

**GREATER PORTLAND TRANSIT DISTRICT**

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

**For the Year Ended December 31, 2021**

**GREATER PORTLAND TRANSIT DISTRICT**  
**Reports Required by *Government Auditing Standards***  
**and the Uniform Guidance**  
**For the Year Ended December 31, 2021**

---

**Table of Contents**

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

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

To the Board of Directors  
Greater Portland Transit District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Portland Transit District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Greater Portland Transit District’s basic financial statements, and have issued our report thereon dated April 21, 2022.

**Internal Control over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

During our audit, we became aware of two matters that are opportunities for strengthening internal controls and operating efficiency, which we have described in the attached schedule of findings and questioned costs under “Other Comments”.

**Greater Portland Transit District’s Responses to Comments**

The Greater Portland Transit District’s responses to the comments identified in our audit are described in the accompanying schedule of findings and questioned costs. The District’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

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



April 21, 2022  
South Portland, Maine

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

To the Board of Directors  
Greater Portland Transit District

**Report on Compliance for Each Major Federal Program**

We have audited the Greater Portland Transit District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Greater Portland Transit District's major federal programs for the year ended December 31, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Greater Portland Transit District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Greater Portland Transit District's compliance.

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

***Opinion on Each Major Federal Program***

In our opinion, the Greater Portland Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

**Report on Internal Control over Compliance**

Management of the Greater Portland Transit District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Greater Portland Transit District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

We have audited the financial statements of the Greater Portland Transit District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Greater Portland Transit District's basic financial statements. We issued our report thereon dated April 21, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



April 21, 2022  
South Portland, Maine

**GREATER PORTLAND TRANSIT DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended December 31, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through/Agreement Number	Total Federal Expenditures	Assistance Listing/Cluster Totals	Passed Through to Subrecipients
U. S. Department of Transportation:					
Direct Programs:					
Federal Transit Cluster:					
Federal Transit Formula Grants	20.507	ME-2017-007-00	\$ 584		-
Federal Transit Formula Grants	20.507	ME-2016-016-00	24,379		-
Federal Transit Formula Grants	20.507	ME-2016-017-00	9,335		-
Federal Transit Formula Grants	20.507	ME-2019-001-02	650,000		-
Federal Transit Formula Grants	20.507	ME-90-X213-01	12,324		-
Federal Transit Formula Grants	20.526	ME-2019-013-00	82,431		-
Federal Transit Formula Grants - COVID-19	20.507	ME-2020-010-03	2,581,187		521,781
Federal Transit Formula Grants	20.507	ME-2020-025-01	801,573		-
Federal Transit Formula Grants	20.507	ME-2021-016-00	3,036,155		-
Federal Transit Formula Grants	20.526	ME-2021-002-00	821,526		-
Total Federal Transit Cluster				8,019,494	
Total U. S. Department of Transportation			8,019,494		521,781
<b>Totals</b>			<b>\$ 8,019,494</b>		<b>521,781</b>

*See accompanying notes to schedule of expenditures of federal awards.*



**GREATER PORTLAND TRANSIT DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

---

---

PURPOSE OF THE SCHEDULE

---

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

---

SIGNIFICANT ACCOUNTING POLICIES

---

- A. Reporting Entity - The accompanying schedule includes all federal award programs of the Greater Portland Transit District for the fiscal year ended December 31, 2021. The reporting entity is defined in notes to financial statements of the Greater Portland Transit District.
  
- B. Basis of Presentation - The information in the accompanying schedule of expenditures of federal awards is presented in accordance with the Uniform Guidance.
  - 1. Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.
  
  - 2. Major Programs - the Uniform Guidance establishes the level of expenditures or expenses to be used in defining major federal award programs. Major programs for the Greater Portland Transit District are identified in the summary of auditor's results in the schedule of findings and questioned costs.
  
- C. Basis of Accounting - The information presented in the schedule of expenditures of federal awards is presented on the accrual basis of accounting, which is consistent with the reporting in the Transit District's financial statements.
  
- D. Indirect Cost Rate - Greater Portland Transit District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**GREATER PORTLAND TRANSIT DISTRICT  
Schedule of Findings and Questioned Costs  
For the year ended December 31, 2021**

---

**Section I - Summary of Auditor's Results**

**Financial Statements**

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

**Federal Awards**

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

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

---

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

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

---

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

None

**Other Comments**

**Retirement Contributions**

During our testing of the District's payroll process, we found two retirement contributions out of twenty-five selections that did not tie to employee election forms. We also noted one instance where the employer match was incorrect.

It is crucial that employee payroll elections and employer matches are correctly recognized and accounted for. In the future, we recommend employees involved in the process be reminded of the need for diligence in ensuring contributions are correct. We also recommend developing an approval process when changes to payroll-related elections and employer matches are made.

*Management Response: Metro has implemented the use of an employee status change form to facilitate the communication of employee changes from the Human Resources Department to the Payroll Coordinator. The form requires approvals from the department head, and the Human Resources Department, along with documentation of the date the change was processed by payroll. Additionally, Metro has started the process of electronic record keeping for some portions of the employee files, and will be implementing electronic change requests in the future. Metro management staff discuss the importance of complete and accurate documentation with necessary staff frequently, and feel the changes explained above will ensure a more accurate processing of employee changes.*

**Journal Entry Review and Approval**

During our review of receipt and disbursement transactions related to the Touchpass application, we noted journal entries during the year that were not reviewed or approved. The absence of such a process increases the risk of fraud or errors.

This issue appears to be the result of having a vacancy in the finance director position and later in the accounting manager position. In the future, if there are vacancies in these key positions, we recommend that entries over a certain pre-determined threshold be reviewed and approved by a secondary individual, such as the general manager.

*Management Response: Metro utilizes electronic workflow approval through the Munis financial software for journal entry approvals. Starting in July 2021, Metro experienced a vacancy in the finance department. During that time, the accounting manager, who was also the acting finance director, was entering and approving journal entries as a temporary measure. Metro has since filled the finance director role and the accounting manager role. All journal entries are reviewed and approved by a secondary staff member. Management is aware of the risk, and will add a staff member with financial oversight responsibilities outside of the finance department should a similar situation happen in the future.*

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

---

**Section III - Findings and Questioned Costs for Federal Awards**

None

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

---

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

None