

State Compliance Audit

Greater Portland Transit District

December 31, 2011



Proven Expertise and Integrity

GREATER PORTLAND TRANSIT DISTRICT

DECEMBER 31, 2011

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Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

We have audited the accompanying financial statements of the business-type activities of Greater Portland Transit District as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Greater Portland Transit District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Greater Portland Transit District as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2012, on our consideration of Greater Portland Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greater Portland Transit District's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of federal awards 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**Greater Portland Transit District
Management's Discussion and Analysis
Fiscal Year Ended 2011**

The Greater Portland Transit District (GPTD) is a not for profit, quasi-governmental organization providing public transportation to the member cities of Portland, Westbrook and the Town of Falmouth. As management of GPTD, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of GPTD for the fiscal year ended December 31, 2011.

GPTD's basic financial statements include the following:

- Statements of Net Assets
- Statements of Revenues, Expenses, and Changes in Net Assets
- Statements of Cash Flows
- Statement of Changes in Net Assets
- Notes to the Financial Statements

Financial Highlights

This MD & A is a narrative of the key financial activities for the District's fiscal year ended December 31, 2011 as part of its audited financial statements.

GPTD's net assets of \$4,658,093 reflected a decrease of \$514,822 from 2010.

Net change for total current assets was an increase of \$334,648.

Total operating revenues increased \$299,081 and non-operating revenues increased \$49,048.

Total expenses excluding depreciation increased \$75,687.

A more detailed narrative follows the presentation of each financial statement.

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Comparison of Financial Statements for Current and Prior Years

| | <u>2011</u> | <u>2010</u> | <u>Change</u> |
|--|----------------------------|----------------------------|----------------------------|
| Assets: | | | |
| Current Assets: | | | |
| Cash | \$ 462,351 | \$ 140,184 | \$ 322,167 |
| Investments | 133 | 200 | (67) |
| Accounts receivable | 229,419 | 253,811 | (24,392) |
| Inventory | 249,152 | 215,165 | 33,987 |
| Prepaid expenses | 41,326 | 38,373 | 2,953 |
| Net Property and Capital Assets | <u>4,547,300</u> | <u>4,906,487</u> | <u>(359,187)</u> |
| Total Assets | <u>\$ 5,529,680</u> | <u>\$ 5,554,220</u> | <u>\$ (24,540)</u> |
| Liabilities: | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 152,425 | \$ 116,811 | \$ 35,614 |
| Accrued payroll expenses | 90,728 | 69,870 | 20,858 |
| Accrued compensated absences | 120,495 | 119,458 | 1,037 |
| Other liabilities | 81,032 | 75,166 | 5,866 |
| Current portion of long-term obligations | <u>39,288</u> | <u>-</u> | <u>39,288</u> |
| Total Current Liabilities | <u>483,968</u> | <u>381,305</u> | <u>102,663</u> |
| Noncurrent Liabilities | | | |
| Noncurrent portion of long-term obligations | | | |
| Bonds payable | <u>387,619</u> | <u>-</u> | <u>387,619</u> |
| Total Noncurrent Liabilities | <u>387,619</u> | <u>-</u> | <u>387,619</u> |
| Total Liabilities | <u>\$ 871,587</u> | <u>\$ 381,305</u> | <u>\$ 490,282</u> |
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | | | |
| Temporarily restricted | \$ 4,120,393 | \$ 4,906,487 | \$ (786,094) |
| Unrestricted Net Assets | <u>335,000</u> | <u>-</u> | <u>335,000</u> |
| | <u>202,700</u> | <u>266,428</u> | <u>(63,728)</u> |
| Total Net Assets | <u>\$ 4,658,093</u> | <u>\$ 5,172,915</u> | <u>\$ (514,822)</u> |

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Current assets reflect an increase of \$334,648 from 2010. The most significant changes are with the cash and accounts receivable accounts. Cash increased \$322,169 and accounts receivable decreased \$24,392. The net change for the two accounts was an increase of \$297,777. Inventories increased \$33,987 after stocking required consumables for the new Gillig diesel buses.

The accounts receivable balance includes a trade A/R balance of \$134,233, an increase of \$43,178; advertising of \$39,637, which is a decrease of \$11,224; federal rebate due of \$11,154, a decrease of \$65,512 for CNG usage by our buses during the calendar year and RTP common area charges due of \$24,308. Other miscellaneous receivables increased \$7,825.

Inventory increased \$33,987. Bus part inventory increased \$21,052 with a need to stock parts specific to the 2011 Gillig buses which arrived in March.

Prepaid expenses increased \$2,953.

Property, plant and equipment value increased \$209,982 from 2010. Accumulated depreciation increased \$569,169. Depreciation expense for the year was \$761,484. One of the model year 2000 New Flyer buses was disposed of.

The District replaced three piping sumps for the underground diesel and gasoline storage tanks to remain in compliance with DEP for \$33,700. Two leaking heat exchangers were replaced on the compressor station and both compressors were rebuilt. Total cost for these projects was \$42,773.

Transportation related equipment purchases included farebox upgrades of \$135,900 for the complete fleet and installation of surveillance equipment on the transit vehicles for a cost of \$75,533. In addition, the local match of the new Gillig buses was \$111,086. Bus capital replacement costs were \$6,563 and tire additions were \$6,631.

Shop and garage equipment increased \$7,040 and included equipment for storing and metering Urea that is necessary for fueling the 2011 Gillig buses. Office equipment increased \$466 for various furniture items and \$2,234 of additional computer equipment was purchased.

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Liabilities

Total liabilities increased \$490,281 from 2010.

Accounts payable increased \$35,614 to \$152,425.

Accrued payroll liabilities of \$211,223, were higher by \$21,895. Most of the increase was due to unpaid wages for the final week of December that were earned but not paid at year end.

Uncompensated absences increased \$1,037.

Other Liabilities include a reserve of \$25,030 for GASB 45, 2011 valuation, \$30,500 reserved for HRA plan and \$8,000 for emergency related compressor station repair.

Long Term Debt

The District incurred debt in the form of two, ten year bonds with Bangor Savings Bank. The original amounts due were \$335,000 to be used for capital structural improvements and \$111,086 which was the local match required for three 2011 Gillig buses that were put in service in 2011.

Net Assets

Net assets, invested in capital assets net of related debt, decreased by \$359,187 as a result of purchases of property plant and equipment being less than the additional accumulated depreciation discussed earlier.

Unrestricted net assets decreased to \$110,794 from \$266,428.

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Statement of Revenues, Expenses, & Changes in Net Assets

| | <u>2011</u> | <u>2010</u> | <u>Change</u> |
|--|---------------------|---------------------|---------------------|
| OPERATING REVENUES | | | |
| Passenger fares | \$ 1,744,713 | \$ 1,523,929 | \$ 220,784 |
| Outside maintenance and rental | 2,750 | 2,750 | - |
| Advertising | 217,222 | 138,925 | 78,297 |
| TOTAL OPERATING REVENUES | <u>1,964,685</u> | <u>1,665,604</u> | <u>299,081</u> |
| OPERATING EXPENSES | | | |
| General administration | 831,200 | 839,705 | (8,505) |
| Transportation | 4,086,162 | 3,906,699 | 179,463 |
| Maintenance | 1,312,588 | 1,407,859 | (95,271) |
| Depreciation | 761,484 | 725,362 | 36,122 |
| TOTAL OPERATING EXPENSES | <u>6,991,434</u> | <u>6,879,625</u> | <u>111,809</u> |
| OPERATING (LOSS) | <u>(5,026,749)</u> | <u>(5,214,021)</u> | <u>187,272</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Operating assistance | | | |
| Federal grants | 1,316,486 | 1,377,870 | (61,384) |
| State grants | 84,679 | 84,679 | - |
| Local subsidies | 2,792,354 | 2,791,963 | 391 |
| Capital grants | 209,564 | 99,551 | 110,013 |
| PSD & RTP Services | 23,838 | 24,293 | (455) |
| Falmouth Route 7 formula funding | 69,251 | 51,622 | 17,629 |
| Interest income | 116 | 423 | (307) |
| Miscellaneous income | 83,390 | 120,740 | (37,350) |
| Interest expense | (23,711) | (15,104) | (8,607) |
| Extraordinary expenses | (1,466) | (62,892) | 61,426 |
| Gain (loss) on sale of assets | (42,574) | (10,266) | (32,308) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>4,511,927</u> | <u>4,462,879</u> | <u>49,048</u> |
| INCREASE (DECREASE) IN NET ASSETS | (514,822) | (751,142) | 236,320 |
| NET ASSETS - JANUARY 1 | <u>5,172,915</u> | <u>5,924,057</u> | <u>(751,142)</u> |
| NET ASSETS - DECEMBER 31 | <u>\$ 4,658,093</u> | <u>\$ 5,172,915</u> | <u>\$ (514,822)</u> |

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Passenger fare revenues increased \$220,782 or 14.5% from 2010. Full fares increased \$39,678 or 5.3%, monthly pass revenue increased \$105,061 or 20.0%. Sales of 10 ride, scrip, park & shop and day pass sales saw a growth of \$13,583 or 23.2% over 2010. Day pass sales increased \$18,671 and 10 ride sales increased \$20,274 or 15.2%. MaineCare monthly pass sales increased \$74,593 or 21.7% from 2010. The affect of 2010 fare increase changes influenced the first quarter results only because those increases went into affect during the second quarter of 2010.

Advertising revenue of \$217,222 increased \$78,297 or 56.4% from 2010 due to the efforts of our provider, Alternate Transit Advertising. The company remains our current provider of advertising services.

Local operating subsidies increased \$391 to \$2,792,354 from 2010's subsidy of \$2,791,963. The 2011 subsidy represented 44.1% of total revenue which is down from the 2010 subsidy that was 45.7% of total revenue.

The federal operating subsidy for 2011 decreased \$61,384 from the 2010 subsidy to \$1,316,486. The District's share of FTA flexible funding decreased again for the year primarily because the state received no STIC (Small Transit Intensive Cities) funding. This reduction in funds impacts F/Y 2012 and beyond and impacts all of the providers. Still, FTA grants continue to be a major source of operating and ongoing capital funding.

Maine DOT contributed \$84,679 of operating funding and provided \$69,251 in Job Access Reverse Commute (JARC) funding which continues to offset the direct cost of running the Falmouth Flyer (Route 7), now in its seventh year of operation.

RTP contracted services were \$ 170 for 2011. Revenues from the City of Portland were \$23,669 and are related to CNG school bus repairs and maintenance. Additionally the city purchased \$23,716 worth of CNG to operate the nine CNG buses in its fleet.

Capital grant revenue increased by \$110,013 due to increased capital purchases.

Overall, revenues increased \$327,619 to \$6,544,364 from 2010's revenues of \$6,216,745.

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

General administrative expenses of \$854,910 were \$500 less than in 2010. Salary and fringe cost of \$518,830 was \$2,397 less than 2010 primarily due to a decrease of \$9,761 in unemployment insurance reimbursements. Actual wage, vacation and holiday costs increased \$3,030. Actual expense was \$5,557 under the 2011 budget for salary and fringe. Other variances from 2010 were legal expenses of \$42,826, which were higher by \$17,576; Council of Governments charges that were \$10,952 and lower by \$32,998 because there was no federal required passenger survey. Auto and General Liability insurance of \$120,416 was \$11,892 more than in 2010 due to cost of insuring an additional seven new buses for collision. Telephone costs were \$3,508 less than in 2010 because of adjustments to charges for cell phones for AVL and radios. Debt service increased by \$8,607 due to the additional interest expense associated with the two bond transactions with Bangor Savings Bank.

Transportation expenses were \$4,086,162 for 2011 and were \$179,463 (4.6%) higher than the 2010 expense of \$3,906,699. Labor and fringe costs were higher from 2010 by \$56,757. There was a 1.5% wage increases. Major medical costs were higher by \$33,979.

Fuel costs, a combination of diesel (\$432,924) and CNG (154,498), totaled \$587,422. Fuel cost totals were higher than 2010 by \$121,487; \$195,172 for diesel and \$73,685 less than 2010 costs for natural gas.

Maintenance department expenses were \$1,312,587 for 2011, which was a decrease of \$95,272 compared to 2010 costs, a 6.8% decrease. Labor and fringe costs were \$784,474 which was \$25,287 less than the 2010 total of \$809,760.

Commodity purchases were \$528,113 for 2011 and were less than 2010 costs of \$598,099 by \$69,986. Parts for revenue equipment were \$129,524, lower than the 2010 costs of \$194,958 by \$65,435 due in part to newer buses in the fleet.

Heating costs of \$109,287 were higher than the 2010 cost of \$99,851 by 9,435 due in part to a much colder winter than the preceding year.

Overall Financial Position

GPTD's overall financial position remains stable. Federal formula flexible funding available to the District is expected to remain at current funding levels of approximately \$1,316,000. The member cities of Portland, Westbrook and the town of Falmouth are very supportive of public transportation and will continue to fund existing service at current levels through 2012.

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Maine DOT continues to fund some of the District operating cost which was \$69,251 in 2011 for the Job Access Reverse Commute program and also provides operating funds of \$84,679.

With the new Gillig buses fully operational the District will concentrate on a bus procurement program to replace the remaining 2000 New Flyers and 1996/97 used buses with new CNG buses. The District will begin 2012 with 13 six year old CNG buses in addition to the buses mentioned earlier.

Going forward, passenger fares will continue to provide between 22 and 26 percent of stable revenues necessary to properly operate the District. We expect to see level monthly pass sales now particularly with MaineCare sales, which have improved during the last year. We expect that funding will remain level or continue to increase for all other revenue sources particularly in light of the recent trend of higher gasoline prices.

The District has \$426,908 in long term debt and also borrows for approximately nine months annually until local subsidies are paid. The District was awarded a federal state of good repair grant to finance the replacement of bus lifts and new roofing in 2012. Current debt will provide the matching local funds. Capital improvements will also be made to the existing building facilities.

Current assets excluding bond funds are \$661,781 while current liabilities are at \$444,679 for a current ratio of 1.5 at year-end.

There are no issues pending that we are aware of that could significantly influence our current position.

Fund Analysis

GPTD's unrestricted net assets are \$110,794 a decrease of \$155,634 from 2010 and remain in line historically.

Significant Budget Variances

Day Pass revenues of \$72,562 were over budget by \$18,671 or 34% due to improved cruise ship numbers of passengers debarking. RTP's MaineCare monthly pass program sales of \$418,600 were \$66,152 more than expected and our regular monthly pass revenues of \$210,548 were over budget by \$25,667. Ten ride ticket sales were \$10,917 over budget as well. Other fare media sales were slightly up as well. Full fare revenue of \$788,379 was on budget.

Passenger fares in total were \$156,336 over the projected revenue of \$1,588,377.

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Advertising revenues were \$72,217 over the planned \$145,005. All space was filled and there were more buses on the road with advertising than in prior years. Advertising continues to be an important line item for the District.

Administration labor cost was over the budget of \$338,235 by \$8,725 or 2.6%. Fringe benefit costs were under budget by \$14,282 or 7.7%. The biggest savings was unemployment costs which was \$7,884 below the budget of \$11,000. Variances in holiday, pension match and vacation pay accounted for the balance of the favorable variance.

Marketing expense was under budget by \$1,352 from the planned \$17,000. Legal expense was \$12,826 over the budget of \$30,000 primarily due to one arbitration preparation. Debt service was over budget by \$6,911 due to interest expense on the two new notes not planned for in the budget. Telephone costs of \$46,296 were less than budget by \$3,509 because of ongoing discussions and changes to our cellphone plans. Actual costs against the budgeted contingency allowance were charged against the appropriate line item costs such as labor for the additional .5% of the 1.5% increase.

Insurance costs were \$122,795 and \$5,650 under our budget of \$128,445.

Transportation salaries/wages were over the budget of \$2,094,948 by \$102,357 (4.9%). The salaries and wage line item was under the budget of \$1,986,949 by \$137,824 (6.9%) however the overtime line item was over the budget of \$107,999 by \$240,181 (222%). Two employees were out for illness/injury for the entire year, two for six months and one for 10 months all of which greatly increased the need for overtime to cover the lost available regular hours. In addition, at least two more employees were out for a month. Fringe benefit expense was \$16,224 (.8%) under the budget of \$1,294,940.

As mentioned earlier, diesel expense of \$432,924 were over budget by \$156,924 (57%) and natural gas cost for the CNG buses was \$154,198 which was under the budget of \$185,197 by \$30,699 (16.6%). Energy costs were higher than the 2010 costs of \$465,936 due to increased diesel demand.

Overall transportation expenses were \$181,120 (4.6%) higher than the planned \$3,905,042 for 2011 spending.

Maintenance salaries and wages were \$473,283 which was below budget by \$13,519 (2.8%). Fringe benefit costs were \$311,191 and under budget by \$22,596 (6.8%).

**Greater Portland Transit District
Management's Discussion and Analysis, Continued**

Total commodities costs were \$528,113 which was \$9,293 below budget.

Parts costs and related for transit and service vehicles were \$238,350 and under budget by \$7,297. 2011 costs were \$49,743 less than the 2010 costs of \$288,093 because of an overall younger fleet.

Parts costs for building and grounds was \$82,354 and under the budget of \$85,863 by \$3,509.

Natural gas for heating was \$109,287 and over budget by \$14,287 (15%) due to the colder winter that we experienced.

Capital Asset and Long Term Debt Activity

The District benefited from a State of Good Repair grant award of \$1,148,000. The local match was \$287,000 and is available from the bond proceeds of 2011. This grant will provide funding for the replacement of bus lifts, new roofs, reconditioning of the locker rooms, restrooms and showers and two replacement vehicles. It will also provide funding for upgrades to the CNG station for faster fueling.

Current long term debt is \$426,908 which will be retired over the next ten years. There will be additional debt required over the next three years for new bus purchases needed to replace the 1996/97 diesel buses.

Other Significant Events

Maine Department of Transportation has informed all providers that it can no longer provide financial assistance in the form of local match as it has done in the past. This means that the burden falls completely on the member municipalities. Current local match requirements for bus purchases are 20% for diesel and 17% for CNG.

STATEMENT A
GREATER PORTLAND TRANSIT DISTRICT

STATEMENTS OF NET ASSETS
DECEMBER 31,

| | 2011 | 2010 |
|--|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 462,351 | \$ 140,184 |
| Investments | 133 | 200 |
| Accounts receivable (net of allowance for uncollectible accounts) | 229,419 | 253,811 |
| Inventory | 249,152 | 215,165 |
| Prepaid expenses | 41,326 | 38,373 |
| TOTAL CURRENT ASSETS | 982,381 | 647,733 |
| FIXED ASSETS | | |
| Land | 133,175 | 133,175 |
| Buildings | 8,068,059 | 7,987,412 |
| Transportation equipment | 3,753,798 | 3,634,137 |
| Shop and garage equipment | 407,014 | 399,974 |
| Office equipment | 262,203 | 259,569 |
| | 12,624,249 | 12,414,267 |
| Less accumulated depreciation | (8,076,949) | (7,507,780) |
| NET FIXED ASSETS | 4,547,300 | 4,906,487 |
| TOTAL ASSETS | \$ 5,529,680 | \$ 5,554,220 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES: | | |
| Current Liabilities: | | |
| Account payable | \$ 152,425 | \$ 116,811 |
| Accrued payroll and payroll taxes | 90,728 | 69,870 |
| Accrued compensated absences | 120,495 | 119,458 |
| Other liabilities | 81,032 | 75,166 |
| Current portion of long-term obligations | 39,288 | - |
| Total Current Liabilities | 483,968 | 381,305 |
| Noncurrent Liabilities | | |
| Noncurrent portion of long-term obligations | | |
| Bonds payable | 387,619 | - |
| Total Noncurrent Liabilities | 387,619 | - |
| TOTAL LIABILITIES | 871,587 | 381,305 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 4,120,393 | 4,906,487 |
| Temporarily restricted | 335,000 | - |
| Unrestricted net assets | 202,700 | 266,428 |
| TOTAL NET ASSETS | 4,658,093 | 5,172,915 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 5,529,680 | \$ 5,554,220 |

See accompanying independent auditors' report and notes to financial statements.

STATEMENT B

GREATER PORTLAND TRANSIT DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,

| | <u>2011</u> | <u>2010</u> |
|-----------------------------------|---------------------|---------------------|
| OPERATING REVENUES | | |
| Passenger fares | \$ 1,744,713 | \$ 1,523,929 |
| Outside maintenance and rental | 2,750 | 2,750 |
| Advertising | 217,222 | 138,925 |
| TOTAL OPERATING REVENUES | <u>1,964,685</u> | <u>1,665,604</u> |
| OPERATING EXPENSES | | |
| General administration | 831,200 | 839,705 |
| Transportation | 4,086,162 | 3,906,699 |
| Maintenance | 1,312,588 | 1,407,859 |
| Depreciation | 761,484 | 725,362 |
| TOTAL OPERATING EXPENSES | <u>6,991,434</u> | <u>6,879,625</u> |
| OPERATING (LOSS) | <u>(5,026,749)</u> | <u>(5,214,021)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Operating assistance | | |
| Federal grants | 1,316,486 | 1,377,870 |
| State grants | 84,679 | 84,679 |
| Local subsidies | 2,792,354 | 2,791,963 |
| Capital grants | 209,564 | 99,551 |
| PSD & RTP Services | 23,838 | 24,293 |
| Falmouth Route 7 formula funding | 69,251 | 51,622 |
| Interest income | 116 | 423 |
| Miscellaneous income | 83,390 | 120,740 |
| Interest expense | (23,711) | (15,104) |
| Extraordinary expenses | (1,466) | (62,892) |
| Gain (loss) on sale of assets | (42,574) | (10,266) |
| TOTAL NONOPERATING REVENUES | <u>4,511,927</u> | <u>4,462,879</u> |
| INCREASE (DECREASE) IN NET ASSETS | (514,822) | (751,142) |
| NET ASSETS - JANUARY 1 | <u>5,172,915</u> | <u>5,924,057</u> |
| NET ASSETS - DECEMBER 31 | <u>\$ 4,658,093</u> | <u>\$ 5,172,915</u> |

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

GREATER PORTLAND TRANSIT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

| | 2011 | 2010 |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers and other governments | \$ 1,769,105 | \$ 1,432,199 |
| Payments to employees | (4,757,430) | (4,733,123) |
| Payments to suppliers | (1,446,085) | (1,312,367) |
| Receipts advertising and outside rental | 219,972 | 141,675 |
| Net cash provided (used) by operating activities | <u>(4,214,438)</u> | <u>(4,471,616)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Other nonoperating receipts from other governments | 4,286,608 | 4,330,427 |
| Other nonoperating receipts - miscellaneous | 83,390 | 120,740 |
| Other nonoperating expenses - miscellaneous | (1,466) | (62,892) |
| Net cash provided (used) by noncapital financing activities | <u>4,368,532</u> | <u>4,388,275</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 116 | 423 |
| (Increase) decrease in investments | 67 | 20 |
| Net cash used by provided by investing activities | <u>183</u> | <u>443</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital grants | 209,564 | 99,551 |
| Purchase of fixed assets | (444,871) | (121,561) |
| Interest paid | (23,711) | (15,104) |
| Proceeds (payments) from long term debt (net) | 426,908 | - |
| Net cash provided (used) by capital and related financing activities | <u>167,890</u> | <u>(37,114)</u> |
| NET INCREASE (DECREASE) IN CASH | <u>322,167</u> | <u>(120,012)</u> |
| CASH - JANUARY 1 | <u>140,184</u> | <u>260,196</u> |
| CASH - DECEMBER 31 | <u>\$ 462,351</u> | <u>\$ 140,184</u> |

STATEMENT C (CONTINUED)

GREATER PORTLAND TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

| | 2011 | 2010 |
|--|-----------------------|-----------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Operating income (loss) | \$ (5,026,749) | \$ (5,214,021) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | 761,484 | 725,362 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in receivables | 24,392 | (91,730) |
| (Increase) decrease in inventory | (33,987) | 96,717 |
| (Increase) decrease in prepaid expense | (2,953) | (1,378) |
| Increase (decrease) in accounts payable | 35,614 | (27,156) |
| Increase (decrease) in compensated absences | 1,037 | 3,000 |
| Increase (decrease) in accrued payroll and related expense | 20,858 | 14,127 |
| Increase (decrease) in other liabilities | 5,866 | 23,463 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ (4,214,438)</u> | <u>\$ (4,471,616)</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid during the year for: | | |
| Interest | <u>\$ 23,711</u> | <u>\$ 15,104</u> |

See accompanying independent auditors' report and notes to financial statements.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Greater Portland Transit District, incorporated June 24, 1966, is a quasi-municipal corporation, organized in accordance with the provisions of Title 30, 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 District is composed of the cities of Portland and Westbrook and the Town of Falmouth. The Board of Directors consists of five directors appointed from the City of Portland and three directors appointed from the City of Westbrook and two directors appointed from the Town of Falmouth.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed by the District to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The District also has the option of following subsequent private-sector guidance, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

Government –Wide and Fund Financial Statements

In the government-wide Statement of Net Assets, the business-type activities column are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (transportation). The functions are also supported by general government revenues (certain intergovernmental revenues, purchase of services, subsidies, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net costs (by function) are normally covered by general revenue (certain intergovernmental revenues and charges for services, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the District are reported in one fund in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the District:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the District's policy to value investments at fair value. None of the District's investments are reported at amortized cost. The District Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

Inventories

Inventory consists of fuel, oil, materials and supplies. Inventory is valued at cost, on a first-in, first-out basis.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 at December 31, 2011.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

| | |
|-----------------------------|-------------|
| Buildings and improvements | 10-50 years |
| Bus stops and shelters | 5-20 years |
| Office equipment | 5-10 years |
| Services vehicles | 7-12 years |
| Shop equipment | 7-20 years |
| Vehicles | 4-12 years |
| Computer equipment/software | 3 years |

Long-term Obligations

All long-term debt to be repaid from business-type resources is reported as liabilities in government-wide statements. The long-term debt consists of a bond payable and accrued compensated absences.

Compensated Absences

The District's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The District does not utilize encumbrance accounting for its operations.

Use of Estimates

During the preparation of the District's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

The District's investment policies, which follow state statutes, authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all District funds.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The District does not have a policy covering custodial credit risk.

At December 31, 2011, the District's deposits amounting to \$549,918 were comprised of \$549,918 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk.

| <u>Account Type</u> | <u>Bank Balance</u> |
|----------------------|--------------------------|
| Repurchase agreement | <u>\$ 549,918</u> |
| | <u><u>\$ 549,918</u></u> |

At December 31, 2011, the District's investments amounting to \$133 were collateralized with securities held by the financial institution in the District's name and consequently were not exposed to custodial credit risk. The District's investments amounting to \$133 were not applicable to the collateralization policies.

| <u>Account Type</u> | <u>Bank Balance</u> |
|---------------------|-------------------------|
| Equities/stock | <u>\$ 133</u> |
| | <u><u>\$ 133</u></u> |

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 3 – CAPITAL ASSETS

The following is a summary of the changes in capital assets from December 31, 2011:

| | Balance 1/1/2011 | Additions | Disposals | Balance 12/31/2011 |
|---------------------------------|---------------------|---------------------|--------------------|-----------------------|
| <u>Governmental activities:</u> | | | | |
| <u>Non-depreciated assets:</u> | | | | |
| Land | \$ 133,175 | \$ - | \$ - | \$ 133,175 |
| Construction in progress | - | - | - | - |
| | <u>133,175</u> | <u>-</u> | <u>-</u> | <u>133,175</u> |
| <u>Depreciated assets:</u> | | | | |
| Buildings | 7,987,412 | 80,647 | - | 8,068,059 |
| Transportation | 3,634,137 | 354,550 | (234,889) | 3,753,798 |
| Machinery & equipment | 399,974 | 7,040 | - | 407,014 |
| Office equipment | 259,569 | 2,634 | - | 262,203 |
| | <u>12,281,092</u> | <u>444,871</u> | <u>(234,889)</u> | <u>12,491,074</u> |
| Less: accumulated depreciation | <u>(7,507,780)</u> | <u>(761,484)</u> | <u>192,315</u> | <u>(8,076,949)</u> |
| | <u>4,773,312</u> | <u>(316,613)</u> | <u>(42,574)</u> | <u>4,414,125</u> |
| Net capital assets | <u>\$ 4,906,487</u> | <u>\$ (316,613)</u> | <u>\$ (42,574)</u> | <u>\$ 4,547,300</u> |

NOTE 4 – LONG TERM DEBT

The District's long-term debt consists of the following:

| | |
|---|-------------------|
| \$335,000, 2011 General Obligation bonds with Bangor Savings Bank, due in semi-annual installments and semi-annual interest installments through December 2021, interest is charged at a rate of 3.10%. | \$ 320,597 |
| \$111,086, 2011 General Obligation bonds with Bangor Savings Bank, due in semi-annual installments and semi-annual interest installments through December 2021, interest is charged at a rate of 3.10%. | <u>106,310</u> |
| Total Bonds payable | <u>\$ 426,907</u> |

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 4 – LONG TERM DEBT (CONTINUED)

The following is a summary of principal and interest payments by year for the years ending December 31:

| | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-----------|-------------------|------------------|-------------------------------|
| 2012 | \$ 39,288 | \$ 12,935 | \$ 52,223 |
| 2013 | 40,523 | 11,701 | 52,224 |
| 2014 | 41,786 | 10,438 | 52,224 |
| 2015 | 43,091 | 9,132 | 52,223 |
| 2016 | 44,434 | 7,789 | 52,223 |
| 2017-2021 | 217,785 | 17,219 | 235,004 |
| | <u>\$ 426,907</u> | <u>\$ 69,213</u> | <u>\$ 496,120</u> |

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets during 2011 consisted of \$335,000 received by the District from loan proceeds due for capital improvements in fiscal year 2012.

NOTE 6 – PENSION PLAN

The District has a defined contribution retirement plan covering all full-time employees. Union employees are eligible to participate 60 days after completion of a prerequisite training period. Nonunion employees are eligible to participate 60 days from the date of employment. The District contributed from .5% to 4.5% during 2011 and 4.5% during 2010 of the covered employee's gross pay. For 2011 and 2010, pension expense amounted to \$134,339 and \$145,182 respectively, on covered wages of \$3,200,819 and \$3,226,267 respectively. Participating nonunion employees are required to contribute 8% of their covered gross pay, which amounted to \$44,467 and \$47,073 for the years ended December 31, 2011 and 2010 respectively. Union employees are required to contribute from .5% to 4.5% of their covered gross pay based upon longevity, achieving the 4.5% contribution level after 30 months of eligible employment. Employee contributions amounted to \$113,028 and \$115,541 for the years ended December 31, 2011 and 2010 respectively. All employees are 100% vested immediately.

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

NOTE 7 – 457 RETIREMENT PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue (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. The requirements of that IRS section prescribes that the District no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, are not included in the District's financial statements.

NOTE 9 – ECONOMIC DEPENDENCY

Approximately forty-four percent of the District's current year revenue was received from the cities of Portland, Westbrook and the Town of Falmouth.

NOTE 10 – CONTINGENT LIABILITIES

Grant funds amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to Greater Portland Transit District. Settled claims have not exceeded this coverage in any of the past three fiscal years.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

GREATER PORTLAND TRANSIT DISTRICT

SCHEDULE OF REVENUES AND EXPENSES – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Original budget | Final budget | Actual | Variance positive (negative) |
|--|--------------------|------------------|---------------------|------------------------------------|
| Revenues: | | | | |
| Passenger fares | \$ 1,588,377 | \$ 1,588,377 | \$ 1,744,713 | \$ 156,336 |
| Operating assistance | | | | |
| Federal grants | 1,316,486 | 1,316,486 | 1,316,486 | - |
| State grants | 84,679 | 84,679 | 84,679 | - |
| Local subsidies | 2,792,354 | 2,792,354 | 2,792,354 | - |
| Capital grants | - | - | 209,564 | 209,564 |
| Non-transportation revenues | 335,979 | 335,979 | 396,567 | 60,588 |
| Total Revenues | <u>6,117,875</u> | <u>6,117,875</u> | <u>6,544,363</u> | <u>426,488</u> |
| Expenses: | | | | |
| General administration | 858,938 | 858,938 | 831,200 | 27,738 |
| Transportation | 3,905,042 | 3,905,042 | 4,086,162 | (181,120) |
| Maintenance | 1,357,995 | 1,357,995 | 1,312,588 | 45,407 |
| Interest expense | 16,800 | 16,800 | 23,711 | (6,911) |
| Gain/loss on assets disposal | - | - | 42,574 | (42,574) |
| Total expenses | <u>6,138,775</u> | <u>6,138,775</u> | <u>6,296,235</u> | <u>(157,460)</u> |
| Other sources of funding: | | | | |
| Utilization of prior year surplus | 20,900 | 20,900 | - | 20,900 |
| Total other sources of funding | <u>20,900</u> | <u>20,900</u> | <u>-</u> | <u>20,900</u> |
| Revenues over expenses before adjustments to GAAP | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 248,128</u> | <u>\$ 604,848</u> |
| Adjustments to GAAP: | | | | |
| Extraordinary expenses | | | (1,466) | |
| Depreciation | | | (761,484) | |
| Total adjustments to GAAP | | | <u>(762,950)</u> | |
| Change in net assets | | | <u>\$ (514,822)</u> | |

GREATER PORTLAND TRANSIT DISTRICT

SCHEDULES OF TRANSPORTATION, MAINTENANCE AND GENERAL
ADMINISTRATION EXPENSE
FOR THE YEARS ENDED DECEMBER 31,

| | 2011 | | | Totals |
|---------------------------|--------------------------------------|---------------------------|------------------------|---------------------|
| | General administration expense | Transportation expense | Maintenance expense | |
| EXPENSES | | | | |
| Salaries and wages | \$ 346,960 | \$ 2,197,305 | \$ 473,283 | \$ 3,017,548 |
| Employee fringe benefits | 171,870 | 1,278,716 | 311,191 | 1,761,777 |
| Motor fuel and oil | - | 597,253 | - | 597,253 |
| Repairs and parts | - | - | 320,704 | 320,704 |
| Utilities | - | - | 207,410 | 207,410 |
| Outside services | 916 | - | - | 916 |
| Supplies | 26,830 | - | - | 26,830 |
| Insurance | 122,795 | - | - | 122,795 |
| Professional fees | 52,951 | - | - | 52,951 |
| Advertising and marketing | 15,650 | - | - | 15,650 |
| Travel and meetings | 6,484 | - | - | 6,484 |
| Telephone | 46,296 | - | - | 46,296 |
| Miscellaneous | 40,448 | 12,888 | - | 53,336 |
| TOTAL EXPENSES | \$ 831,200 | \$ 4,086,162 | \$ 1,312,588 | \$ 6,229,950 |

| | 2010 | | | Totals |
|---------------------------|--------------------------------------|---------------------------|------------------------|---------------------|
| | General administration expense | Transportation expense | Maintenance expense | |
| EXPENSES | | | | |
| Salaries and wages | \$ 339,733 | \$ 2,164,798 | \$ 494,004 | \$ 2,998,535 |
| Employee fringe benefits | 181,494 | 1,254,465 | 315,756 | 1,751,715 |
| Motor fuel and oil | - | 475,093 | - | 475,093 |
| Repairs and parts | - | - | 393,010 | 393,010 |
| Utilities | - | - | 205,089 | 205,089 |
| Outside services | 856 | - | - | 856 |
| Supplies | 26,062 | - | - | 26,062 |
| Insurance | 111,873 | - | - | 111,873 |
| Professional fees | 36,961 | - | - | 36,961 |
| Advertising and marketing | 16,206 | - | - | 16,206 |
| Travel and meetings | 7,296 | - | - | 7,296 |
| Telephone | 49,803 | - | - | 49,803 |
| Miscellaneous | 69,421 | 12,343 | - | 81,764 |
| TOTAL EXPENSES | \$ 839,705 | \$ 3,906,699 | \$ 1,407,859 | \$ 6,154,263 |

GREATER PORTLAND TRANSIT DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

| Pass-through Grantor/ Program Title | <u>CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>Federal Expenditures</u> |
|--|------------------------|--|---------------------------------|
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| Pass Through Federal Transit Administration: Department of Transportation Federal Transit Capital and Operating Assistance | | | |
| | | ME-96-X001 | |
| Federal Transit Capital Improvement | | ME-04-007 | |
| | 20.500 | ME-03-0040 | \$ 2,430,633 |
| Federal Transit Formula Grants | 20.507 | ME90-X159 | 8,804 |
| Federal Transit Formula Grants | 20.507 | ME 95-X002 | 2,800 |
| Federal Transit Formula Grants | 20.507 | ME90-X180 | 859 |
| Federal Transit Formula Grants | 20.507 | ME-90-X185 | 1,316,486 |
| Federal Transit Formula Grants | 20.507 | ME 90-X169 | 88,229 |
| | | | <u>3,847,811</u> |
| Pass Through Maine Department of Transportation | | | |
| Job Access and Reverse Commute Program | 20.516 | JARC ME-37-x007 | 37,226 |
| Job Access and Reverse Commute Program | 20.516 | JARC ME-37-x006 | 34,490 |
| | | | <u>71,716</u> |
| TOTAL FEDERAL AWARDS | | | <u><u>\$ 3,919,527</u></u> |

GREATER PORTLAND TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Greater Portland Transit District. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. Federal Assistance - Leases

The Organization receives various buses paid for by the Maine Department of Transportation under a lease agreement. The total federal assistance for the year under these lease agreements was \$2,430,633.

3. Major Programs - Federal

The following programs were considered major programs as defined by OMB Circular A-133:

| | |
|--------------------------------------|--------------|
| Federal Transit Capital Improvements | CFDA #20.500 |
| Federal Transit Formula Grants | CFDA #20.507 |



Proven Expertise and Integrity

INDEPENDENT AUDITORS' 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

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

We have audited the financial statements of Greater Portland Transit District, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 12, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greater Portland Transit District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not necessarily designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended solely for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

Compliance

We have audited the compliance of the Greater Portland Transit District with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. The 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Greater Portland transit District's management. Our responsibility is to express an opinion on the Greater Portland Transit District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Greater Portland Transit District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Greater Portland Transit District's compliance with those requirements.

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In our opinion, the Greater Portland Transit District complied in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of the Greater Portland Transit District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Greater Portland Transit District's 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Greater Portland Transit District's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material weakness with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

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GREATER PORTLAND TRANSIT DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued : Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported
 In accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| 20.507 | Federal Transit Formula Grants |

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None



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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF AGREEMENT OPERATIONS

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

We have audited the special-purpose Schedule of Agreement Operations of Greater Portland Transit District as of December 31, 2011. This report is the responsibility of the Organization's management. Our responsibility is to express an opinion on this special-purpose report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and the Maine Uniform Accounting and Auditing Practices Act for Community Agencies. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Agreement Operations is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Agreement Operations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Agreement Operations. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose Schedule of Agreement Operations, Schedules, and Schedules including Notes to the schedules were prepared for the purpose of complying with the Maine Uniform Accounting and Auditing Practices for Community Agencies. These schedules are a presentation of grant revenues, expenditures, and balances of Greater Portland Transit District's agreements with the Department, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and it is not intended to be a complete presentation of the Organization's revenues and expenses.

In our opinion, the special-purpose report referred to above presents fairly, in all material respects, the revenues, expenditures, and balances of Greater Portland Transit District's agreements with the Department as of December 31, 2011, in accordance with the Maine Uniform Accounting and Auditing Practices for Community Agencies.

This report is intended solely for the information and use of the Board of Directors and management of Greater Portland Transit District and the Department and should not be used for any other purpose.

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GREATER PORTLAND TRANSIT DISTRICT

SCHEDULE OF AGREEMENT OPERATIONS – DEPARTMENT OF TRANSPORTATION PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2011

| PIN # | ME-37-X007 | | ME-37-x006 | | ME-18-X042 | | ME-37-x006 | |
|-------------------------------------|--------------------|-----------------|----------------|-----------------|----------------|------------------|----------------|------------------|
| | 13291.01 | 16092 | 13291 | 16092 | 16311 | 17952 | 16311 | 17952 |
| Agreement total: | \$50,000 | \$522,000 | \$80,000 | \$522,000 | \$3,200 | \$84,679 | \$3,200 | \$84,679 |
| Agreement Term: | 10/1/10 - 12/31/12 | 7/1/08-12/31/12 | 7/1/06-6/30/11 | 7/1/08-12/31/12 | 7/1/10-6/30/11 | 7/1/10-6/30/11 | 7/1/10-6/30/11 | 7/1/10-6/30/11 |
| Basis of Settlement: | Cost | Cost | Cost | Cost | Cost | Cost | Cost | Cost |
| Status: | Interim | Interim | Final | Interim | Final | Final | Final | Final |
| REVENUES: | | | | | | | | |
| Grants and contracts - Federal | \$ 37,226 | \$ - | \$ 39,703 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grants and contracts - State | - | 63,906 | - | 63,906 | 252 | 84,179 | 252 | 84,179 |
| Passenger fares | 28,374 | 300 | 16,521 | 300 | - | 261,527 | - | 261,527 |
| Other Federal revenue | - | - | - | - | - | 26,241 | - | 26,241 |
| Miscellaneous | 37,226 | - | 39,703 | - | - | 330,495 | - | 330,495 |
| Total revenues | 102,826 | 64,206 | 95,927 | 64,206 | 252 | 702,442 | 252 | 702,442 |
| EXPENDITURES: | | | | | | | | |
| Salaries and benefits | 88,472 | 5,215 | 84,145 | 5,215 | - | 1,555,613 | - | 1,555,613 |
| Accounting, auditing and legal fees | - | - | - | - | - | 23,690 | - | 23,690 |
| Travel/training | - | - | - | - | 252 | 16,964 | - | 16,964 |
| Advertising | - | - | - | - | - | 11,587 | - | 11,587 |
| Supplies | - | - | - | - | - | 4,259 | - | 4,259 |
| Vehicle expenses | 14,354 | 58,991 | 11,782 | 58,991 | - | 259,247 | - | 259,247 |
| Other - insurance | - | - | - | - | - | 35,397 | - | 35,397 |
| Utilities | - | - | - | - | - | 134,436 | - | 134,436 |
| Miscellaneous | - | - | - | - | - | 34,542 | - | 34,542 |
| Total expenditures | 102,826 | 64,206 | 95,927 | 64,206 | 252 | 2,075,735 | 252 | 2,075,735 |
| NET ACTIVITIES | | | | | | | | |
| OPERATING NET ASSETS - JANUARY 1 | - | - | - | - | - | (1,373,293) | - | (1,373,293) |
| OPERATING NET ASSETS - DECEMBER 31 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,373,293) | \$ - | \$ (1,373,293) |

GREATER PORTLAND TRANSIT DISTRICT

SCHEDULE OF AGREEMENT OPERATIONS – DEPARTMENT OF TRANSPORTATION PROGRAMS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

| | ME-96-X001 (1) 17575 | ME-04-0007 (1) 18124 | ME-03-0040 (1) 11707 | 17684 | 6442 | Totals |
|-------------------------------------|-------------------------|-------------------------|-------------------------|----------------|----------------|------------------|
| | Final | Final | Final | Final | Final | |
| Agreement total: | \$ 1,785,128 | \$ 475,000 | \$ 170,505 | \$ - | \$ - | \$ 2,507,562 |
| Agreement Term: | 4/7/11-6/30/25 | 4/7/11-6/30/25 | 4/7/11-6/30/25 | 4/7/11-6/30/25 | 4/7/11-6/30/25 | |
| Basis of Settlement: | LEASE | LEASE | LEASE | LEASE | LEASE | |
| Status: | Final | Final | Final | Final | Final | |
| | <u>1,785,128</u> | <u>475,000</u> | <u>170,505</u> | <u>50,290</u> | <u>111,086</u> | <u>3,557,662</u> |
| REVENUES: | | | | | | |
| Grants and contracts - Federal | | | | | | |
| Grants and contracts - State | | | | 50,290 | | 198,627 |
| Passenger fares | | | | | | 306,722 |
| Other Federal revenue | | | | | | 26,241 |
| Miscellaneous | | | | | 111,086 | 518,510 |
| Total revenues | | | | <u>50,290</u> | <u>111,086</u> | <u>3,557,662</u> |
| | | | | | | |
| EXPENDITURES: | | | | | | |
| Salaries and benefits | | | | | | 1,733,445 |
| Accounting, auditing and legal fees | | | | | | 23,690 |
| Travel/training | | | | | | 17,216 |
| Advertising | | | | | | 11,587 |
| Supplies | | | | | | 4,259 |
| Vehicle expenses | 1,785,128 | 475,000 | 170,505 | 50,290 | 111,086 | 2,936,383 |
| Other - insurance | | | | | | 35,397 |
| Utilities | | | | | | 134,436 |
| Miscellaneous | | | | | | 34,542 |
| Total expenditures | <u>1,785,128</u> | <u>475,000</u> | <u>170,505</u> | <u>50,290</u> | <u>111,086</u> | <u>4,930,955</u> |
| | | | | | | |
| NET ACTIVITIES | | | | | | |
| OPERATING NET ASSETS - | | | | | | |
| JANUARY 1 | | | | | | |
| OPERATING NET ASSETS - | | | | | | |
| DECEMBER 31 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,373,293) |

See accompanying Independent Auditors' report on Schedule of Agreement Operations.

GREATER PORTLAND TRANSIT DISTRICT
NOTES TO SCHEDULE OF AGREEMENT OPERATIONS
DEPARTMENT OF TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - MAJOR PROGRAM:

This program was considered a major program for auditing purposes.

NOTE 2 - NON-MAJOR PROGRAM:

This program was considered a non-major program for auditing purposes.

NOTE 3 - STATE ASSISTANCE - LEASES

The Organization receives buses paid for by the Maine Department of Transportation under a lease agreement. The total assistance for the year under these lease agreements was \$50,290.



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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING DEPARTMENT PROGRAMS

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

We have audited the financial statements of Greater Portland Transit District as of and for the year ended December 31, 2011, and have issued our report thereon dated March 12, 2012. We have also audited the compliance of Greater Portland Transit District with the requirements applicable to Department agreements and have issued our report thereon dated March 12, 2012.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the *Maine Uniform Accounting and Auditing Practices for Community Agencies (2009 Revision)*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Greater Portland Transit District complied with laws and regulations, noncompliance with which would be material to a Department award program.

In planning and performing our audits for the year ended December 31, 2011, we considered the internal control structure of Greater Portland Transit District, in order to determine our auditing procedures for the purpose of expressing our opinion on Greater Portland Transit District's financial statements and on its compliance with requirements applicable to Department agreements and to report on the internal control structure policies and procedures in accordance with the *Maine Uniform Accounting and Auditing Practices for Community Agencies (2009 Revision)*. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Department agreements.

The management of Greater Portland Transit District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance

with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that Department agreements are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For purposes of this report, we have classified the significant internal control structure policies and procedures used in administering Department agreements in the following categories:

| <u>Accounting Controls</u> | <u>General Requirements</u> | <u>Specific Requirements</u> |
|--|---------------------------------|---|
| Cash | Political Activity | Type of services allowed or not allowed |
| Support, program service fees, revenue and receivables | Civil Rights | Eligibility |
| Expenses for goods and services and accounts payable | Cash Management | Matching, level of effort, and earmarking |
| Payroll and related liabilities | Federal financial reports | Special reporting requirements |
| Property and equipment | Allowable costs/cost principles | Special tests and provisions |
| Debt and other liabilities | Drug-Free Workplace Act | Claims for advances and reimbursement |
| Net Assets | Administrative requirements | Amounts claimed or used for matching |

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

We performed tests of controls, as required by the Maine Uniform Accounting and Auditing Practices for Community Agencies (2009 Revision), to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to Department agreements which are identified in the accompanying Schedule of Agreement Operations. Our procedures were substantially less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a Department agreement

may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering Department agreements would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted no matters involving the internal control structure or its operation that we believe to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management, and the Department. This report is not intended to be and should not be used by anyone other than the specified parties.

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INDEPENDENT AUDITORS' COMBINED REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO DEPARTMENT AGREEMENTS

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

We have audited the financial statements of Greater Portland Transit District as of and for the year ended December 31, 2011, and have issued our report thereon dated March 12, 2012.

We have also audited Greater Portland Transit District's compliance with the specific requirements identified in the Contract Compliance Riders of the Organization's agreements with the State of Maine that are applicable to each of its major Department agreements, which are identified in the accompanying Schedule of Agreement Operations, for the year ended December 31, 2011. The management of Greater Portland Transit District is responsible for the Organization's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards and the Maine Uniform Accounting and Auditing Practices for Community Agencies (2009 Revision). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Greater Portland Transit District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Greater Portland Transit District complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major Department agreements, for the year ended December 31, 2011.

This report is intended for the information of the Board of Directors, management, and the Department. However, this report is a matter of public record and its distribution is not limited.

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Certified Public Accountants

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GREATER PORTLAND TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

- 1) There were no findings related to the financial statements of the Organization.
- 2) There were no findings and questioned costs for department agreements to report for the Organization for the year ended December 31, 2011.



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ACCOUNTANTS' COMPILATION REPORT
ON AGREEMENT SETTLEMENT FORMS

March 12, 2012

Board of Directors
Greater Portland Transit District
Portland, Maine

We have compiled the accompanying Agreement Settlement Forms of Greater Portland Transit District as of December 31, 2011 and for the year then ended, in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

RHR Smith & Company

Certified Public Accountants

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year: December 31, 2011
 Contract Number: PIN #17952
 Contract Amount: \$84,679

| | | |
|-----------------------|--|-----------------------|
| Total Operating Costs | | \$ 2,075,735 |
| Less: | | |
| Fares | | (261,527) |
| Net Operating Deficit | | <u>\$ 1,814,208</u> |
| Surplus/(Deficit) | | <u>\$ (1,814,208)</u> |

Federal Participating Share

| | | |
|--|----------------|---------------------|
| 1. Amount of Non-Federal Funds Contributed: | | |
| State | \$ 84,179 | |
| Local | <u>330,495</u> | |
| Total Non-Fed | | 414,674 |
| 2. 50% of the net Project Costs: | | |
| Federal Share @ 50% | | 907,104 |
| 3. Operating Deficit After Adding Local Funds But Before | | |
| Operating Costs | 2,075,735 | |
| Less: | | |
| Fares | 261,527 | |
| State | 84,179 | |
| Local | <u>330,495</u> | |
| Deficit Before UMTA | | 1,399,534 |
| 4. Maximum Amount of Grant | | |
| Federal Share Paid | | - |
| Participating Share (Steps 1-4) | | <u>907,104</u> |
| Federal Over (Under) Paid | | <u>\$ (907,104)</u> |

State Participating Share

| | |
|---------------------------|---------------|
| Maximum Authorized Amount | |
| State Share | \$ 84,179 |
| State Share Paid | <u>84,179</u> |
| State Over (Under) Paid | <u>\$ -</u> |

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year End: December 31, 2011
 Contract Number: ME-37-x006
 Contract Amount: \$80,000
 Contract Period: 7/1/06-6/30/11

| | Operating | Admin | Capital | Total |
|---------------------------------|------------|-------|---------|------------|
| Gross Expenditures | \$ 197,233 | \$ - | \$ - | \$ 197,233 |
| Less: | | | | |
| Contra-Expenditures | \$ - | \$ - | \$ - | \$ - |
| Operating Revenue | \$ 117,233 | \$ - | \$ - | \$ 117,233 |
| Excess Unrestricted Fed | \$ - | \$ - | \$ - | \$ - |
| Total Deductions | \$ 117,233 | \$ - | \$ - | \$ 117,233 |
| Net Expenditures/Deficit | \$ 80,000 | \$ - | \$ - | \$ 80,000 |
| <u>Federal Share</u> | | | | |
| Maximum % | 100% | 0% | 0% | |
| Amount Paid | \$ 80,000 | \$ - | \$ - | \$ 80,000 |
| Maximum Amount | \$ 80,000 | \$ - | \$ - | \$ 80,000 |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| <u>State Share</u> | | | | |
| Maximum % | 0% | 0% | 0% | |
| Amount Paid | \$ - | \$ - | \$ - | \$ - |
| Maximum Amount | \$ - | \$ - | \$ - | \$ - |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| <u>Summary</u> | | | | |
| Federal Over Paid | \$ - | \$ - | \$ - | \$ - |
| State Over Paid | \$ - | \$ - | \$ - | \$ - |
| Total Over Paid | \$ - | \$ - | \$ - | \$ - |

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year End: December 31, 2011
 Contract Number: ME-18-x042
 Contract Amount: \$3,200
 Contract Period: 7/1/10-6/30/11

| | Operating | Admin | Capital | Total |
|---------------------------------|------------|-------|---------|------------|
| Gross Expenditures | \$ 252 | \$ - | \$ - | \$ 252 |
| Less: | | | | |
| Contra-Expenditures | \$ - | \$ - | \$ - | \$ - |
| Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| Excess Unrestricted Fed | \$ - | \$ - | \$ - | \$ - |
| Total Deductions | \$ - | \$ - | \$ - | \$ - |
| Net Expenditures/Deficit | \$ 252 | \$ - | \$ - | \$ 252 |
| <u>Federal Share</u> | | | | |
| Maximum % | 0% | 0% | 0% | |
| Amount Paid | \$ - | \$ - | \$ - | \$ - |
| Maximum Amount | \$ - | \$ - | \$ - | \$ - |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| <u>State Share</u> | | | | |
| Maximum % | 100% | 0% | 0% | |
| Amount Paid | \$ 252 | \$ - | \$ - | \$ 252 |
| Maximum Amount | \$ 3,200 | \$ - | \$ - | \$ 3,200 |
| Over (Under) Maximum | \$ (2,948) | \$ - | \$ - | \$ (2,948) |
| <u>Summary</u> | | | | |
| Federal Over Paid | \$ - | \$ - | \$ - | \$ - |
| State Over Paid | \$ - | \$ - | \$ - | \$ - |
| Total Over Paid | \$ - | \$ - | \$ - | \$ - |

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year End: December 31, 2011
 Contract Number: ME-96-X001
 Contract Amount: \$1,785,128
 Contract Period: 4/7/11-6/30/25

| | Operating | Admin | Capital | Total |
|---------------------------------|-----------|-------|--------------|--------------|
| Gross Expenditures | \$ - | \$ - | \$ 1,785,128 | \$ 1,785,128 |
| Less: | | | | |
| Contra-Expenditures | \$ - | \$ - | \$ - | \$ - |
| Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| Excess Unrestricted Fed | \$ - | \$ - | \$ - | \$ - |
| Total Deductions | \$ - | \$ - | \$ - | \$ - |
| Net Expenditures/Deficit | \$ - | \$ - | \$ 1,785,128 | \$ 1,785,128 |
| Federal Share | | | | |
| Maximum % | 0% | 0% | 100% | |
| Amount Paid | \$ - | \$ - | \$ 1,785,128 | \$ 1,785,128 |
| Maximum Amount | \$ - | \$ - | \$ 1,785,128 | \$ 1,785,128 |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| State Share | | | | |
| Maximum% | 0% | 0% | 0% | |
| Amount Paid | \$ - | \$ - | \$ - | \$ - |
| Maximum Amount | \$ - | \$ - | \$ - | \$ - |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| Summary | | | | |
| Federal Over Paid | \$ - | \$ - | \$ - | \$ - |
| State Over Paid | \$ - | \$ - | \$ - | \$ - |
| Total Over Paid | \$ - | \$ - | \$ - | \$ - |

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year End: December 31, 2011
 Contract Number: ME-04-0007
 Contract Amount: \$475,000
 Contract Period: 4/7/11-6/30/25

| | Operating | Admin | Capital | Total |
|---------------------------------|-----------|-------|------------|------------|
| Gross Expenditures | \$ - | \$ - | \$ 475,000 | \$ 475,000 |
| Less: | | | | |
| Contra-Expenditures | \$ - | \$ - | \$ - | \$ - |
| Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| Excess Unrestricted Fed | \$ - | \$ - | \$ - | \$ - |
| Total Deductions | \$ - | \$ - | \$ - | \$ - |
| Net Expenditures/Deficit | \$ - | \$ - | \$ 475,000 | \$ 475,000 |
| Federal Share | | | | |
| Maximum % | 0% | 0% | 100% | |
| Amount Paid | \$ - | \$ - | \$ 475,000 | \$ 475,000 |
| Maximum Amount | \$ - | \$ - | \$ 475,000 | \$ 475,000 |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| State Share | | | | |
| Maximum% | 0% | 0% | 0% | |
| Amount Paid | \$ - | \$ - | \$ - | \$ - |
| Maximum Amount | \$ - | \$ - | \$ - | \$ - |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| Summary | | | | |
| Federal Over Paid | \$ - | \$ - | \$ - | \$ - |
| State Over Paid | \$ - | \$ - | \$ - | \$ - |
| Total Over Paid | \$ - | \$ - | \$ - | \$ - |

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year End: December 31, 2011
 Contract Number: ME-03-0040
 Contract Amount: \$170,505
 Contract Period: 4/7/11-6/30/25

| | Operating | Admin | Capital | Total |
|---------------------------------|-----------|-------|------------|------------|
| Gross Expenditures | \$ - | \$ - | \$ 170,505 | \$ 170,505 |
| Less: | | | | |
| Contra-Expenditures | \$ - | \$ - | \$ - | \$ - |
| Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| Excess Unrestricted Fed | \$ - | \$ - | \$ - | \$ - |
| Total Deductions | \$ - | \$ - | \$ - | \$ - |
| Net Expenditures/Deficit | \$ - | \$ - | \$ 170,505 | \$ 170,505 |
| Federal Share | | | | |
| Maximum % | 0% | 0% | 100% | |
| Amount Paid | \$ - | \$ - | \$ 170,505 | \$ 170,505 |
| Maximum Amount | \$ - | \$ - | \$ 170,505 | \$ 170,505 |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| State Share | | | | |
| Maximum% | 0% | 0% | 0% | |
| Amount Paid | \$ - | \$ - | \$ - | \$ - |
| Maximum Amount | \$ - | \$ - | \$ - | \$ - |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| Summary | | | | |
| Federal Over Paid | \$ - | \$ - | \$ - | \$ - |
| State Over Paid | \$ - | \$ - | \$ - | \$ - |
| Total Over Paid | \$ - | \$ - | \$ - | \$ - |

AGREEMENT SETTLEMENT FORM (ASF)

Community Agency: Greater Portland Transit District
 Fiscal Year End: December 31, 2011
 Contract Number: PIN 17684
 Contract Amount: \$50,290
 Contract Period: 4/7/11-6/30/25

| | Operating | Admin | Capital | Total |
|---------------------------------|-----------|-------|-----------|-----------|
| Gross Expenditures | \$ - | \$ - | \$ 50,290 | \$ 50,290 |
| Less: | | | | |
| Contra-Expenditures | \$ - | \$ - | \$ - | \$ - |
| Operating Revenue | \$ - | \$ - | \$ - | \$ - |
| Excess Unrestricted Fed | \$ - | \$ - | \$ - | \$ - |
| Total Deductions | \$ - | \$ - | \$ - | \$ - |
| Net Expenditures/Deficit | \$ - | \$ - | \$ 50,290 | \$ 50,290 |
| <u>Federal Share</u> | | | | |
| Maximum % | 0% | 0% | 0% | |
| Amount Paid | \$ - | \$ - | \$ - | \$ - |
| Maximum Amount | \$ - | \$ - | \$ - | \$ - |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| <u>State Share</u> | | | | |
| Maximum% | 0% | 0% | 100% | |
| Amount Paid | \$ - | \$ - | \$ 50,290 | \$ 50,290 |
| Maximum Amount | \$ - | \$ - | \$ 50,290 | \$ 50,290 |
| Over (Under) Maximum | \$ - | \$ - | \$ - | \$ - |
| <u>Summary</u> | | | | |
| Federal Over Paid | \$ - | \$ - | \$ - | \$ - |
| State Over Paid | \$ - | \$ - | \$ - | \$ - |
| Total Over Paid | \$ - | \$ - | \$ - | \$ - |