

Finance Committee

May 3, 2023 | 4:00 p.m. – 5:30 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/82012466836?pwd=dHN0Wk9VeXF6YzdOVExXaki3RGFyZz09>

Passcode: 453799 | Webinar ID: 820 1246 6836

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)	Paul Bradbury, Committee Chair	N/A
2. Public Comment (4:00-4:05) The Finance Committee welcomes public comment. For items NOT listed on this agenda, the chair will recognize speakers at this point on the agenda. For items on the agenda, the chair will recognize public comment following the staff presentation. There is a 3-minute time limit per speaker.	Paul Bradbury, Committee Chair	Information
3. Approval of Meeting Minutes (4:05-4:10) The committee will be asked to approve minutes from the October 5, 2022 and February 15, 2023 meeting of the Finance Committee.	Paul Bradbury, Committee Chair	ACTION
4. Election of Vice Chair (4:10-4:15) The committee will vote to confirm election of Vice Chair.	Paul Bradbury, Committee Chair	ACTION
5. 2022 Audit (4:15-4:30) RKO staff will present the 2022 Financial Audit.	Casey Leonard, RKO	ACTION
6. 2023 Budget to Actual Update (4:30-4:45) Staff will provide an update on Budget to Actual results for through March 31, 2023	Shelly Brooks, Finance Director	Information
7. 2022 Advertising Revenue Review (4:45-5:00) Staff will provide a overview on the Advertising contracts for 2022.	Shelly Brooks, Finance Director	Information

<p>8. Future Agenda Items (5:00-5:10)</p> <p>Committee members may request future agenda items.</p> <ul style="list-style-type: none"> • Review board policies pertaining to procurement (TBD) • Comprehensive review of board policies (TBD) • Reassess cost/rev. allocation policies (TBD) • Federal Grant Awards/Activity (TBD) • Long Range Financial Forecasting (Ongoing) • Transit Asset Management Plan (TBD) 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>9. Upcoming Meetings (5:10-5:15)</p> <ul style="list-style-type: none"> • Executive Committee – May 10, 2023 at 3:30 p.m. • Ridership Committee – TBD • Board of Directors – May 25, 2023 at 4:00 p.m. • Finance Committee – June 7, 2023 at 4:00 p.m. 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>10. Adjournment (5:15)</p>	<p>Paul Bradbury, Committee Chair</p>	<p>ACTION</p>

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.



**Finance Committee Meeting
October 5, 2022 at 4:00 p.m.
DRAFT Meeting Minutes**

Municipality	Representative	Title	Attendance
Portland	Paul Bradbury	Treasurer and Committee Chair	Yes
Yarmouth	Nat Tupper	Member	Yes
Brunswick	Ryan Leighton	Member	Yes
Freeport	Bill Rixon	Member	Yes
Other Board Members Present Ed Suslovic			

Staff Present	Members of the Public
Greg Jordan, Executive Director Shelly Brooks, Chief Financial Officer Debbie Fitzpatrick, Accounting Manager Mike Tremblay, Director of Transit Development	None

Attendance roll call taken by Greg Jordan, Executive Director.

- 1. With a quorum in place, the meeting was called to order at 4:01 p.m. by Paul Bradbury, Committee Chair.**
- 2. Public comment:** No members of the public were present.
- 3. Approval of August 3, 2022 and September 15, 2022 Meeting Minutes**
Nat Tupper made a motion to approve the August 3, 2022 and September 15, 2022 meeting minutes. Ryan Leighton seconded the motion. After a roll call vote of the members present, the minutes were unanimously approved.
- 4. Draft Operating and Capital Budget**
Shelly Brooks presented the draft operating budget with a focus on the specific changes made since the September 15, 2022 meeting. Greg Jordan presented the proposed 2023-2027 Capital Improvement Program.

Nat Tupper made a motion to recommend the 2023 operating and capital budgets to the board of directors. Ryan Leighton seconded the motion. After a roll call vote of the members present, the motion was unanimously approved.
- 5. Future Agenda Items**
Committee members may request future agenda items.
 - Review board policies pertaining to procurement (TBD)
 - Comprehensive review of board policies (TBD)
 - Reassess cost/rev. allocation policies (Concurrent with budget)

- Long Range Financial Forecasting (Ongoing)

6. Upcoming meetings

These are upcoming meetings as presently scheduled:

- Board of Directors – October 6, 2022 at 4:00 p.m.
- Executive Committee – October 12, 2022 at 3:30 p.m.
- Ridership Committee – October 20, 2022 at 4:00 p.m.
- Board of Directors – October 27, 2022 at 4:00 p.m.

7. Adjournment

Ryan Leighton made a motion to adjourn the meeting. Nat Tupper seconded the motion, at which point, Paul Bradbury adjourned the meeting.

DRAFT



**Finance Committee Meeting
February 15, 2023 at 4:00 p.m.
DRAFT Meeting Minutes**

Municipality	Representative	Title	Attendance
Portland	Paul Bradbury	Treasurer and Committee Chair	Yes
Yarmouth	Nat Tupper	Member	Yes
Brunswick	Ryan Leighton	Member	Yes
Westbrook	John Thompson	Member	Yes
Portland	Jeff Levine	Member	Yes
Other Board Members Present			
Bill Rixon			

Staff Present	Members of the Public
Greg Jordan, Executive Director	None
Shelly Brooks, Chief Financial Officer	
Debbie Fitzpatrick, Accounting Manager	
Mike Tremblay, Director of Transit Development	

Attendance roll call taken by Greg Jordan, Executive Director.

- 1. With a quorum in place, the meeting was called to order at 4:01 p.m. by Paul Bradbury, Committee Chair.**
- 2. Public comment:** No members of the public were present.
- 3. Approval of October 5, 2022 Meeting Minutes**
Nat Tupper made a motion to approve the October 5, 2022 meeting minutes. John Thompson seconded the motion. After a roll call vote of the members present, the minutes were unanimously approved.
- 4. 2022 Budget to Actual Update**
Chief Financial Officer Shelly Brooks presented the 2022 year to date budget report through December 2022. Ms. Brooks noted revenue and expenditure line items exceeding budget and those coming in under budget. Most notably, overtime expense is higher than budgeted due to ongoing labor shortages. However, overall the agency anticipated a modest budget surplus.
- 5. Final Operating and Capital Budgets**
Shelly Brooks presented the final operating budget with a focus on minor changes made since the board approved the preliminary budget in October 2022. Ms. Brooks noted that there is no change to any local funding amounts. Mr. Jordan noted that no municipality expressed concerns or rejected Metro’s local funding request during the November 2022 review process. Mr. Jordan also walked through the final 2023-2027 Capital Improvement Program.

John Thompson made a motion to recommend the final 2023 operating and capital budgets to the board of directors. Jeff Levine seconded the motion. After a roll call vote of the members present, the motion was unanimously approved.

6. AVL Maintenance Agreement Renewal

Ms. Brooks reported on the need to enter into a sole source 1-year term (with 2 one-year renewal options) with Clever Devices for the maintenance and software support for the Automatic Vehicle Location (AVL) system. Since the current system is proprietary to the vendor, Metro will complete the contract renewal as a sole source. Metro staff are in the process of planning, developing specifications and seeking funding for a replacement system.

While Metro’s procurement policies require board approval for contracts over \$25,000 that are not the result of a competitive public procurement process, staff suggest that this contract extension does not meet this threshold because the original contract with Clever Devices was procured through a competitive procurement process in 2013. However, the purpose of this item is to review the matter with the Finance Committee and seek direction on whether board approval should be sought.

The committee reached consensus that board approval was not necessary, but John Thompson suggested that staff provide a communication to the full board on this matter.

7. Future Agenda Items

Committee members may request future agenda items.

- Review board policies pertaining to procurement (TBD)
- Comprehensive review of board policies (TBD)
- Reassess cost/rev. allocation policies (TBD)
- Long Range Financial Forecasting (Ongoing)
- Update on advertising revenues
- Budget amendment to account for use of ARPA funding

8. Upcoming meetings

These are upcoming meetings as presently scheduled:

- Executive Committee – March 8, 2023 at 3:30 p.m.
- Ridership Committee – TBD
- Board of Directors – February 23, 2023 at 4:00 p.m.
- Finance Committee – TBD

9. Adjournment

John Thompson made a motion to adjourn the meeting. Ryan Leighton seconded the motion, at which point, Paul Bradbury adjourned the meeting.



FINANCE Committee

AGENDA ITEM 5

DATE

May 3, 2023

SUBJECT

2022 Financial Audit

PURPOSE

Review and accept the 2022 financial audit as completed by RKO.

BACKGROUND/ANALYSIS

Metro Finance Committee acts as the Board's Audit Committee, and, as such, receives the annual audit. A copy of the power point presentation from RKO is attached for information.

FISCAL IMPACT

None

RECOMMENDATION

N/A

CONTACT

Shelly Brooks

Finance Director

207-423-5052

sbrooks@gpmetro.org

ATTACHMENTS:

Attachment A – Copy of Audit Presentation

Attachment B - 2022 Statement of Auditing Standards (SAS)

Attachment C – 2022 Financial Statements

Attachment D - 2022 Uniform Guidance Report

Attachment E - 2022 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 2019 - 2022
4. 2022 Revenues - Budget and Actual
- 5-6. 2022 Expenses - Budget and Actual
7. Revenue Distribution - FY 2019 - 2022
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

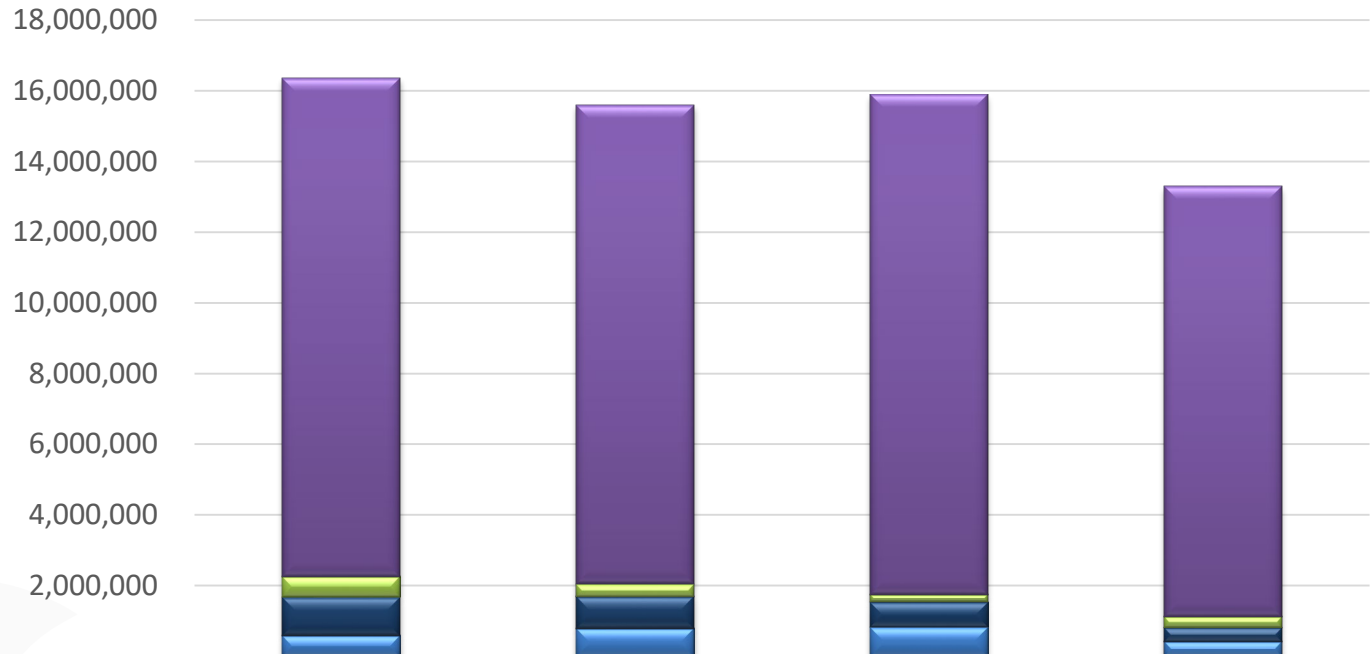
SUMMARY OF AUDIT RESULTS

- 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 CFDA #'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 – 2019 - 2022



	2022	(Restated) 2021	2020	2019
Net investment in capital assets	\$14,113,861	\$13,557,383	\$14,138,902	\$12,165,739
Restricted	563,286	349,371	212,759	299,247
Unrestricted - board policy	1,100,000	900,000	704,925	400,140
Unrestricted - unreserved	584,197	791,949	826,542	421,471



GREATER PORTLAND TRANSIT DISTRICT

2022 REVENUES - BUDGET AND ACTUAL

	Budget	Actual	Over (Under)
Passenger fares	\$1,668,609	2,108,658	440,049
Federal assistance	6,924,206	6,301,747	(622,459)
State assistance	397,760	397,770	10
Local investment	4,562,642	4,560,730	(1,912)
Miscellaneous Income	402,402	554,215	151,813
Total budgeted revenues	13,955,619	13,923,120	(32,499)
Unbudgeted federal and state capital grants	-	2,877,703	2,877,703
Unbudgeted federal and state operating grants	-	763,302	763,302
Insurance Proceeds	-	46,947	46,947
Total budgeted and unbudgeted revenues	\$13,955,619	17,611,072	3,655,453

- **Passenger fares** were over-budget as the recovery of ridership revenue after Covid-19 was greater than anticipated.
- **Federal assistance** was under-budget due to higher-than-expected fare and advertising revenue, less allowable net expenses for federal operating reimbursements
- **Miscellaneous Income** was over-budget as the recovery of advertising revenue after Covid-19 was greater than expected.

GREATER PORTLAND TRANSIT DISTRICT

2022 EXPENSES - BUDGET AND ACTUAL

	Budget	Actual	Under (Over)
Personnel	\$9,950,038	9,897,794	52,244
Temporary help	-	46,915	(46,915)
ADA paratransit	425,000	408,210	16,790
Fuel	510,100	503,263	6,837
Dues and subscriptions	37,524	38,471	(947)
Other employee costs	43,430	35,651	7,779
Fleet parts and services	411,625	364,271	47,354
Insurance	369,884	364,131	5,753
Advertising	149,000	101,672	47,328
Office supplies	24,434	24,558	(124)
Contracted services	414,269	464,881	(50,612)
Utilities and telephone	789,853	748,023	41,830
Maintenance costs	341,664	279,926	61,738
Bank and credit card fees	25,000	21,602	3,398
Capital match	155,460	155,460	-
Capital expense	-	47,547	(47,547)
Debt service principal	182,500	182,500	-
Debt service interest	80,838	54,324	26,514
Fund balance restoration	45,000	-	45,000
Total expenses budgetary basis	\$13,955,619	13,739,199	216,420

- **Personnel expenses** were under budget due to staffing vacancies and long term absences.
- **Temporary help**, which was not budgeted for, was needed in the current-year due to vacancies in HR and payroll.
- **Fleet parts and services expenses** were lower-than-expected due to warranties on newer buses.
- **Advertising expense** was under budget as fair promotions were delayed until 2023.
- **Contracted services expenses** were over-budget due to higher-than-expected CAM fees for the new leased property.
- **Maintenance costs** were under budget due to lower-than-expected snow removal costs. Parking lot repair costs were also budgeted in this category, but were ultimately capitalized.

GREATER PORTLAND TRANSIT DISTRICT

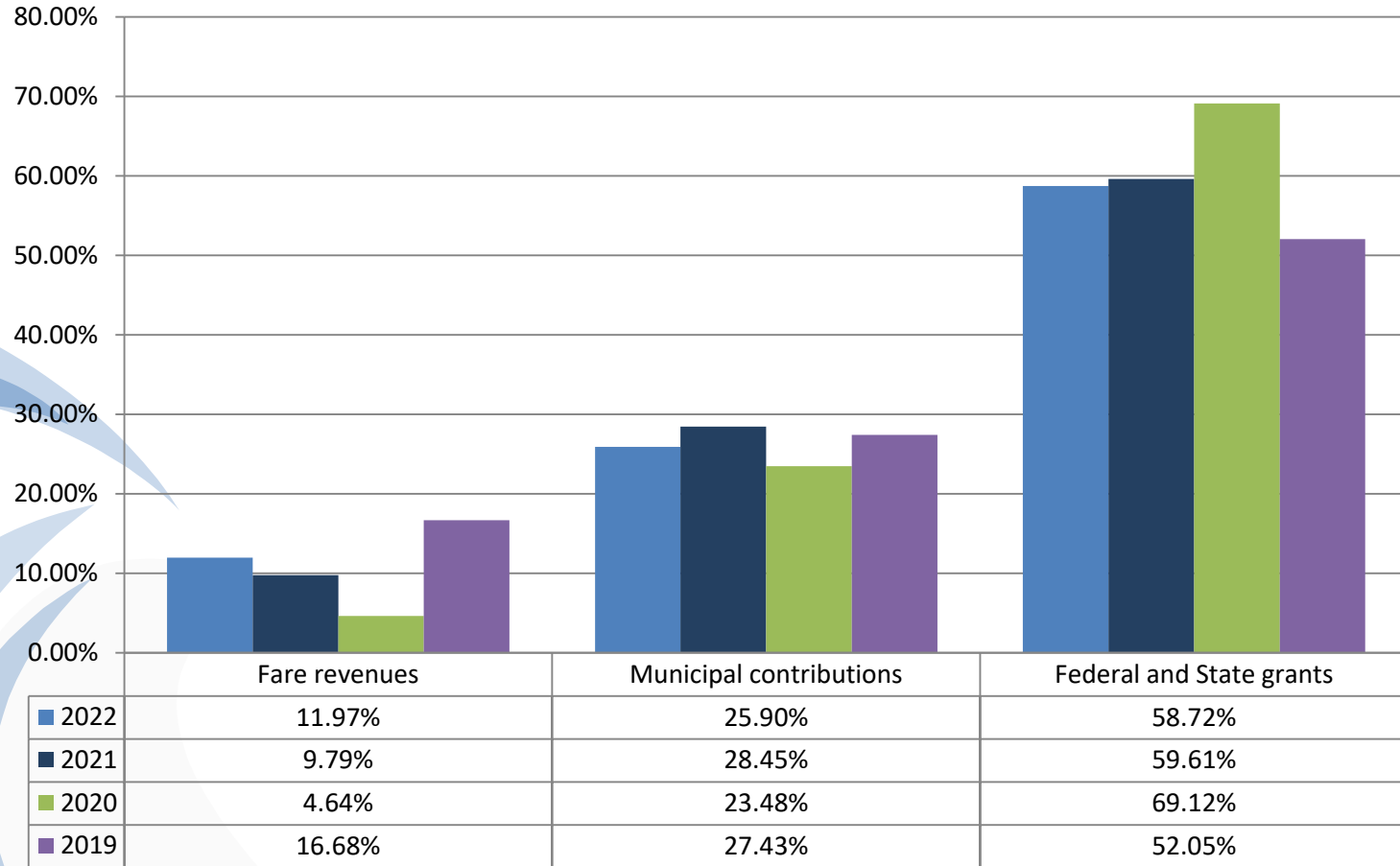
2022 EXPENSES - BUDGET AND ACTUAL, CONTINUED

	Budget	Actual	Increase (Decrease)
Unbudgeted capital maintenance	\$ -	3,885	(3,885)
Unbudgeted contracted services	-	890,649	(890,649)
Unbudgeted other expenses	-	271,556	(271,556)
Depreciation expense	-	2,379,379	(2,379,379)
GAAP adjustments	-	(436,237)	436,237
Total expenses GAAP basis	\$13,955,619	16,848,431	(2,892,812)

- **Unbudgeted capital maintenance, contracted services and other expenses** these 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 2019 - 2022



GREATER PORTLAND TRANSIT DISTRICT

Expense Distribution Comparative

	2022	2021
Personnel	72.04%	75.35%
Temporary help	0.34%	0.18%
ADA paratransit	2.97%	2.95%
Fuel	3.66%	4.54%
Dues and subscriptions	0.28%	0.31%
Other employee costs	0.26%	0.21%
Fleet parts and services	2.65%	3.03%
Insurance	2.65%	2.74%
Advertising	0.74%	0.28%
Office supplies	0.18%	0.20%
Contracted services	3.38%	2.58%
Utilities and telephone	5.44%	2.52%
Maintenance costs	2.05%	2.09%
Bank and credit card fees	0.16%	0.17%
Capital match	1.13%	0.90%
Capital Expense	0.35%	0.00%
Debt service	1.72%	1.95%

April 28, 2023

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, 2022. 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 February 14, 2023. 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 January 5, 2023, 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. As described in the notes to the financial statements, the Greater Portland Transit District changed accounting policies related to leases by adopting Statement on Governmental Accounting Standards (GASB Statement) No. 87, *Leases*. No other new accounting policies were adopted and the application of existing policies was not changed during 2022. 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. See attached Adjusting Journal Entries which includes an entry detected as a result of audit procedures, which was material to the financial statements taken as a whole.

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 28, 2023. 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.

Board of Directors
Page 4

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 "Raymond Newton Ouellette". The signature is written in black ink and is positioned below the text "Very truly yours,".

**Greater Portland Transit District
Adjusting Journal Entries
12/31/2022**

Account	Description	Debit	Credit
001			
To record leases covered under GASB 87.			
1-1000-112010	Lease Recieveable	777,730.48	0.00
1-1000-415200 ATLAN	Rental of Property	36,316.42	0.00
1-1000-121010	Right to Use Asset - Lease	2,035,169.75	0.00
1-41005500-526001	Amortization Expense	297,829.72	0.00
1-36003300-522001 LEASE	Lease Interest Expense	77,761.87	0.00
1-1000-226000	Deferred Inflow of Resources - Lease	0.00	769,515.28
1-1000-415202 ATLAN	Rental of Property - Interest Revenue	0.00	14,757.44
1-1000-415201-ATLAN	Rental of Property - Non Base Rent	0.00	29,774.18
1-1000-221020	Lease Liability	0.00	1,786,848.32
1-1000-121020	Accumulated Amortization	0.00	297,829.72
1-36003300-522000 LEASE	Operating Lease	0.00	326,083.30
Total		<u>3,224,808.24</u>	<u>3,224,808.24</u>

April 28, 2023

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

This representation letter is provided in connection with your audits 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, 2022 and 2021, and the respective changes in financial position and cash flows for the years then ended, and 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 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 28, 2023, 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 January 5, 2023 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. generally accepted accounting principles 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) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.



- 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 identity of the District's related parties and all the related party relationships and transactions of, 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 fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse 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 audit objectives 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 balances 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, 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, 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](#).
- 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 GASB Statement 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) amounts are properly classified and, if applicable, approved.



- 37) Investments, derivative instruments, 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) 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.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) 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.
- 45) 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.
- 46) 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.
- 47) With respect to 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.
- 48) 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 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 and maintaining, and have established 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 sub recipients, as necessary, to determine that they have expended sub awards in compliance with federal statutes, regulations, and the terms and conditions of the sub award 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 sub recipients 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 sub recipient 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 sub recipient
- v) We have considered the results of sub recipient 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: _____

(Finance Director)

Date: _____

[Handwritten Signature]
[Handwritten Date: 4/28/2023]





GREATER PORTLAND TRANSIT DISTRICT

Financial Statements

For the Years Ended December 31, 2022 and 2021

GREATER PORTLAND TRANSIT DISTRICT
Financial Statements
For the years ended December 31, 2022 and 2021

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Certified Public Accountants and Business Consultants

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, 2022 and 2021, 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, 2022 and 2021, 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 opinion.

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 28, 2023, 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 28, 2023
South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis
Fiscal Year Ended December 31, 2022

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 increased in 2022 by \$292,156, about 1.72%. This reflects the addition of two electric buses (the first in Metro's fleet), a charging station for those buses, a new service vehicle, two new passenger shelters placed in service, parking lot improvements, and renovation of our administration offices, including various office equipment. This was partially offset by annual asset depreciation and amortization, and three bus, one service vehicle, and one passenger shelter disposals.
- **Current Liabilities.** The increase in current liabilities of \$648,266, or 51.88%, reflects a \$376,981 and \$150,831 increase in accounts payable and other liabilities, respectively, a \$59,277 increase in accrued payroll costs, and increases in both current portions of notes and lease payable of \$16,650 and \$10,315, respectively at year-end. In addition, there is an increase of \$105,658 for deferred fare revenue, representing regional purchases of stored value and single ride tokens that have not yet been used for rides. These were partially offset by a decline in payables to other governments and the current portion of accrued compensated absences of \$65,479 and \$5,967, respectively.
- **Noncurrent Liabilities.** Noncurrent liabilities decreased by \$254,117, about 6.44%, of which \$258,637 is the principal reduction of our lease payable resulting from the initial recording of new lease accounting requirements. Refer to Page 16 for additional detail. Notes payable also declined due to regular principal paydowns over the year. Accrued compensated absences increased minimally by \$4,393, which primarily reflects wage increases partially offset by retirements and other employee terminations. Other postemployment benefits (OPEB) liability increased by \$32,777. The 2022 OPEB liability is \$803,410 as described on page 19.
- **Net Position.** Overall net position for GPTD increased by 4.89%, or \$762,641, primarily due to the net increase in capital assets over the year, most of which were funded with capital grants. Restricted net position, which is the unexpended portion of local match funds for awarded capital grants, increased by \$213,915. Unrestricted-unreserved net position decreased by 26.23%, or about \$207,752, which can largely be attributed to the transfer of net position to unrestricted, reserved for board policy. 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 \$183,921.
- 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, 2022

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 2021 total Unrestricted Net Position was \$1,691,949. Of that amount, \$900,000 was reserved for the Policy, which has an equal amount of cash restricted, as required. This represented 6.45% of 2022 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 2022 year-end unrestricted net position is \$1,684,197, which reflects the budgetary surplus of \$183,921 and is a slight decrease from 2021 of \$7,752. In an effort to move closer to its Board Policy goal, GPTD management increased the level of reserves to \$1,100,000 in 2022, which leaves a balance of \$584,197 in unrestricted net position. The unrestricted, reserved for Board policy amount of \$1,100,000, is about 7.57% of 2023 budgeted operating expenses. Page 22 shows the amount of restricted cash. The full Policy calculation, at 16.66%, would require a reserve of \$2,421,852 for the 2023 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 under budgeted amounts by 0.23%, or about \$32,499, and 13.54%, or \$1,660,709, above the 2021 total. Most of the variances in revenues can be attributed to the reallocation of federal assistance to future programs, partially offset by a rise in passenger and organization paid fares, and advertising revenues. Refer to the budget to actual schedule on page 25 for detailed information.

Passenger Fares. Collected passenger fares were over budget by about 26.37%, or \$440,049. In an effort to provide economic relief and spur ridership during the pandemic, GPTD suspended collection of passenger fares in March 2021, however resumed collection in October 2021. In addition, GPTD launched an Automated Fare Collection System and a fare increase, that was originally scheduled for early 2021, but were implemented when fare collection resumed in October 2021. In 2022, ridership continued moving upward, increasing by 243,414 rides, almost 23.97% from 2021. Despite the gains made over the year, fare recovery from the pandemic in 2022 remained below pre-pandemic levels, likely due to ridership at approximately 60.00% of pre-pandemic levels. Fares as well as ridership in 2021 were also sharply decreased due to the pandemic, with ridership at approximately 48.00% of pre-pandemic levels.

Advertising Revenue. Collected revenue from transit advertising far surpassed budget at 79.39%, or \$154,816 higher than the budgeted estimate, and \$155,572, or 80.09%, higher than in 2021. These variances can be directly related to the continued economic recovery from COVID-19. A number of advertising contracts are now in place, as a number of contracts were cancelled in 2021.

Federal and State Assistance. Collections from Federal and State agencies was .582% lower than 2021, or down by \$36,910. GPTD was awarded a Coronavirus Aid, Relief, and Economic Security (CARES) Act - grant, which funded 100% of all operating costs for five months of 2021. In 2022, less CARES Act grant funds were available to fund operating costs, as other planned grant uses such as metropolitan planning and renovation projects began or were completed. GPTD also received its annual operating grant and collected funds for the other months of the year.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2022

Total federal and state assistance for 2022 was 8.99% lower than budgeted, or \$622,449, which is primarily attributed to other planned uses of the CARES Act funding received. However, this funding covered all costs, including Transit West and Preventative Maintenance operating costs, which left available balances in the annual operating grant that can be accessed for future eligible costs.

Local Investment. Payments from communities were \$529,631, or 13.14%, higher than in 2021. This was a result of an additional \$177,138, or approximately 4.04% in local assessments and match for operating and capital costs. Further, the 2022 assessment did not include the CARES Act funding credit of \$351,661 which was the major contributor to the 2022 increase. 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 2022 were under budget by 1.55%, or \$216,420, and about 15.05%, or \$1,797,708 more than 2021. The majority of the increase was incurred in personnel and utility cost increases. The budget to actual schedule for expenses begins on page 26.

Wages and benefits (personnel). Total wages and benefits costs were about 10.65% higher, or \$952,841 than in 2021. This not only reflects a 3.00% wage increase for all employees and step increases for union employees, but a significant increase in overtime pay used to incentivize voluntary OT due to the shortage of bus operators and fleet care workers over the year, along with a one-time, negotiated inflationary relief payment made to all employees in 2022. Health insurance premiums saw single digit increases in 2022, with stable pricing for dental and vision. Lower than anticipated benefit cost increases allowed benefits to be under expended by \$209,246, along with the staffing shortages experienced. Overall, wages and benefits were under budget by 0.53%, or \$52,244 in 2022.

Fleet parts and services and fuel. The cost of maintaining the fleet combined with fuel costs, were under budget by \$54,191, about 5.88% with a savings in diesel fuel of \$18,722, and parts of \$61,498. Over expenditures were incurred in CNG fuel and electricity as a fuel of \$7,153 and \$4,732, respectively. Other over budget items included tires and tubes and grease and fluids of \$14,144. However, the total expense of both categories was \$30,909 lower than 2021. GPTD experienced unanticipated market pricing and gas supplier service cost increases, along with supply chain issues that pushed grease and fluids, tires, and CNG and electricity as a fuel over budget, but had locked in lower diesel fuel pricing in its current contract which resulted in net savings overall.

Advertising services. Advertising services were under budget by about 31.76%, or \$47,328. A majority of GPTD's advertising dollars are typically used for initiatives to grow ridership. As a result of COVID-19, certain initiatives were temporarily suspended, with some advertising spending redirected to pandemic-related recommendations and requirements onboard buses. Other advertising spending was redirected to stemming the workforce shortage. This resulted in the 2022 budgetary savings.

Contracted services. Contracted services were over budget by about 12.22%, or \$50,612. This is almost entirely due to intentional real estate broker services used to successfully sublet our current lease, which will defray existing lease costs until a final decision is made on GPTD's proposed new facility.

Utilities and telephone. The total cost of heat, electricity, phone, water, sewer, and storm water was under budget by about 9.70%, or \$41,830. Total costs increased 102.32% compared to 2021 due to a full year's lease operating costs in 2022, including utility-related cost increases of 29.07%.

Maintenance services. The total cost of maintenance services was under budget by 18.07%, or \$61,738. Costs budgeted for maintenance services and supplies, and snow plowing were under budget.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2022

Capital expense. Unbudgeted capital expense resulted from the need to balance fund GPTD's new service vehicle and parking lot improvements in 2022.

Growth and Initiatives

GPTD's progress in growing ridership through 2019 slowed during the pandemic, with overall ridership in 2022 being about 60% less than the pre-pandemic levels of 2019. Depressed ridership and the slow recovery means 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, commodities). Additionally, low unemployment and declining labor force participation rates aggravate transit agencies ability to recruit and retain qualified transit workers, particular 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 2024-2027.

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 2023 and 2024.

GPTD is undertaking 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:

- 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 2023 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, 2022 and 2021

	2022	2021 (restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,369,105	2,101,945
Accounts receivable	150,576	74,986
Receivables from other governments:		
Grants	1,168,388	1,004,786
Other	454,047	72,087
Lease receivable	777,730	-
Inventory	390,979	341,437
Prepaid expenses	87,594	107,788
Total current assets	5,398,419	3,703,029
Capital assets:		
Land	133,175	133,175
Construction in progress	96,027	213,876
Buildings and improvements	6,634,498	6,473,672
Vehicles	20,569,805	18,756,242
Passenger shelters	696,408	704,549
Equipment	5,406,225	4,713,636
Right to use asset - lease	2,035,170	2,035,170
Total capital assets	35,571,308	33,030,320
Less accumulated depreciation and amortization	18,261,099	16,012,267
Capital assets, net	17,310,209	17,018,053
Total assets	22,708,628	20,721,082
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to OPEB	\$ 99,794	127,603
Total deferred outflows of resources	99,794	127,603
LIABILITIES		
Current liabilities:		
Accounts payable	539,025	162,044
Payable to other governments	180,865	246,344
Accrued payroll and payroll taxes	234,994	175,717
Other liabilities	195,942	45,111
Unearned fare revenue	279,048	173,390
Current portion of accrued compensated absences	10,054	16,021
Current portion of notes payable	199,150	182,500
Current portion of lease payable	258,637	248,322
Total current liabilities	1,897,715	1,249,449
Noncurrent liabilities:		
OPEB obligation	803,410	770,633
Accrued compensated absences	150,937	146,544
Notes payable	1,210,350	1,243,000
Lease payable	1,528,211	1,786,848
Total noncurrent liabilities	3,692,908	3,947,025
Total liabilities	5,590,623	5,196,474
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to OPEB	86,940	53,508
Deferred inflows of resources related to leases	769,515	-
Total deferred inflows of resources	856,455	53,508
NET POSITION		
Net investment in capital assets	14,113,861	13,557,383
Restricted	563,286	349,371
Unrestricted, reserved for board policy	1,100,000	900,000
Unrestricted, unreserved	584,197	791,949
Total net position	\$ 16,361,344	15,598,703

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, 2022 and 2021

	2022	2021 (restated)
Operating revenues:		
Passenger fares	\$ 2,108,658	1,385,127
Rental income	97,602	40,228
Outside repairs, maintenance and CNG sales	13,868	25,799
Federal and state operating grants	7,462,819	7,363,153
Local assessments for operating	4,405,270	3,924,450
Advertising	349,816	194,244
Insurance proceeds	46,947	14,807
Autofare reimbursement	13,887	10,088
Miscellaneous income	27,859	20,120
Total operating revenues	14,526,726	12,978,016
Operating expenses before depreciation and amortization:		
Personnel	9,991,812	9,039,770
Temporary help	46,915	21,810
ADA Paratransit	408,210	350,479
Fuel	503,263	538,830
Dues and subscriptions	38,471	36,774
Other employee costs	44,366	25,286
Fleet parts and services	445,366	360,038
Insurance	364,131	325,138
Advertising	101,672	33,105
Office and building supplies	24,558	23,626
Contract services	1,355,530	1,070,980
Utilities	499,702	369,730
Maintenance costs	283,811	252,824
Total operating expenses before depreciation and amortization	14,107,807	12,448,390
Operating income (loss) before depreciation and amortization	418,919	529,626
Depreciation and amortization expense	2,379,379	1,920,972
Operating income (loss) after depreciation and amortization	(1,960,460)	(1,391,346)
Nonoperating revenues (expenses):		
Federal and state capital grants	2,877,703	1,071,342
Local assessments for capital	(26,286)	100,550
Wellness and training grants	3,156	3,014
Gain (loss) on disposal of capital assets	(103,573)	(5,455)
Interest income	48,027	6,109
Bank interest and fees	(21,602)	(19,645)
Interest on debt service	(54,324)	(48,994)
Total nonoperating revenues (expenses)	2,723,101	1,106,921
Change in net position	762,641	(284,425)
Net position, beginning of year, as restated	15,598,703	15,883,128
Net position, end of year	\$ 16,361,344	15,598,703

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Statements of Cash Flows
For the years ended December 31, 2022 and 2021

	2022	2021 (restated)
Cash flows from operating activities:		
Receipts from customers	\$ 2,254,740	1,785,550
Receipts from federal and state operating grants	7,299,217	7,129,387
Receipts from local sources	4,405,270	3,924,450
Receipts from insurance proceeds	46,947	14,807
Payments to suppliers	(3,613,331)	(3,684,108)
Payments to employees	(9,931,372)	(8,930,268)
Net cash provided by (used in) operating activities	461,471	239,818
Cash flows from investing activities:		
Interest income	48,027	6,109
Net cash provided by (used in) investing activities	48,027	6,109
Cash flows from capital and related financing activities:		
Local sources	(26,286)	100,550
Federal and State capital grants	2,877,703	1,071,342
Note issuance proceeds	166,500	-
Lease issuance proceeds	-	2,035,170
Principal payments on notes	(182,500)	(182,500)
Principal payments on lease	(248,322)	-
Proceeds from sale of capital assets	-	3,000
Purchase of capital assets	(2,775,109)	(3,200,578)
Interest payments	(54,324)	(48,994)
Net cash provided by (used in) capital and related financing activities	(242,338)	(222,010)
Net increase (decrease) in cash and cash equivalents	267,160	23,917
Cash and cash equivalents, beginning of year	2,101,945	2,078,028
Cash and cash equivalents, end of year	\$ 2,369,105	2,101,945
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (1,960,460)	(1,391,346)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,379,379	1,920,972
Bank interest and fees	(21,602)	(19,645)
Wellness and training grants	3,156	3,014
Amortization of deferred inflows and outflows of resources related to OPEB	61,241	(32,881)
Amortization of deferred inflows and outflows of resources related to leases	769,515	-
Change in operating assets and liabilities:		
Accounts receivable	(457,549)	15,634
Grants receivable	(163,602)	(233,766)
Lease receivable	(777,730)	-
Inventory	(49,542)	(21,058)
Prepaid expenses	20,194	(36,491)
Accounts payable	311,502	(264,706)
Accrued payroll and payroll taxes	59,277	39,552
Other liabilities	150,831	19,316
Deferred fare revenue	105,658	91,296
Accrued compensated absences	(1,574)	22,229
Net OPEB obligation	32,777	127,698
Net cash provided by (used in) operating activities	\$ 461,471	239,818

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 the City of Portland, the City of Westbrook, and the Town of Falmouth.

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, 2022 and 2021 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*	10-50 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, 2022, the District reported deposits of \$2,369,105 with a bank balance of \$2,492,549. 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, 2022 was as follows:

	Balance 12/31/2021 <u>(restated)</u>	<u>Increases</u>	<u>Decreases</u>	Balance 12/31/2022
Capital assets not being depreciated:				
Land	\$ 133,175	-	-	133,175
Construction in progress	213,876	18,695	136,544	96,027
Total capital assets not being depreciated	347,051	18,695	136,544	229,202
Capital assets being depreciated:				
Buildings and improvements	6,473,672	160,826	-	6,634,498
Vehicles	18,756,242	2,026,161	212,598	20,569,805
Passenger stations	704,549	13,382	21,523	696,408
Equipment	4,713,636	692,589	-	5,406,225
Right to use asset – lease	2,035,170	-	-	2,035,170
Total capital assets being depreciated	32,683,269	2,892,958	234,121	35,342,106

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Less accumulated depreciation for:				
Buildings and improvements	\$ 5,220,647	236,144	-	5,456,791
Vehicles	6,888,163	1,664,836	126,074	8,426,925
Passenger stations	126,285	35,049	4,473	156,861
Equipment	3,777,172	145,520	-	3,922,692
Right to use asset – lease	-	297,830	-	297,830
Total accumulated depreciation	16,012,267	2,379,379	130,547	18,261,099
Total capital assets being depreciated, net	16,671,002	513,579	103,574	17,081,007
Capital assets, net	\$ 17,018,053	532,274	240,118	17,310,209

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the District for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Notes from direct borrowing	\$ 1,425,500	166,500	182,500	1,409,500	199,150
Other postemployment liabilities	770,633	32,777	-	803,410	-
Accrued compensated absences	162,565	24,197	25,771	160,991	10,054
Leases payable	2,035,170	-	248,322	1,786,848	258,637
Total long-term liabilities	\$ 4,393,868	223,474	456,593	4,160,749	467,841

Notes payable at December 31, 2022 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 12/31/22</u>	<u>Balance 12/31/21</u>
2018 Buses	2018	\$ 855,000	1.92-2.99%	11/1/2028	513,000	598,500
2019 Buses	2019	460,000	1.72-2.39%	11/1/2029	322,000	368,000
2020 Buses	2020	510,000	1.24-1.74%	11/1/2030	408,000	459,000
2022 Buses	2022	166,500	3.52-4.02%	11/1/2032	166,500	-
Total notes payable					\$ 1,409,500	1,425,500

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, 2022 are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 199,150	33,487	232,637
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
2028-2032	413,750	20,824	434,574
Totals	\$ 1,409,500	143,840	1,553,340

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, 2022 the value of the lease liability was \$1,786,848. The District was required to make monthly principal and interest payments of \$27,083 for the period of January to October 2022 and \$27,625 for the period of November and December 2022, 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 2022 was \$2,035,170 and had \$297,830 in accumulated amortization as of December 31, 2022.

The future principal and interest lease payments as of December 31, 2022 were as follows:

	<u>Lease Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 258,637	73,968	332,605
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	\$ 1,786,848	249,044	2,035,892

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 and in fiscal year 2022, the District contributed up to 7.5% of the employees' gross pay, compared to 7.0% in 2021, the District contributed 15% of the General Manager's compensation, without regard to his contribution, for the years ended December 31, 2022 and 2021, respectively.

For the years ended December 31, 2022 and 2021, respectively, employee contributions amounted to \$0 and \$0 and employer contributions were \$429,409 and \$371,495.

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, 2022 and 2021 respectively, employee contributions amounted to \$525,186 and \$456,392 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 will receive monthly payments of \$14,537, adjusted for a 2% increase each year annually in October.

The District recognized \$82,844 in lease revenue and \$14,757 in related interest revenue during 2022. As of December 31, 2022, the District's receivable for lease payments was \$777,730. 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, 2022, the balance of the deferred inflow of resources was \$769,515.

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, 2022, 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	89
Total	<u>91</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, 2022 were \$8,145.

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 \$803,410 was measured as of January 1, 2022 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, 2021	\$	770,633
Changes for the year:		
Service cost		80,573
Interest		17,960
Changes of benefit terms		-
Differences between expected and actual experience		(53,799)
Changes in assumptions or other inputs		(3,812)
Benefit payments		(8,145)
Net changes		<u>32,777</u>
Balance at December 31, 2022	\$	<u>803,410</u>

Change in assumptions reflects a change in the discount rate from 2.12% to 2.06%.

For the year ended December 31, 2022, the District recognized OPEB expense of \$94,817 related to the Health Plan. At December 31, 2022, 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	\$	-	86,940
Changes of assumption or other inputs		90,764	-
Contributions after measurement date		9,030	-
Total	\$	<u>99,794</u>	<u>86,940</u>

An amount of \$9,030 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, 2023. 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:		
2023	\$	5,129
2024		5,135
2025		702
2026		7,975
2027		(718)
Thereafter		(14,399)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2022 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	2.40% per annum
Salary increases	2.75% per annum
Discount rate	2.06%
Healthcare cost trend rates	7.67% Non-Medicare, decreasing to 3.53% by 2042.
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, 2022 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 2.06%. 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 2.06%, 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 (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 941,211	803,410	691,274

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	\$ 677,391	803,410	965,249

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, 2022 were as follows:

	Beginning Balance	Additions	Deletions	Ending balance
Tax anticipation note	\$ -	3,350,001	3,350,001	-

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Capital assets	\$ 35,571,308	33,030,320
Accumulated depreciation	(18,261,099)	(16,012,267)
Notes payable	(1,409,500)	(1,425,500)
Lease payable	(1,786,848)	(2,035,170)
Total net investment in capital assets	\$ 14,113,861	13,557,383

The District's net position at December 31, 2022 and 2021 was restricted for the local match of the following grants and projects:

		<u>2022</u>	<u>2021</u>
ME-90-X213	2015 Operating Assistance & Cap Maintenance	\$ -	7,630
ME-2016-016	2016 Operating Assistance & Cap Maintenance	14,632	34,455
ME-2016-017	Regional Bus Shelter/Sign Project	7,730	8,002
ME-2017-008	2017 Operating Assistance & Cap Maintenance	30,083	31,083
ME-2017-007	Northern Service Expansion - Phase 2	-	150
ME-2018-016	2018 Operating Assistance & Cap Maintenance	-	3,039
ME-2019-010	2019 Operating Assistance & Cap Maintenance	10,000	10,000
ME-2019-013	Electric Bus Project	-	84,225
ME-2020-025	2020 Operating Assistance & Cap Maintenance	28,989	37,229
ME-2021-016	2021 Operating Assistance & Cap Maintenance	73,108	44,000
ME-2022-011	2022 Operating Assistance & Cap Maintenance	14,000	-
ME-2023-002	BREEZ Bus Replacement	165,926	-
N/A	Facility	5,000	5,000
N/A	Bus Stop Improvement	70,000	30,000
N/A	2018 Operations - Electric signs	42,958	42,958
N/A	RTP Reno	10,000	10,000
N/A	Security	10,000	-
N/A	TSAP – Construction	73,460	-
N/A	Proceeds On Sale of FTA Assets	7,400	-
N/A	Bus painting	-	1,600
Total restricted net position		\$ 563,286	349,371

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, 2022 and 2021, the District has designated the following amounts of net position within cash and cash equivalents:

	<u>2022</u>	<u>2021</u>
Restricted net position	\$ 563,286	349,371
Unrestricted, reserved for board policy	1,100,000	900,000
Total	\$ 1,663,286	1,249,371

PRIOR PERIOD ADJUSTMENT

In 2022, the District identified a capital asset that was not properly recorded in the prior fiscal year. An adjustment to net position as of December 31, 2021 is as follows:

Net position, December 31, 2021, as previously reported	\$ 15,491,922	
Capital asset addition erroneously excluded in 2021	106,781	
Net position, December 31, 2021, as restated	\$ 15,598,703	

For the fiscal year ended December 31, 2022, the District has elected to implement Statement No. 87 of the Government Accounting Standards Board – *Leases*. As a result of implementing GASB Statement No. 87, the assets and liabilities for the year ended December 31, 2021 have been increased by \$2,035,170 each. As of December 31, 2021, there was no effect on net position due to the implementation of GASB Statement No. 87.

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*

	2022	2021	2020	2019
Total OPEB Liability				
Service cost	\$ 80,573	70,683	45,853	50,269
Interest	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	(3,812)	45,400	104,895	(50,926)
Benefit payments	(8,145)	(7,832)	(7,152)	(6,877)
Net change in total OPEB Liability	32,777	127,698	109,702	12,008
Total OPEB liability - beginning	770,633	642,935	533,233	521,225
Total OPEB liability - ending	\$ 803,410	770,633	642,935	533,233
Covered-employee payroll	\$ 5,023,094	4,688,671	4,688,671	3,885,661
Total OPEB liability as a percentage of covered-employee payroll	15.99%	16.44%	13.71%	13.72%

* Only four 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>
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, mortality rates were based on the 2010 Public Plan General Benefits- Weighted Employee Mortality Table.

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, 2022
(With Comparative Actual Amounts for the year ended December 31, 2021)

2022						
	Budgeted amounts		Actual	Variance with final budget positive (negative)	2021 (restated)	
	Original	Final				
Revenues:						
Passenger fares:						
Regular fares	\$ 1,067,511	1,067,511	1,325,270	257,759	1,140,893	
Organization paid fares	601,098	601,098	783,388	182,290	244,234	
Total passenger fares	1,668,609	1,668,609	2,108,658	440,049	1,385,127	
Federal assistance:						
Operating assistance	3,477,838	3,477,838	3,247,517	(230,321)	2,424,171	
CARES act	1,907,368	1,907,368	1,400,000	(507,368)	2,039,840	
ADA paratransit	340,000	340,000	326,566	(13,434)	280,383	
Western expansion	174,000	174,000	219,674	45,674	650,000	
Preventive maintenance	1,025,000	1,025,000	1,107,990	82,990	944,263	
Total federal assistance	6,924,206	6,924,206	6,301,747	(622,459)	6,338,657	
State assistance	397,760	397,760	397,770	10	207,926	
Local investment:						
Members	4,529,642	4,529,642	4,527,730	(1,912)	3,998,099	
Non-members	33,000	33,000	33,000	-	33,000	
Total local investment	4,562,642	4,562,642	4,560,730	(1,912)	4,031,099	
Miscellaneous:						
Rental of property	136,416	136,416	97,602	(38,814)	40,228	
Fleet maintenance services	5,000	5,000	6,000	1,000	9,915	
Advertising	195,000	195,000	349,816	154,816	194,244	
Interest income	15,000	15,000	48,027	33,027	6,109	
Fuel sales	22,800	22,800	7,868	(14,932)	15,884	
Autofare reimbursement	13,286	13,286	13,887	601	10,088	
Wellness grant	6,000	6,000	1,284	(4,716)	3,014	
Training grant	-	-	1,872	1,872	-	
Miscellaneous income	8,900	8,900	27,859	18,959	20,120	
Total miscellaneous	402,402	402,402	554,215	151,813	299,602	
Total revenues	13,955,619	13,955,619	13,923,120	(32,499)	12,262,411	

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2022

2022						
	Budgeted amounts		Actual	Variance with final budget positive (negative)	2021 (restated)	
	Original	Final				
Expenses:						
Personnel:						
Regular wages and salaries	\$ 6,452,749	6,452,749	6,265,635	187,114	5,878,451	
Overtime	537,934	537,934	882,050	(344,116)	345,709	
Benefits	2,959,355	2,959,355	2,750,109	209,246	2,720,793	
Total personnel	9,950,038	9,950,038	9,897,794	52,244	8,944,953	
Temporary help	-	-	46,915	(46,915)	21,810	
ADA paratransit	425,000	425,000	408,210	16,790	350,479	
Fuel:						
CNG fuel	99,500	99,500	106,653	(7,153)	99,606	
Diesel fuel	405,600	405,600	386,878	18,722	439,224	
Electricity	5,000	5,000	9,732	(4,732)	-	
Total fuel	510,100	510,100	503,263	6,837	538,830	
Dues and subscriptions:						
Dues and subscriptions	28,890	28,890	29,382	(492)	28,439	
HRA annual dues	7,204	7,204	8,514	(1,310)	7,759	
Licenses and permits	1,430	1,430	575	855	576	
Total dues and subscriptions	37,524	37,524	38,471	(947)	36,774	
Other employee costs:						
Wellness program	4,500	4,500	1,789	2,711	2,563	
Meals and hosting	8,500	8,500	10,460	(1,960)	5,993	
Travel, conferences, meetings	19,430	19,430	9,504	9,926	9,976	
Employment services	11,000	11,000	13,898	(2,898)	6,754	
Total other employee costs	43,430	43,430	35,651	7,779	25,286	
Fleet parts and services:						
Parts	301,350	301,350	239,852	61,498	238,030	
Tires and tubes	58,375	58,375	60,245	(1,870)	66,285	
Greases and fluids	51,900	51,900	64,174	(12,274)	55,298	
Total fleet parts and services	411,625	411,625	364,271	47,354	359,613	
Insurance	369,884	369,884	364,131	5,753	325,138	
Advertising:						
Advertising	127,500	127,500	86,862	40,638	21,569	
Fare media	11,000	11,000	1,690	9,310	5,720	
Marketing supplies	10,500	10,500	13,120	(2,620)	5,816	
Total advertising	149,000	149,000	101,672	47,328	33,105	
Office and building supplies:						
Supplies	19,500	19,500	22,304	(2,804)	21,496	
Postage	4,934	4,934	2,254	2,680	2,130	
Total office and building supplies	24,434	24,434	24,558	(124)	23,626	

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2022

2022						
	Budgeted amounts		Actual	Variance with final budget positive (negative)	2021 (restated)	
	Original	Final				
Contract services:						
Technology services	\$ 180,069	180,069	177,873	2,196	132,011	
Legal fees	33,500	33,500	49,587	(16,087)	75,765	
Audit fees	24,500	24,500	23,500	1,000	20,500	
Other contracted services	158,100	158,100	147,777	10,323	73,398	
Real estate broker services - lease	15,000	15,000	63,783	(48,783)	-	
Miscellaneous services	3,100	3,100	2,361	739	4,891.00	
Total contract services	414,269	414,269	464,881	(50,612)	306,565	
Utilities and telephone:						
Heating fuel	163,686	163,686	165,246	(1,560)	108,119	
Electricity	157,330	157,330	121,646	35,684	105,780	
Water/sewer/storm water	44,610	44,610	36,086	8,524	32,784	
Phone/cell/internet	62,539	62,539	63,660	(1,121)	52,878	
Real estate taxes - lease	32,000	32,000	35,302	(3,302)	-	
Operating lease	329,688	329,688	326,083	3,605	70,169	
Total utilities and telephone	789,853	789,853	748,023	41,830	369,730	
Maintenance costs:						
Maintenance services	191,664	191,664	175,372	16,292	142,188	
Copier maintenance	5,000	5,000	6,236	(1,236)	2,862	
Maintenance supplies	123,000	123,000	94,693	28,307	102,744	
Snow plowing and removal	22,000	22,000	3,625	18,375	-	
Total maintenance costs	341,664	341,664	279,926	61,738	247,794	
Bank and credit card fees	25,000	25,000	21,602	3,398	19,645	
Capital match	155,460	155,460	155,460	-	106,649	
Capital expense	-	-	47,547	(47,547)	-	
Debt service principal	182,500	182,500	182,500	-	182,500	
Debt service interest	80,838	80,838	54,324	26,514	48,994	
Fund balance restoration	45,000	45,000	-	45,000	-	
Total expenditures	13,955,619	13,955,619	13,739,199	216,420	11,941,491	
Change in net position - budgetary basis	-	-	183,921	183,921	320,920	

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2022

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Reconciliation to GAAP:	\$			
Unbudgeted federal and state capital grants			2,877,703	
Unbudgeted federal and state operating grants			763,302	
Unbudgeted capital maintenance expense			(3,885)	
Unbudgeted contracted services			(890,649)	
Unbudgeted supplies/parts			(81,095)	
Unbudgeted other employee costs			(8,715)	
Unbudgeted local contributions			(181,746)	
Depreciation and amortization expense			(2,379,379)	
Insurance proceeds			46,947	
Capitalized local match			155,460	
Capitalized expense			47,547	
Principal payment on debt service			182,500	
Other postemployment benefits expense			(94,018)	
Lease capitalization / GASB 87 adjustments			248,321	
Gain (loss) on disposal of capital assets			(103,573)	
Net change in net position - GAAP basis			762,641	
Net position, beginning of year, restated			15,598,703	
Net position, end of year	\$		16,361,344	

GREATER PORTLAND TRANSIT DISTRICT

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

For the Year Ended December 31, 2022

GREATER PORTLAND TRANSIT DISTRICT
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
For the Year Ended December 31, 2022

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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, 2022, 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 28, 2023.

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 28, 2023
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, 2022. 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, 2022.

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.

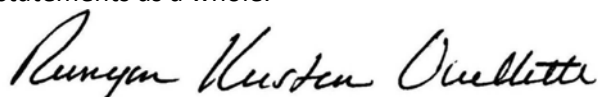
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2022, 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 28, 2023, 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 28, 2023
South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2022

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	\$ 2,858		-
Federal Transit Formula Grants	20.507	ME-2016-017-00	1,088		-
Federal Transit Formula Grants	20.507	ME-2017-007-00	601		-
Federal Transit Formula Grants	20.507	ME-2017-008-00	4,000		-
Federal Transit Formula Grants	20.507	ME-2018-011-00	11,735		-
Federal Transit Formula Grants	20.507	ME-2018-016-00	12,242		-
Federal Transit Formula Grants	20.507	ME-2019-001-00	219,674		-
Federal Transit Formula Grants	20.526	ME-2019-013-00	932,553		-
Federal Transit Formula Grants - COVID-19	20.507	ME-2020-010-03	935,612		710,359
Federal Transit Formula Grants	20.507	ME-2020-025-01	55,974		30,143
Federal Transit Formula Grants	20.507	ME-2021-016-00	390,666		-
Federal Transit Formula Grants	20.526	ME-2022-008-00	1,400,000		-
Federal Transit Formula Grants	20.507	ME-2022-011-00	4,327,021		-
Federal Transit Formula Grants	20.526	ME-2023-002-00	9,285		-
Federal Transit Formula Grants	20.507	ME-90-X213-01	28,364		-
Total Federal Transit Cluster				8,331,673	
Total U. S. Department of Transportation			8,331,673		740,502
Totals			\$ 8,331,673		740,502

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, 2022

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, 2022. 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, 2022**

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, 2022

GREATER PORTLAND TRANSIT DISTRICT
Reports Required by *Maine Uniform Accounting and*
Auditing Practices for Community Agencies
For the Year Ended December 31, 2022

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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, 2022, 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 28, 2023.

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 28, 2023
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, 2022. 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, 2022.

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, 2022, 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 28, 2023, 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 28, 2023
South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Expenditures of Department Agreements
For the year ended December 31, 2022

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:43130 (State Funds Only) State Funds - 022762.21	\$ 170,426	7/1/2021-6/30/2022	Multimodal Transit Account	Final	-	170,426	170,426
Transportation Systems Planning	CSN: 43526 (State Funds Only) State Funds - 026308.00	227,344	1/1/2022-12/31/2022	Multimodal Transit Account	Final	-	227,344	227,344
Transportation Systems Planning	CSN: 42878 (State Funds only) State Funds - 023901.00	1,500,000	6/4/2021-10/2/2030	Capital	Final	-	1,500,000	1,500,000
Transportation Systems Planning	CSN: 44325 (State Funds only) State Funds - 22783.21	166,500	8/23/2022-6/30/2023	Capital	Interim	-	783	783
Totals						\$ -	1,898,553	1,898,553

GREATER PORTLAND TRANSIT DISTRICT
Notes to Schedule of Expenditures of Department Agreements
December 31, 2022

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, 2022. 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, 2022

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
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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: 43130 State only funds - 022762.21	DOT – Multimodal
CSN: 43526 State only funds - 026308.00	DOT – Multimodal
CSN: 42878 State only funds - 023901.00	DOT – Capital

Total agreement expenses tested	\$ 1,897,770
Total Department expenses	\$ 1,898,553
Percentage tested	99.99%

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

DATE

May 3, 2023

SUBJECT

2023 Budget to Actual- Through March 31, 2023

PURPOSE

Provide information on the 2023 budget performance through March 31, 2023.

BACKGROUND/ANALYSIS

The 2023 comparative budget to actual report through March for revenue and expenditures is included in Attachment A.

Revenues

- Passenger Fare revenue collected at about 20% of the budgeted amount. In March, the fare promotion went into effect, so expect the growth here to slow over the coming months.
- Most other funding sources are not due or available as of March 2023.

Expenditures

- Overtime is tracking high as of March 2023, due to staffing shortages for absences and vacancies.
- Benefits are as expected through quarter 1 of 2023. Some line items appear over, however, that is due to the timing of payments.
- Based on the number of payroll weeks in the year, we should be at about 23.1% of wages and benefits expenditures. Overall, wages and benefits are on track at 23.5%.
- Services and Fees are as expected through quarter 1 of 2023. Some items appear over, such as technology services and maintenance services, which is also due to the timing of payments.
- Fuel, fluids and tires overall are within the range expected through March 2023. Greases and Fluids appear high, but this is due to an encumbrance for an open PO for the annual DEF purchase.
- Utilities are slightly higher than expected through quarter 1 2023, mostly due to heating costs. Expenditure growth here should slow as we enter warmer months.

FISCAL IMPACT

- None

RECOMMENDATION

This item is for information and discussion.

CONTACT

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Finance Director

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ATTACHMENTS

Attachment A – 2023 Comparative Budget Worksheets

Greater Portland Transit District
2023 Comparative Budget to Actual - Expenditures
 January 1 through March 31, 2023

Uses of Funds	2023 Budget	2023 Actual	Balance	% Exp	2022 Actual	2021 Actual	2020 Actual	YTD 2023-2022	%
Personnel Expenses									
Wages									
Wages	\$ 6,430,808	\$ 1,428,608	\$ 5,002,200	22.2%	\$ 1,360,413	1,223,950	\$ 1,210,390	\$ 68,195	4.8%
Overtime	496,934	195,362	301,572	39.3%	210,654	62,299	146,400	\$ (15,292)	-7.8%
Add'l Pay (PTO payout, Hlth opt out)	68,220	(2,582)	70,802	-3.8%	2,047	-	963	\$ (4,629)	179.3%
Holiday Pay - Worked	125,909	44,864	81,045	35.6%	40,900	38,187	38,748	\$ 3,963	8.8%
Total Wages	7,121,871	1,666,251	5,455,620	23.4%	1,614,014	1,324,436	1,396,501	\$ 52,237	3.1%
Benefits									
FICA	544,821	124,918	419,903	22.9%	119,800	98,611	103,186	\$ 5,118	4.1%
Health Ins	1,551,500	331,541	1,219,959	21.4%	326,618	308,351	313,270	\$ 4,923	1.5%
HRA Payments	80,000	13,758	66,242	17.2%	10,962	8,437	22,679	\$ 2,797	20.3%
Dental Ins	66,688	14,329	52,359	21.5%	15,639	14,017	14,711	\$ (1,309)	-9.1%
Disability Ins	65,631	18,391	47,240	28.0%	16,118	10,694	11,433	\$ 2,273	12.4%
Life Ins	2,426	443	1,984	18.2%	613	519	439	\$ (171)	-38.6%
Workers Comp	187,531	93,770	93,761	50.0%	90,522	85,671	67,221	\$ 3,249	3.5%
Unemployment	13,000	4,311	8,689	0.0%	-	39	-	\$ 4,311	100.0%
Vision Ins	3,010	647	2,363	21.5%	694	650	603	\$ (47)	-7.2%
Retirement	462,919	104,521	358,398	22.6%	84,534	76,124	75,551	\$ 19,987	19.1%
Uniforms	34,200	8,836	25,364	25.8%	4,974	7,261	4,623	\$ 3,862	43.7%
Contract reimbursements	-	-	-	0.0%	-	-	-	\$ -	0.0%
Total Benefits	3,011,726	715,466	2,296,260	23.8%	670,473	610,374	613,716	\$ 44,993	6.3%
Total Wages & Benefits	10,133,597	2,381,717	7,751,880	23.5%	2,284,487	1,934,810	2,010,217	\$ 97,230	4.1%
Non-Personnel Expenses									
Services and Fees									
Tuition Reimbursement	5,000	-	5,000	0%	975	-	-	\$ (975)	0.0%
Wellnes Program	10,000	-	10,000	0.0%	635	-	1,181	\$ (635)	0.0%
Legal Fees	45,000	11,692	33,308	26.0%	6,585	8,150	1,082	\$ 5,108	43.7%
Audit Fees	26,000	22,500	3,500	86.5%	20,000	20,000	21,000	\$ 2,500	11.1%
Arch & Engineer Fees	5,000	-	5,000	0.0%	-	-	-	\$ -	0.0%
Temporary Help	30,000	37,556	(7,556)	100.0%	4,149	-	3,945	\$ 33,407	89.0%
Employment Services	12,287	1,671	10,616	13.6%	1,042	1,137	616	\$ 629	37.6%
Benefit Administration Fees	8,636	2,409	6,227	27.9%	1,986	2,502	2,469	\$ 424	17.6%
Technology Services	184,465	129,303	55,162	70.1%	127,006	87,996	89,339	\$ 2,298	1.8%
Bank and CC Fees	24,050	3,545	20,505	14.7%	2,567	2,415	2,961	\$ 978	27.6%
Advertising	124,500	16,621	107,879	13.3%	51,611	1,181	10,255	\$ (34,991)	-210.5%
Postage	2,954	612	2,342	20.7%	697	953	1,665	\$ (86)	-14.0%
Other Contracted Services - Operations	81,029	12,366	68,663	15.3%	9,967	1,070	40	\$ 2,398	19.4%
Other Contracted Services- HR	13,500	-	13,500	0.0%	-	62	405	\$ -	0.0%
Other Contracted Svcs-Security	10,000	-	10,000	0.0%	-	-	-	\$ -	0.0%
Other Contracted Services- Veh Maint	5,000	-	5,000	0.0%	-	4,540	-	\$ -	0.0%
Other Contracted Services Mktg	61,500	43,345	18,155	70.5%	2,481	95	12,547	\$ 40,864	94.3%
Other Contracted Services	20,000	-	20,000	0.0%	156	-	-	\$ (156)	0.0%
Other Contracted Services	-	-	-	0.0%	-	-	-	\$ -	0.0%
RE Broker, MGMT, CAM	78,060	-	78,060	0.0%	-	-	-	\$ -	0.0%
Software Lic	3,950	2,690	1,260	68.1%	1,970	1,670	1,520	\$ 720	26.8%
Office Machine Maintenance	8,000	-	8,000	0.0%	-	-	-	\$ -	0.0%
Maintenance Services	172,500	87,338	85,162	50.6%	55,921	89,083	48,155	\$ 31,416	36.0%
Maintenance Services- Accident Repair	-	-	-	-	-	-	-	\$ -	0.0%
Snow Plowing and Removal Svc	19,000	9,000	10,000	47.4%	3,335	-	2,850	\$ 5,665	62.9%
Custodial Services	48,000	11,701	36,299	0.0%	-	-	-	\$ 11,701	100.0%
Miscellaneous Services	2,500	2,225	275	89.0%	607	2,756	2,452	\$ 1,618	72.7%
Total Services and Fees	1,000,931	394,573	606,358	39.4%	291,689	223,610	202,482	\$ 102,884	26.1%
Fuel-Fluids-Tires									
CNG Fuel	130,000	40,198	89,802	30.9%	46,837	24,752	31,472	\$ (6,639)	-16.5%
Diesel Fuel	525,928	78,668	447,260	15.0%	82,692	109,683	101,363	\$ (4,024)	-5.1%
Electricity- Fuel	30,000	4,882	25,118	16.3%	24	-	-	\$ 4,858	99.5%
Greases and Fluids	68,040	47,012	21,028	69.1%	12,143	14,319	11,183	\$ 34,869	74.2%
Tires and Tubes	69,750	10,982	58,768	15.7%	10,088	2,257	632	\$ 893	8.1%
Total Fuel, Tires and Fluids	823,718	181,742	641,976	22.1%	151,784	151,011	144,650	\$ 29,958	16.5%
Supplies & Equipment									
Shop Supplies	41,500	13,731	27,769	33.1%	11,532	9,222	7,222	\$ 2,199	16.0%
Shelter Supplies	5,000	-	5,000	0.0%	1,091	65	-	\$ (1,091)	0.0%
Building Supplies	29,500	10,525	18,975	35.7%	6,953	13,673	7,351	\$ 3,572	33.9%
HR Supplies	-	-	-	0.0%	-	-	-	\$ -	#DIV/0!
IT Supplies	2,000	-	2,000	0.0%	-	137	188	\$ -	0.0%
Supplies Cust Rel & Promo	10,500	1,798	8,702	17.1%	1,744	955	4,808	\$ 54	3.0%
Office Supplies	17,500	3,665	13,835	20.9%	4,442	2,163	2,756	\$ (777)	-21.2%
Fare Media	6,000	8,120	(2,120)	135.3%	200	-	1,417	\$ 7,920	97.5%
Parts	260,000	66,879	193,121	25.7%	59,849	63,688	73,973	\$ 7,030	10.5%
Parts- Accident Repair	0	-	-	0.0%	6,316	-	-	\$ (6,316)	0.0%
Veh Ops Eq- Other Supplies	5,000	1,642	3,358	0.0%	-	-	-	\$ 1,642	100.0%
Minor Equipment	23,500	4,526	18,974	19.3%	2,747	4,262	-	\$ 1,779	39.3%
Total Supplies and Equipment	400,500	110,885	289,615	27.7%	94,873	94,165	97,715	\$ 16,013	14.4%

Greater Portland Transit District
2023 Comparative Budget to Actual - Expenditures
January 1 through March 31, 2023

Uses of Funds	2023 Budget	2023 Actual	Balance	% Exp	2022 Actual	2021 Actual	2020 Actual	YTD 2023-2022	%
Utilities									
Heating Fuel	175,469	71,434	104,035	40.7%	70,349	37,002	41,002	\$ 1,085	1.5%
Electricity	137,711	20,534	117,177	14.9%	34,778	24,455	19,015	\$ (14,244)	-69.4%
Water/Sewer/Stormwater	43,563	8,135	35,428	18.7%	8,653	7,786	8,936	\$ (518)	-6.4%
Phone/Cell/Internet	76,060	16,380	59,680	21.5%	12,810	12,849	18,055	\$ 3,570	21.8%
Real Estate Taxes	40,182	12,074	28,108	30.0%	11,524	-	-	\$ 550	4.6%
Operating Lease	332,605	110,500	222,105	33.2%	108,333	-	-	\$ 2,167	2.0%
Total Utilities	805,590	239,057	566,533	29.7%	246,448	82,092	87,008	\$ (7,391)	-3.1%
Insurance									
Auto/Liability Insurance	395,309	198,184	197,125	50.1%	165,788	158,246	146,796	\$ 32,396	16.3%
Total Insurance	395,309	198,184	197,125	50.1%	165,788	158,246	146,796	\$ 32,396	16.3%
Miscellaneous Expenses									
Dues and Subscriptions	30,120	4,705	25,415	15.6%	4,331	5,130	4,275	\$ 374	7.9%
Conferences and Travel	19,430	10,125	9,305	52.1%	5,656	3,964	2,857	\$ 4,469	44.1%
Meals and Hosting	8,500	958	7,542	11.3%	449	279	3,672	\$ 509	53.2%
Liscenses and Permits	1,500	-	1,500	0.0%	450	-	100	\$ (450)	0.0%
Total Misc	59,550	15,788	43,762	26.5%	10,886	9,373	10,904	\$ 4,902	31.1%
ADA Paratransit Services									
ADA Paratransit Services	416,404	71,545	344,859	17.2%	51,189	46,944	76,308	\$ 20,357	28.5%
Total ADA Paratransit Services	416,404	71,545	344,859	17.2%	51,189	46,944	76,308	\$ 20,357	28.5%
Debt Service									
Interest Expense	132,178	11,182	120,996	8.5%	10,308	11,340	17,527	\$ 874	7.8%
Debt Service Principal	199,150	-	199,150	0.0%	-	-	22,968	\$ -	0%
Total Debt Service	331,328	11,182	320,146	3.4%	10,308	11,340	40,495	\$ 874	7.8%
Capital & Reserves									
Contribution to Unrest Balance	45,000	-	45,000	0.0%	45,000	-	-	\$ (45,000)	0.0%
Transfers	-	-	-	0.0%	2,935	-	-	\$ (2,935)	0.0%
GF Cap Outlay for Oth Cap Itms	125,000	-	125,000	100.0%	155,460	106,649	25,162	\$ (155,460)	0.0%
Other Capital Expenses	-	13,600	(13,600)	100.0%	-	-	-	\$ 13,600	100.0%
Total Capital	170,000	13,600	170,000	8.0%	203,395	106,649	25,162	\$ (189,795)	0.0%
Total Non-Personnel Expenses	4,403,330	1,236,556	3,166,773.95	28.1%	1,226,359	883,430	831,520	\$ 10,197	0.8%
Total	\$ 14,536,927	\$ 3,618,273	10,918,654	24.9%	\$ 3,510,846	\$ 2,818,240	2,841,737	107,428	3.0%

Greater Portland Transit District

2023 Expenditure and Revenue Report - 151 St John Street Lease

January 1 through March 31, 2023

Uses of Funds	2023 Budget	2023 Actual	Balance	% Exp	2022 Actual	2021 Actual
Non-Personnel Expenses						
Services and Fees						
Arch & Engineer Fees	-	-	-	0.0%	-	-
Legal Fees	5,000	-	-	-	-	-
Real Estate Taxes	40,182	12,074	28,108	30.0%	11,524	-
Operating Lease	332,605	110,500	222,105	33.2%	108,333	-
Maintenance Services	15,000	-	15,000	0.0%	276	-
Snow Plowing and Removal Svc	10,000	-	10,000	0.0%	-	-
RE Broker, MGMT, CAM	78,060	23,100	54,960	29.6%	-	-
Total Services and Fees	480,847	145,674	330,173	30.3%	120,133	-
Supplies & Equipment						
Building Supplies	3,500	-	3,500	-100.0%	46	-
Minor Equipment	0	-	-	0.0%	-	-
Total Supplies and Equipment	3,500	0	3,500	-100	46	0
Utilities						
Heating Fuel	0	-	-	#DIV/0!	560	-
Electricity	0	1,296	(1,296)	#DIV/0!	-	-
Water/Sewer/Stormwater	0	870	(870)	#DIV/0!	123	-
Phone/Cell/Internet	-	-	-	0.0%	-	-
Total Utilities	-	2,166	-2,166	#DIV/0!	683	0
Insurance						
Auto/Liability Insurance	18,974	6,324	12,650	33.3%	-	-
Total Insurance	18,974	6,324	12,650	33.3%	-	-
Miscellaneous Expenses						
	-	-	-	0	-	-
	-	-	-	0	-	-
	-	-	-	0	-	-
	-	-	-	0	-	-
Total Misc	0	0	0	0.0%	0	0
Total Expenses	503,321	154,165	349,156.42	30.6%	120,862	0

Sources of Funds	2023 Budget	2023 YTD Coll	2023 Balance	% Coll	2022 YTD Coll	2021 YTD Coll
Miscellaneous Revenue						
Rental of Property	269,990	101,613	(168,377)	37.6%	-	-
Total Miscellaneous Revenue	269,990	101,613	(168,377)	37.6%	-	-
Municipal Funding						
Municipal Assessment for Oper	93,861	-	(93,861)	0.0%	-	-
Total Municipal Funding	93,861	-	(93,861)	0.0%	-	-
State Funding						
State Operating Subsidy- Lease	234,654	234,654	-	100.0%	227,334	-
Total State Funding	234,654	234,654	-	100.0%	227,334	-
Federal Funding						
Federal Operating Assistance	-	-	-	0	-	-
Total Federal Revenue	-	-	-	0.0%	-	-
Total Revenue	\$ 598,505	\$ 336,267	\$ (262,238)	56.2%	\$ 227,334	\$ -
Total Expenditures		154,165			120,862	-
Net Revenue less Expenditures	95,184	\$ 182,102			\$ 106,472	\$ -

Greater Portland Transit District
2023 Comparative Budget to Actual - Revenue
January 1 through March 31, 2023

Sources of Funds	2023 Budget	2023 YTD Coll	2023 Balance	% Coll	2022 YTD Coll	2021 YTD Coll	2020 YTD Coll	YTD 2023-2022	%
Passenger Fares									
Passenger Fares	\$ 1,510,307	\$ 280,774	\$ 1,229,533	18.6%	\$ 267,574	\$ 191,616	\$ 310,824	\$ 13,200	4.7%
Organization Paid Fares	850,429	208,535	641,894	24.5%	106,231	31,946	160,910	102,304	49.1%
Total Passenger Fares	2,360,736	489,309	1,871,427	20.7%	373,805	223,562	471,734	115,504	23.6%
Miscellaneous Revenue									
Advertising Revenue	355,000	8,453	346,548	2.4%	13,195	8,160	32,648	(4,743)	-56.1%
Vehicle Maint Services	5,000	1,500	3,500	30.0%	1,500	3,315	2,415	-	0.0%
Sale of Fuel	7,000	2,188	4,812	31.3%	2,711	6,397	6,465	(523)	-23.9%
Interest Income	15,000	24,718	(9,718)	164.8%	964	1,696	4,019	23,754	96.1%
Reimbursement of Autofare Fees	14,450	3,535	10,915	24.5%	2,973	-	-	562	15.9%
Wellness & Training Grant	7,500	-	7,500	0.0%	1,284	-	-	(1,284)	0%
Miscellaneous Income	10,000	6,748	3,252	67.5%	10,613	9,172	1,094	(3,865)	-57.3%
Rental of Property	269,990	101,613	168,377	37.6%	-	10,699	10,438	101,613	100.0%
Claims Recovery	-	5,000	(5,000)	100.0%	9,319	881	552	(4,319)	-86.4%
Total Miscellaneous Revenue	683,940	153,754	530,186	22.5%	42,558	40,320	57,631	111,196	72.3%
Municipal Funding									
Municipal Payments for Oper	35,000	-	35,000	0.0%	-	-	-	-	0.0%
Municipal Payments for Cap	-	-	-	0.0%	-	-	-	-	0.0%
Municipal Payments for ADA	83,281	22,714	60,567	27.3%	10,203	9,369	15,122	12,511	55.1%
Municipal Assessment for Oper	4,468,433	-	4,468,433	0.0%	-	-	-	-	0.0%
Municipal CARES Credit	-	-	-	0.0%	-	-	-	-	0.0%
Municipal Assessment for Cap	124,999	-	124,999	0.0%	-	-	-	-	0.0%
Total Municipal Funding	4,711,713	22,714	4,688,999	0.5%	10,203	9,369	15,122	12,511	55.1%
State Funding									
State Operating Subsidy	170,426	170,426	-	100.0%	170,426	170,426	170,426	-	0.0%
State Operating Subsidy- Lease	234,654	234,654	-	100.0%	227,334	-	-	7,320	3.1%
Total State Funding	405,080	405,080	-	100.0%	397,760	170,426	170,426	7,320	1.8%
Federal Funding									
Federal Operating Assistance	3,928,774	127,745	3,801,029	3.3%	242,513	97,248	-	(114,768)	-89.8%
Federal Transit West Operating Assistance	-	-	-	0.0%	127,421	-	-	(127,421)	0.0%
Federal CARES funding	865,292	865,292	-	100.0%	-	423,668	-	865,292	100%
Federal Prev Maint Assistance	1,248,269	8,010	1,240,259	0.6%	-	158,893	-	8,010	100.0%
Federal Paratransit Assistance	333,123	13,263	319,860	4.0%	40,952	37,555	26,940	(27,689)	-208.8%
Total Federal Revenue	6,375,458	1,014,310	5,361,148	15.9%	410,886	717,364	26,940	603,424	59.5%
Total Revenue	\$ 14,536,927	\$ 2,085,167	\$ 12,451,760	14.3%	\$ 1,235,212	\$ 1,161,041	\$ 741,853	\$ 849,955	40.8%
Total Expenditures		3,618,273			3,510,846	2,818,240	2,841,737		
Net Revenue less Expenditures		\$ (1,533,106)			\$ (2,275,633)	\$ (1,657,199)	\$ (2,099,884)		

DATE

May 3, 2023

SUBJECT

2022 Advertising Revenue Review

PURPOSE

Provide information on the 2022 advertising contracts.

BACKGROUND/ANALYSIS

In an effort to increase directly generated revenues, and reduce Metro’s dependency on other sources of funding, Metro allows advertisements to be placed on buses- both outside bus wraps and interior bus signs, and as signage on bus shelters.

Metro was seeing a steady increase in advertising revenue in the years leading up to the pandemic, and then a sharp decrease at the onset in 2020. The 2020 budgeted amount for advertising revenue was set at \$292k, and actual revenue collected that year was about 56% of budgeted amounts, or \$166k. Signs of recovery showed in 2021, with about \$195k in total advertising revenue collected. In 2022, Metro collected the highest amount of advertising revenue to date, with a total of approximately \$355k, 179.4% of budgeted amounts.

Bus Signs and Wraps

In 2022, there were a total of 21 advertisers for bus exterior and interior signs. Total contracts with this method of advertising accounted for about 72.2% of 2022 advertising revenue, or about \$256k. The chart below provides the details on the top five advertising contracts, along with the total revenue generated from these contracts, and % of total.

Bus Signs & Wraps

Total Contracts (21 Advertisers)	\$ 256,090	72.2%
5 Largest Advertisers:		
AT&T Mobile	118,188	46.2%
Coca Cola Bottler	10,920	4.3%
Eastern Alliance Insurance	7,245	2.8%
Joe Bornstein	57,838	22.6%
Oxford Casino	21,837	8.5%
	216,027	84.4%

Curbside and Shelter Signs

In 2022, there were a total of 12 advertisers for bus shelter signs. Total contracts with this method of advertising accounted for about 27.8% of 2022 advertising revenue, or about \$99k. The chart below provides the details on the top five advertising contracts, along with the total revenue generated from these contracts, and % of total.

Curbside & Shelter Signs		
Total Contracts (12 Advertisers)	\$ 98,634	27.8%
5 Largest Advertisers:		
AT&T Mobile	31,579	32.0%
Consolidated Communications	13,860	14.1%
Geico	28,621	29.0%
UHC- Gouvernement	6,300	6.4%
Better Business Bureau	5,670	5.7%
	80,360	87.2%

FISCAL IMPACT

As described.

RECOMMENDATION

This item is for information and discussion.

CONTACT

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ATTACHMENTS

None