metro - Policy Manual Review Interview

Item	Action Date:	1/22/2024	Question #:	38
------	--------------	-----------	-------------	----

2

Question: REFUSALS: Does the policy state that failure to attempt to provide a breath or urine specimen is a refusal?

Answer: No.

Supplemental Answer: The current policy does not include this refusal for oral fluids testing. Revise the policy accordingly.

FTA Rule Requirement: Section 655.15(g) states that the policy statement must include: "a description of the kind of behavior that constitutes a refusal to take a drug or alcohol test, and a statement that such a refusal constitutes a violation of the employer's policy."

Section 40.191(a) states: "As an employee, you have refused to take a drug test if you: (3) Fail to provide a urine specimen for any drug test required by this part or DOT agency regulations; Provided, that an employee who does not provide a urine specimen because he or she has left the testing site before the testing process commences (see 40.63(c)) for a pre-employment test is not deemed to have refused to test."

Section 40.261(a) states: "As an employee, you are considered to have refused to take an alcohol test if you: (3) Fail to provide an adequate amount of saliva or breath for any alcohol test required by this part or DOT agency regulations; Provided, that an employee who does not provide an adequate amount of breath or saliva because he or she has left

Item Action 1/22/2024 Question #: 54
Date:

5

Question: PROVISIONS CONTRARY TO FTA or DOT REGULATIONS: Does the policy contain any provisions that are inconsistent with, contrary to, or that frustrate the requirements of Part 655 or Part 40?

Answer: Yes, the following items are not compliant with FTA and DOT regulations.

Supplemental Answer: A) On page 6, section H, the current policy states: "The duration and frequency of the follow-up testing above the minimum requirements will be at the discretion of the Substance Abuse Professional." This statement implies the someone other than the SAP has the discretion to determine if a follow-up testing plan will be for the minimum number of tests. Remove the phrase "above the minimum requirements" from the policy.

B) On page 12, section Q.5 of the current policy states that employees with more than one result from 0.02 to 0.039 will be referred to a SAP. A breath alcohol result between 0.02 and 0.039 is not a DOT violation. Only employees who have a DOT violation should be referred to a SAP. Amend the policy accordingly.

C) Section Q.7 states that a SAP referral will be used for both voluntary and management referrals. Because "SAP" is a term specific to the DOT return-to-duty process, revise this section to refer employees to "EAPs," "counselors," or another professional, and clarify that any testing taking place due to self-referral would be non-DOT testing.

D) On page 38, in the glossary, the definition of Department of Transportation (DOT) is inaccurate. Remove or revise to match section 40.3.

E) On page 39, in the glossary, the definition of prohibited drugs is inaccurate. Remove or revise to match definition in section 40.3.

F) On page 39, in the glossary, the definition of Substance Abuse Professional (SAP) is incomplete (i.e., the definition is missing marriage counselor as a qualified profession). Remove or revise to match section 40.3.

FTA Rule Requirement: Section 655.15(j) states: "The employer shall inform each covered employee if it implements elements of an anti-drug use or alcohol misuse program that are not required by this part. An employer may not impose requirements that are inconsistent with, contrary to, or frustrate the provisions of this part."

Drug and Alcohol Program Manager Interview

Greater Portland Metro
Interview Date: 10/23/2023

Greater Portland Metro - Drug and Alcohol Program Manager Interview

Item Action Date: 1/22/2024 Question #: 26

1

Question: Do you ask an applicant whether or not they have failed or refused a DOT pre-employment test in the previous two years?

Answer: We do not ask this question.

Supplemental Answer: In response to this audit finding, submit to FTA a description of the procedure that has been implemented to meet the requirements of section 40.25(j). If this procedure includes the use of a new or updated form, provide a copy of that form with your response.

FTA Rule Requirement: Section 40.25(j) states: "As the employer, you must also ask the employee whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain, safety-sensitive transportation work covered by DOT agency drug and alcohol testing rules during the past two years. If the employee admits that he or she had a positive test or a refusal to test, you must not use the employee to perform safety-sensitive functions for you, until and unless the employee documents successful completion of the return-to-duty process (see paragraphs (b)(5) and (e) of this section)."

Greater Portland Metro - Drug and Alcohol Program Manager Interview

Item Action Date: 1/22/2024 Question #: 33

2

Question: Can you explain the FTA post-accident testing thresholds?

Answer: Other. Post-accident documentation indicated an imprecise knowledge of the term 'disabling damage' as it refers to FTA post-accident testing thresholds.

Supplemental Answer: While a vehicle being transported away from the scene by a tow truck is a provision within the definition of "disabling damage," it is not, in and of itself, a FTA post-accident testing threshold.

In response to this audit finding, submit to FTA a statement affirming an understanding of the definitions of both "accident" and "disabling damage," found in section 655.4 below.

Section 655.4 defines "disabling damage" as: "Disabling damage means damage that precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs. (1) Inclusion. Damage to a motor vehicle, where the vehicle could have been driven, but would have been further damaged if so driven. (2) Exclusions. (i) Damage that can be remedied temporarily at the scene of the accident without special tools or parts. (ii) Tire disablement without other damage even if no spare tire is available. (iii) Headlamp or tail light damage. (iv) Damage to turn signals, horn, or windshield wipers, which makes the vehicle inoperable."

FTA Rule Requirement: Section 655.4 defines an "accident" as "an occurrence associated with the operation of a vehicle, if as a result: (1) An individual dies; or (2) An individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident; or (3) With respect to an occurrence in which the public transportation vehicle involved is a bus, electric bus, van, or automobile, one or more vehicles (including non-FTA funded vehicles) incurs disabling damage as the result of the occurrence and such vehicle or vehicles are transported away from the scene by a tow truck or other vehicle; or (4) With respect to an occurrence in which the public transportation vehicle involved is a rail car, trolley car, trolley bus, or vessel, the public transportation vehicle is removed from operation."

Greater Portland Metro

including the length of the follow-up testing plan and the number and frequency of follow-up tests is prohibited.

In response to this audit finding, submit to FTA a statement affirming an understanding of section 40.309(b) which states that details of the follow-up testing plan will not be divulged to the employee and that all follow-up tests will be unannounced.

FTA Rule Requirement: Section 40.309(b) states: "You should schedule follow-up tests on dates of your own choosing, but you must ensure that the tests are unannounced with no discernable pattern as to their timing, and that the employee is given no advance notice."

Records Management Interview

Greater Portland Metro

Interview Date: 10/23/2023

Greater Portland Metro - Records Management Interview

Item	Action Date:	1/22/2024	Question #:	10
1	Question:	Does the employer obtain specific written consent from an applicant to request required information from all DOT-covered employers who employed the applicant in the previous two years?		
	Answer:	Other. The employer has been working to satisfy the requirements of section 40.25(a) and (b). However, at least three different forms have been used for this purpose over the past two years, only one of which is compliant.		
	Supplemental Answer:	In response to this audit finding, provide a statement affirming that only the compliant form will be used going forward to obtain consent from applicants and obtain information from previous employers regarding their drug and alcohol testing history.		
	FTA Rule Requirement:	Section 40.25(a) states: "As an employer, you must, after obtaining an employee's written consent, request the information about the employee listed in paragraph (b) of this section. This requirement applies only to employees seeking to begin performing safety-sensitive duties for you for the first time (i.e., a new hire, an employee transfers into a safety-sensitive position). If the employee refuses to provide this written consent, you must not permit the employee to perform safety-sensitive functions." Section 40.321(b) defines "specific written consent" as "a statement signed by the employee that he or she agrees to the release of a particular piece of information to a particular, explicitly identified, person or organization at a particular time. 'Blanket releases,' in which an employee agrees to a release of a category of information (e.g., all test results) or to release information to a category of parties (e.g., other employers who are members of a C/TPA, companies to which the employee may apply for employment), are prohibited under this part."		

Greater Portland Metro - Records Management Interview

Item	Action Date:	1/22/2024	Question #:	40
2	Question:	Is random testing conducted on all days of the week when safety-sensitive functions are performed?		
	Answer:	During the records-review period, random testing was not performed on weekends.		
	Supplemental Answer:	While Greater Portland Metro performs safety-sensitive functions on all days of the week, random testing in the records reviewed was only conducted from Monday to Friday. To support the deterrent effect of random testing, weekend testing must also be conducted. In response to this audit finding, provide documentation for at least one random test conducted during the 90-day audit response period for which the notification occurred on a Saturday or Sunday. Such documentation shall include legible copies of the CCF and/or ATF and the MRO-verified result for each such test. If no employees who work during these times are selected for random testing, provide documentation to that effect.		
	FTA Rule Requirement:	Section 655.45(g) states: "Each employer shall ensure that random drug and alcohol tests conducted under this part are unannounced and unpredictable, and that the dates for administering random tests are spread reasonably throughout the calendar year. Random testing must be conducted at all times of day when safety-sensitive functions are performed."		

Breath Alcohol Technician Interview

Concentra

Interview Date: 10/23/2023

Finding: Not deficient with FTA requirements.

Urine Collections Interview

Concentra

Interview Date: 10/23/2023

Finding: Not deficient with FTA requirements.

