



GREATER PORTLAND TRANSIT DISTRICT

Financial Statements

For the Years Ended December 31, 2023 and 2022

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

Table of Contents

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

Independent Auditor's Report

To the Board of Directors of the
Greater Portland Transit District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greater Portland Transit District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

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



April 22, 2024
South Portland, Maine

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

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

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

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

Financial Highlights

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

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

Relevant Financial Policies

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

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

Financial Statements

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

Budgeted Revenues

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

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

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

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

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

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

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

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

Budgeted Expenses

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

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

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

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

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

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

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

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

Growth and Initiatives

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

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

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

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

Conclusion

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

Requests for Information

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

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

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

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

Estimated useful lives are as follows:

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

*Including the right to use leased building

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

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

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

Leases

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

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

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

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

DEPOSITS

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

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

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

CAPITAL ASSETS

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

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

LONG-TERM DEBT

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

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

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

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

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

LEASES PAYABLE

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

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

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

GRANTOR REVIEW

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

RISK MANAGEMENT

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

PENSION PLAN

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

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

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

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

457 RETIREMENT PLAN

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

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

LEASES RECEIVABLE

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plans

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

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

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

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

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

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Changes in the Total Health Plan OPEB Liability

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

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

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

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

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

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

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

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

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

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

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

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

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

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

SHORT-TERM LIABILITIES

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

NET POSITION

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

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

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

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

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

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

NET POSITION, CONTINUED

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

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

GREATER PORTLAND TRANSIT DISTRICT
Required Supplementary Information

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

Last 10 Fiscal Years*

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

*Only five years of information available.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Required Supplementary Information

Total OPEB Liability

Changes of Benefit Terms (OPEB) - None

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

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

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

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

SCHEDULES

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

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

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

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

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

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

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

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