



GREATER PORTLAND TRANSIT DISTRICT

Financial Statements

For the Years Ended December 31, 2024 and 2023

GREATER PORTLAND TRANSIT DISTRICT
Financial Statements
For the years ended December 31, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Emphasis of Matter

As discussed in the notes to the financial statements, on December 29, 2024, the City of South Portland, Maine transferred its bus service operations to Greater Portland Transit District. Our opinion is not modified with respect to this matter.

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's 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 May 29, 2025 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.

A handwritten signature in cursive script, reading "Remya Hurst Ouellette".

May 29, 2025

South Portland, Maine

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis
Fiscal Year Ended December 31, 2024

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, South Portland and Westbrook, and the Towns of Brunswick, Falmouth, Freeport, Gorham and Yarmouth. 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.

Transfer of South Portland Bus Service Operations

In 2024, GPTD finalized a strategic transfer of South Portland Bus Service (SPBS) operations to the Transit District, a move aimed at improving regional transit integration, operational efficiency, and service delivery across the greater Portland area. This consolidation represents a significant milestone in regional transportation planning and reflects GPTD's ongoing commitment to expanding access, enhancing rider experience, and building a more connected public transit network.

The agreement involved the transfer of operational responsibilities, personnel, and assets from SPBS to GPTD, with service integration effective on December 29, 2024. As a result, GPTD now operates transit services that spans the Greater Portland Region under a unified system. Financially, the transfer is expected to yield long-term cost savings through economies of scale, optimized route planning, and streamlined administrative functions. In the short term, GPTD incurred certain one-time transition costs, which are reflected in the 2024 financials. GPTD's operating budget for 2025 details the costs (mostly labor and benefits) related to the transfer. An increase in capital assets in fiscal year 2024 is partially related to the asset transfer as part of the agreement. The transfer has positioned GPTD to better compete for state and federal funding while supporting the region's goals for sustainability, equity, and economic development.

Financial Highlights

- **Capital Assets.** Capital assets, net of depreciation and amortization increased in 2024 by \$25,730, about 0.15%. This reflects the purchase of one Micro Transit vehicle, Transit Signal Priority equipment, and the addition of Right to Use Asset Subscriptions. This was partially offset by annual asset depreciation and amortization, together with the disposal of the District's former AVL system and various maintenance equipment. The assets received from the City of South Portland as part of the 2024 transfer of operations in the amount of \$3,288,892, along with associated accumulated depreciation of \$2,142,754, with a net impact of \$1,146,138 is also included in these figures.
- **Current Liabilities.** The increase in current liabilities of \$616,302, or 40.52%, reflects a \$209,135 and \$42,918 increase in accounts payable and other liabilities, respectively, an increase of \$112,691 in accrued payroll costs, and an increase in payables to other governments of \$98,748 at year-end. Additionally, the District saw increases in both the current portions of lease payable and accrued compensated absences of \$19,453 and \$25,129, respectively. In addition, there is an increase of \$70,653 for unearned fare revenue, representing regional purchases of stored value and single ride tokens that have not yet been used for rides. Finally, an increase of \$37,575 in the current portion of subscription payables.
- **Noncurrent Liabilities.** Noncurrent liabilities decreased by \$111,384, about 3.39%, which is inclusive of \$296,571 in 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 \$29,508, which primarily reflects wage increases partially offset by retirements and other employee terminations, along with the implementation of GASB statement 101. Other postemployment benefits (OPEB) liability increased by \$202,558. The 2024 OPEB liability is \$1,003,256 as described on page 19.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2024

- Net Position. Overall net position for GPTD increased by 3.22%, or \$538,487, primarily due to the net decrease in notes and lease payable. Unrestricted-unreserved net position decreased by 33.37%, or about \$215,338, 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, increased by \$256,991, based on receipt of additional funds for capital projects throughout 2024. 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 deficit (revenues minus expenses) of \$129,913.
- GPTD finances its cash flow through issuance of an annual Tax Anticipation Note (TAN), in advance of receiving assessment payments from member communities.

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 2023 total Unrestricted Net Position was \$1,895,318. Of that amount, \$1,250,000 was reserved for the policy, which has an equal amount of cash restricted, as required. This represented 7.36% of 2024 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 2024 year-end unrestricted net position is \$1,782,252, which reflects the budgetary deficit of \$129,913 and is a decrease from 2023 of \$113,066. In an effort to move closer to its Board policy goal, GPTD management increased the level of reserves to \$1,352,272 in 2024, which leaves a balance of \$429,980 in unrestricted net position. The unrestricted, reserved for Board policy amount of \$1,352,272, is about 7.02% of 2025 budgeted operating expenses. Page 22 shows the amount of restricted cash. The full policy calculation, at 16.66%, would require a reserve of \$3,195,882 for the 2025 budget amount. Note that any increase in budgeted operating expenses impacts the percentage.

Financial Statements

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

Budgeted Revenues

Revenues were under budgeted amounts by 5.48%, or about \$930,744, and 8.53%, or \$1,262,318, above the 2023 total. Most of the variances in revenues can be attributed to lower than anticipated Federal ARPA funding due to delayed implementation of service improvements. The variance in passenger fare revenue can also partly be contributed to these delays, along with slower than anticipated ridership recovery. Additionally, State funding was lower than estimated. These variances were partially offset by higher Municipal operating assistance related to the addition of the Town of Gorham as a GPTD member community in early 2024. Miscellaneous income was higher than the estimated amount mainly due to interest income and income related to a management contract with the City of South Portland, prior to the transfer of operations of their bus service.

Passenger Fares. Collected passenger fares were under budget by about 15.12%, or \$475,852. In an effort to return ridership to greater than pre-pandemic levels, GPTD continued to implement various service improvements, including headway improvements as well as route extensions and re-alignments. As a result, 2024 ridership continued to rise, increasing by 122,138 rides, approximately 7.21% from 2023. Despite the gains made over the year, fare recovery from the pandemic in 2024 remained below pre-pandemic levels, likely due to ridership at approximately 86.30% of pre-pandemic levels.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2024

Advertising Revenue. Collected revenue from transit advertising fell below budget at 21.03%, or \$63,093 lower than the budgeted estimate, and \$6,730, or 2.76%, lower than in 2023. 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, and the downward trends have proven steady for 2024.

Federal and State Assistance. Collections from Federal and State agencies was 7.08% higher than 2023, or up by \$506,276. GPTD was awarded federal American Rescue Plan Act (ARPA) funds which fully funded the 2024 service expansion programs, including the Micro Transit pilot service in the Town of Falmouth, launched in December 2024. Other federal and state operating assistance all surpassed 2023 levels, with the exception of ADA Paratransit funds, as ridership trends are showing decline, costs associated with this service also slightly declined.

Total federal and state assistance for 2024 was 8.92% lower than budgeted, or \$750,433, which is primarily attributed to the delayed implementation of some service improvements, which are ARPA funded, and lower than estimated State support for operations.

Local Investment. Payments from communities were \$102,909, or 2.18%, higher than in 2023. This was a result of an additional \$19,242, or approximately 0.44% in local assessments and match for operating costs. Total local assessments were collected above budgeted amount by \$170,137, or 4.03% due to the addition of the Town of Gorham joining as a member community in March 2024. Additionally, the non-member assessment of \$35,000 was not collected, therefore, under budgeted amounts. Match for capital costs increased \$220,103 or 176% when compared to 2023.

Budgeted Expenses

Total operating expenses for 2024 were under budget by 4.72%, or \$800,831, and about 10.44%, or \$1,529,520 more than 2023. 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 9.60% higher, or \$998,079 than in 2023. This not only reflects a 3.00% wage increase and step increases for all employees, but a slight decrease in overtime pay as well. Health insurance premiums saw double digit increases in 2024, with stable pricing for dental and vision. Lower than anticipated benefit costs, allowed benefits to be under expended by \$187,970, or 5.40%, aided by the staffing shortages experienced. In total, wages and benefits were under budget by 3.92%, or \$465,001 in 2024.

Fleet parts and services and fuel. The cost of maintaining the fleet combined with fuel costs, were under budget by \$97,256, about 7.05% with a savings in diesel fuel of \$26,000 and CNG fuel of \$71,967. Other under expended items included electricity (as a fuel) and tires and tubes of \$14,222, and \$8,110, respectively. Fleet parts was over expended by \$18,040 for 2024. However, the total expense of both categories was \$235,580 higher than 2023. 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 over budget by about 21.24%, or \$18,972. A majority of GPTD's advertising dollars are typically used for initiatives to grow ridership. 2024 was no exception, with the marketing spending focus placed on the continued effort to grow ridership, and the ARPA-funded service expansion programs, including Micro Transit. Other advertising spending was directed to stemming the workforce shortage.

Contracted services. Contracted services were under budget by about 0.36%, or \$2,473. This reflects lower than anticipated costs related to services estimated for ARPA service improvements, and significantly higher than estimated

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2024

expenses for legal services, mostly related to the transfer of the City of South Portland Bus Service operations. Other planned contracted services expenditures have been pushed to future periods based on contract timing. Contracted services were also higher than 2023 levels by \$237,276 or 53.09%.

Utilities and telephone. The total cost of heat, electricity, phone, water, sewer, and storm water were under budget by about 15.0%, or \$119,621. Total costs also decreased 6.17% compared to 2023. 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.

Maintenance services. The total cost of maintenance services was under budget by 6.72%, or \$24,890, and \$75,279 lower than 2023. Costs budgeted for maintenance supplies, copier maintenance, and snow plowing were under budget, partially offset by over budget maintenance services by \$5,383. This was largely due to maintenance provider cost increases coupled with greater than anticipated external engine and body repair costs 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 2024 being about 15% 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 2026-2029.

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 were partially implemented in 2024, and additional improvements planned for 2025.

GPTD began a strategic planning process in 2024, which will continue into 2025, 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 2025 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.

GREATER PORTLAND TRANSIT DISTRICT
Management Discussion and Analysis, Continued
Fiscal Year Ended December 31, 2024

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, Chief Financial Officer, Greater Portland Transit District, 114 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, 2024 and 2023

	2024	Restated 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,073,824	3,029,361
Accounts receivable	175,108	148,132
Receivables from other governments:		
Grants	1,138,125	559,943
Other	227,142	152,513
Lease receivable	479,487	633,618
Inventory	592,997	409,188
Prepaid expenses	106,737	109,868
Total current assets	5,793,420	5,042,623
Capital assets:		
Land	133,175	133,175
Construction in progress	580,420	62,700
Buildings and improvements	6,731,747	6,731,747
Vehicles	25,652,592	22,310,798
Passenger shelters	740,629	716,181
Equipment	5,478,803	5,711,660
Right to use asset - lease	2,035,170	2,035,170
Right to use asset - subscription	200,966	-
Total capital assets	41,553,502	37,701,431
Less accumulated depreciation and amortization	24,377,484	20,551,143
Capital assets, net	17,176,018	17,150,288
Total assets	22,969,438	22,192,911
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to OPEB	153,013	11,242
Total deferred outflows of resources	153,013	11,242
LIABILITIES		
Current liabilities:		
Accounts payable	399,851	190,716
Payable to other governments	215,943	117,195
Accrued payroll and payroll taxes	342,897	230,206
Other liabilities	206,693	163,775
Unearned fare revenue	394,097	323,444
Current portion of accrued compensated absences	44,350	19,221
Current portion of notes payable	199,150	199,150
Current portion of lease payable	296,571	277,118
Current portion of subscription payable	37,575	-
Total current liabilities	2,137,127	1,520,825
Noncurrent liabilities:		
OPEB obligation	1,003,256	800,698
Accrued compensated absences	248,497	218,989
Notes payable	812,050	1,011,200
Lease payable	954,522	1,251,093
Subscription payable	152,271	-
Total noncurrent liabilities	3,170,596	3,281,980
Total liabilities	5,307,723	4,802,805
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to OPEB	116,762	82,659
Deferred inflows of resources related to leases	437,828	597,038
Total deferred inflows of resources	554,590	679,697
NET POSITION		
Net investment in capital assets	14,723,879	14,411,727
Restricted	754,007	497,016
Unrestricted, reserved for board policy	1,352,272	1,250,000
Unrestricted, unreserved	429,980	562,908
Total net position	\$ 17,260,138	16,721,651

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, 2024 and 2023

	2024	Restated 2023
Operating revenues:		
Passenger fares	\$ 2,670,561	2,187,081
Rental income	252,785	271,499
Outside repairs, maintenance and CNG sales	40,515	10,137
Federal and state operating grants	7,875,932	7,232,621
Local assessments for operating	4,475,578	4,592,772
Advertising	236,907	243,637
Insurance proceeds	102,151	44,696
Autofare reimbursement	17,463	15,861
Miscellaneous income	94,727	39,856
Total operating revenues	15,766,619	14,638,160
Operating expenses before depreciation and amortization:		
Personnel	11,485,731	10,474,321
Temporary help	4,674	82,181
ADA Paratransit	410,475	458,106
Fuel	799,539	604,485
Dues and subscriptions	45,881	36,519
Other employee costs	48,534	43,372
Fleet parts and services	491,969	489,051
Insurance	423,011	394,403
Advertising	111,307	140,289
Office and building supplies	20,128	18,665
Contract services	734,790	484,715
Utilities	409,518	472,625
Maintenance costs	414,136	437,087
Total operating expenses before depreciation and amortization	15,399,693	14,135,819
Operating income (loss) before depreciation and amortization	366,926	502,341
Depreciation and amortization expense	2,302,278	2,275,118
Operating income (loss) after depreciation and amortization	(1,935,352)	(1,772,777)
Nonoperating revenues (expenses):		
Federal and state capital grants	1,140,979	2,153,293
Local assessments for capital	313,936	171,872
Wellness and training grants	5,218	360
Gain (loss) on disposal of capital assets	(279,013)	(223,030)
Interest income	152,185	150,889
Bank interest and fees	(38,300)	(20,971)
Interest on debt service	(105,124)	(99,329)
Total nonoperating revenues (expenses)	1,189,881	2,133,084
Change in net position	(745,471)	360,307
Net position, beginning of year, previously reported	16,679,452	16,361,344
Restatement, adoption of GASBS 101	(40,211)	-
Restatement, adoption of GASBS Implementation 2021-1	82,410	-
Net position, beginning of the year, restated	16,721,651	16,361,344
Special item - net position of transferred bus services	1,283,958	-
Net position, end of year	\$ 17,260,138	16,721,651

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Statements of Cash Flows
For the years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Receipts from customers	\$ 3,282,145	3,088,440
Receipts from federal and state operating grants	7,297,750	7,841,066
Receipts from local sources	4,475,578	4,592,772
Receipts from insurance proceeds	102,151	44,696
Payments to suppliers	(3,591,111)	(4,041,545)
Payments to employees	(11,276,719)	(10,445,884)
Net cash provided by (used in) operating activities	289,794	1,079,545
Cash flows from investing activities:		
Interest income	152,185	150,889
Net cash provided by (used in) investing activities	152,185	150,889
Cash flows from capital and related financing activities:		
Local sources	313,936	171,872
Federal and State capital grants	1,140,979	2,153,293
Subscription issuance proceeds	200,966	-
Principal payments on notes	(199,150)	(199,150)
Principal payments on lease	(277,118)	(258,637)
Principal payments on subscriptions	(11,120)	-
Purchase of capital assets	(1,460,885)	(2,338,227)
Interest payments	(105,124)	(99,329)
Net cash provided by (used in) capital and related financing activities	(397,516)	(570,178)
Net increase (decrease) in cash and cash equivalents	44,463	660,256
Cash and cash equivalents, beginning of year	3,029,361	2,369,105
Cash and cash equivalents, end of year	\$ 3,073,824	3,029,361
Reconciliation of operating income (loss) to		
net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (1,935,352)	(1,814,976)
Adjustments to reconcile operating loss to net cash provided by		
(used in) operating activities:		
Depreciation and amortization	2,302,278	2,357,528
Bank interest and fees	(38,300)	(20,971)
Wellness and training grants	5,218	360
Amortization of deferred inflows and outflows of resources related to OPEB	(107,666)	84,271
Amortization of deferred inflows and outflows of resources related to leases	(159,210)	(172,477)
Change in operating assets and liabilities:		
Accounts receivable	(101,605)	303,978
Grants receivable	(578,182)	608,445
Lease receivable	154,131	144,112
Inventory	(45,989)	(18,209)
Prepaid expenses	3,131	(22,274)
Accounts payable	307,883	(411,979)
Accrued payroll and payroll taxes	112,691	(4,788)
Other liabilities	42,918	(32,167)
Unearned fare revenue	70,653	44,396
Accrued compensated absences	54,637	37,008
Net OPEB obligation	202,558	(2,712)
Net cash provided by (used in) operating activities	\$ 289,794	1,079,545
Noncash operating activities:		
Transfer of capital assets from the South Portland Bus Service	\$ 1,146,138	-
Noncash capital and related financing activities:		
Transfer of inventory from the South Portland Bus Service	\$ 137,820	-

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 provision 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, South Portland, and Westbrook, and the Towns of Brunswick, Falmouth, Freeport, Gorham and Yarmouth. The Board of Directors consists of five directors appointed from the City of Portland, four directors appointed from the City of South Portland, three directors appointed from the City of Westbrook, two directors from the Town of Falmouth, two directors from the Town of Gorham, and one each from the Towns of Brunswick, Freeport and Yarmouth.

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, 2024 and 2023 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.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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 in 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.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Leases and Subscription-based Technology Arrangements (SBITA)

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

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

Key estimates and judgments related to leases and SBITAs include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) 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 and SBITAs.
- The agreement term includes the noncancellable period of the agreement. Payments included in the measurement of the 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 right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Right-to-use assets are reported with other capital assets and lease or SBITA liabilities are reported with long-term debt on the statement 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.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. For Union employees, the District currently offers vacation accrual and paid time off (PTO). Union employees are paid out all accrued unused PTO time and prorated vacation time based on length of service in the year of termination.

For non-union employees, the District currently offers paid time off (PTO). The District moved from a Vacation and Sick accrual plan to a PTO plan in 2016. At that time, non-union employees were offered the option to remain in the current plan, or move to the PTO plan. The District has three employees remaining in the Vacation and Sick accrual plan. All newly hired non-union employees are offered the PTO plan. For non-union employees grandfathered into the vacation and sick plan, vacation is paid out at 100% of accrued time regardless of years of service, and after 20 years of service, sick time is paid out at 50% of accrued time with a maximum of 75 days. PTO is paid out based on years of service. Employees with 5 years of service or more are paid out 100% of their PTO time.

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, 2024, the District reported deposits of \$3,073,824 with a bank balance of \$3,116,000. 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.

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 \$14,828 for the period January to September 2024 and \$15,125 for the period October to December 2024, adjusted for a 2% increase each year annually in October.

The District recognized \$154,130 in lease revenue and \$24,697 in related interest revenue during 2024. As of December 31, 2024, the District's receivable for lease payments was \$479,487. 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, 2024, the balance of the deferred inflow of resources was \$437,828.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2024 was as follows:

	Balance 12/31/2023 (restated)	Increases *	Decreases	Balance 12/31/2024
Capital assets not being depreciated:				
Land	\$ 133,175	-	-	133,175
Construction in progress	62,700	517,720	-	580,420
Total capital assets not being depreciated	195,875	517,720	-	713,595
Capital assets being depreciated:				
Buildings and improvements	6,731,747	-	-	6,731,747
Vehicles	22,310,798	3,341,794	-	25,652,592
Passenger stations	716,181	24,448	-	740,629
Equipment	5,711,660	664,849	897,706	5,478,803
Right to use asset – lease	2,035,170	-	-	2,035,170
Right to use asset – subscription assets	-	200,966	-	200,966
Total capital assets being depreciated	37,505,556	4,232,057	897,706	40,839,907
Less accumulated depreciation for:				
Buildings and improvements	5,660,858	130,258	-	5,791,116
Vehicles	9,787,189	3,757,615	-	13,544,804
Passenger stations	191,405	43,742	-	235,147
Equipment	4,316,031	206,870	618,693	3,904,208
Right to use asset – lease	595,660	297,830	-	893,490
Right to use asset – subscription assets	-	8,719	-	8,719
Total accumulated depreciation	20,551,143	4,445,034	618,693	24,377,484
Total capital assets being depreciated, net	16,954,413	(212,977)	279,013	16,462,423
Capital assets, net	\$ 17,150,288	304,743	279,013	17,176,018

* - Included in the current-year increases were the following amounts received from the City of South Portland, Maine as part of the 2024 transfer of operations:

Capital assets not being depreciated – CIP \$ 14,704

Passenger Stations 24,448

Vehicles 3,178,964

Equipment 70,776

Total capital assets being depreciated 3,274,188

Total accumulated depreciation (2,142,754)

Capital assets, net \$ 1,146,138

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the District for the year ended December 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Notes from direct borrowing	\$ 1,210,350	-	199,150	1,011,200	199,150
Other postemployment liabilities	800,698	202,558	-	1,003,256	-
Accrued compensated absences	238,210	54,637	-	292,847	44,350
Leases payable	1,528,211	-	277,118	1,251,093	296,571
Subscriptions payable	-	200,966	11,120	189,846	37,575
Total long-term liabilities	\$ 3,777,469	458,161	487,388	3,748,242	577,646

Notes payable at December 31, 2024 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 12/31/24</u>	<u>Balance 12/31/23</u>
2018 Buses	2018	\$ 855,000	1.92-2.99%	11/1/2028	342,000	427,500
2019 Buses	2019	460,000	1.72-2.39%	11/1/2029	230,000	276,000
2020 Buses	2020	510,000	1.24-1.74%	11/1/2030	306,000	357,000
2022 Buses	2022	166,500	3.52-4.02%	11/1/2032	133,200	149,850
Total notes payable					\$ 1,011,200	1,210,350

The annual requirements to amortize notes payable outstanding as of December 31, 2024 are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2029	113,650	5,449	119,099
2030-2032	100,950	4,858	105,808
Totals	\$ 1,011,200	81,137	1,092,337

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, 2024, the value of the lease liability was \$1,251,093. The District was required to make monthly principal and interest payments of \$28,178 for the period of January to October 2024 and \$28,741 for the period of November and December 2024, adjusted for a 2% increase each year annually in November.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

LEASES PAYABLE, CONTINUED

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 2024 was \$2,035,170 and had \$893,490 in accumulated amortization as of December 31, 2024.

The future principal and interest lease payments as of December 31, 2024 were as follows:

	Lease Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	\$ 1,251,093	112,937	1,364,030

SUBSCRIPTIONS

During 2024, Greater Portland Transit District entered into subscription agreements for bid, budgeting and intelligent transportation system software programs. As of June 30, 2024, the value of subscription payables were \$189,846. The value of the right-to-use asset as of the end of the current fiscal year was \$200,966 and had accumulated amortization of \$8,719.

The future principal and interest payments as of December 31, 2024 were as follows:

	Subscription Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 37,575	5,799	43,374
2026	37,309	6,636	43,946
2027	34,827	5,006	39,833
2028	37,468	3,486	40,953
2029	40,257	1,849	42,107
2030	2,410	91	2,500
Totals	\$ 189,846	\$22,867	\$ 212,713

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, 2024 and 2023.

For the years ended December 31, 2024 and 2023, respectively, employee contributions amounted to \$0 and \$0 and employer contributions were \$471,804 and \$451,131.

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, 2024, 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	93
Total	<u>95</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, 2024 were \$11,242.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

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 \$1,003,256 was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	\$ 800,698
Changes for the year:	
Service cost	69,748
Interest	32,173
Changes of benefit terms	-
Differences between expected and actual experience	(80,632)
Changes in assumptions or other inputs	192,511
Benefit payments	(11,242)
Net changes	<u>202,558</u>
Balance at December 31, 2024	<u>\$ 1,003,256</u>

Change in assumptions reflects a change in the discount rate from 3.72% to 3.26%.

For the year ended December 31, 2024, the District recognized OPEB expense of \$94,890 related to the Health Plan. At December 31, 2024, 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	\$ -	116,762
Changes of assumption or other inputs	138,487	-
Contributions after measurement date	14,526	-
Total	<u>\$ 153,013</u>	<u>116,762</u>

An amount of \$14,526 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, 2025. 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:	
2025	\$ 3,068
2026	10,338
2027	1,645
2028	(4,839)
2029	(4,834)
Thereafter	16,347

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2024 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:

Inflation	2.38% per annum
Salary increases	2.75% per annum
Discount rate	3.26%
Healthcare cost trend rates	7.72% Non-Medicare, decreasing to 3.81% by 2044.
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, 2024 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 3.26%. 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 3.26%, 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 (2.26%) or 1 percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 1,167,671	1,003,256	868,882

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	\$ 849,812	1,003,256	1,198,439

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

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, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
<u>Tax anticipation note</u>	\$ -	3,125,001	3,125,001	-

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, 2024 and 2023 respectively, employee contributions amounted to \$543,183 and \$545,801 and employer contributions were \$0 and \$0.

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 41,553,502	37,701,431
Accumulated depreciation	(24,377,484)	(20,551,143)
Notes payable	(1,011,200)	(1,210,350)
Lease payable	(1,251,093)	(1,528,211)
Subscription payable	(189,846)	-
<u>Total net investment in capital assets</u>	\$ 14,723,879	14,411,727

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

NET POSITION, CONTINUED

The District's net position at December 31, 2024 and 2023 was restricted for the local match of the following grants and projects:

		<u>2024</u>	<u>2023</u>
ME-2016-016	2016 Operating Assistance & Cap Maintenance	\$ 10,705	14,077
ME-2016-017	Regional Bus Shelter/Sign Project	7,730	7,730
ME-2017-008	2017 Operating Assistance & Cap Maintenance	16,186	30,083
ME-2019-010	2019 Operating Assistance & Cap Maintenance	10,000	10,000
ME-2020-025	2020 Operating Assistance & Cap Maintenance	12,269	15,812
ME-2021-016	2021 Operating Assistance & Cap Maintenance	65,956	69,901
ME-2022-011	2022 Operating Assistance & Cap Maintenance	14,000	14,000
ME-2023-002	BREEZ Bus Replacement	635	635
ME-2023-044	2023 Operating Assistance & Cap Maintenance	157,891	157,891
ME-2024-010	2024 Operating Assistance & Cap Maintenance	283,185	-
N/A	Facility	5,000	5,000
N/A	Bus Stop Improvement	70,000	70,000
N/A	2018 Operations - Electric signs	8,590	42,958
N/A	Security	10,000	10,000
N/A	TSAP – Construction	-	39,529
N/A	AVL	59,460	-
N/A	Proceeds On Sale of FTA Assets	7,400	7,400
N/A	Service Vehicle	15,000	2,000
Total restricted net position		\$ 754,007	497,016

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, 2024 and 2023, the District has designated the following amounts of net position within cash and cash equivalents:

	<u>2024</u>	<u>2023</u>
Restricted net position	\$ 754,007	497,016
Unrestricted, reserved for board policy	1,352,272	1,250,000
Total	\$ 2,106,279	1,747,016

TRANSFER OF OPERATIONS

Under an intergovernmental agreement between the District and the City of South Portland, Maine, the two have agreed to combine their bus service for the purpose of achieving cost savings through greater economies of scale. On December 29, 2024, the City transferred the assets comprising its bus service operations to the District. As a result of the transfer, the District recognized \$1,283,958 in assets and net position. Transferred assets included \$1,146,138 of net capital assets and \$137,820 of inventory.

GREATER PORTLAND TRANSIT DISTRICT
Notes to Basic Financial Statements, Continued

RESTATEMENT OF NET POSITION

During the fiscal year, the District adopted Governmental Accounting Standards Board statement 101 – *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences. Also during the fiscal year, the District adopted Governmental Accounting Standards Board Implementation Guide No. 2021-1 – *Implementation Guidance Update-2021*, which provided clarifying language related to the capitalization of grouped similar assets (like computers or furniture), that individually fall below an organization’s capitalization threshold. The guide now requires that such grouped assets, if exceeding the organization’s capitalization threshold, be capitalized and depreciated over their estimated useful lives.

Net position, as previously reported	\$ 16,679,452
Restatement, adoption of GASBS 101	(40,211)
<u>Restatement, adoption of GASBS Implementation 2021-1</u>	<u>82,410</u>
<u>Net position, as restated</u>	<u>\$ 16,721,651</u>

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service cost	\$ 69,748	81,164	80,573	70,683	45,853	50,269
Interest	32,173	18,130	17,960	19,447	23,597	19,542
Changes of benefit terms	-	-	-	-	(13,451)	-
Differences between expected and actual experience	(80,632)	-	(53,799)	-	(44,040)	-
Changes of assumptions or other inputs	192,511	(92,976)	(3,812)	45,400	104,895	(50,926)
Benefit payments	(11,242)	(9,030)	(8,145)	(7,832)	(7,152)	(6,877)
Net change in total OPEB Liability	<u>202,558</u>	<u>(2,712)</u>	<u>32,777</u>	<u>127,698</u>	<u>109,702</u>	<u>12,008</u>
Total OPEB liability - beginning	<u>800,698</u>	<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>1,003,256</u>	<u>800,698</u>	<u>803,410</u>	<u>770,633</u>	<u>642,935</u>	<u>533,233</u>
Covered-employee payroll	\$ 6,118,106	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	16.40%	15.94%	15.99%	16.44%	13.71%	13.72%

*Only six 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>
2024	3.26%
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, 2024
(With Comparative Actual Amounts for the year ended December 31, 2023)

	Budgeted amounts			Variance with final budget positive (negative)	2023
	Original	Final	Actual		
Revenues:					
Passenger fares:					
Regular fares	\$ 2,164,632	2,164,632	1,734,225	(430,407)	1,217,340
Organization paid fares	651,614	651,614	606,169	(45,445)	969,741
Organization Route Guarantee	330,167	330,167	330,167	-	-
Total passenger fares	3,146,413	3,146,413	2,670,561	(475,852)	2,187,081
Federal assistance:					
Operating assistance	4,416,000	4,416,000	4,617,398	201,398	3,719,537
CARES act	-	-	-	-	865,292
American Rescue Plan	-	-	-	-	494,585
American Rescue Plan - service expansion	1,225,400	1,225,400	586,754	(638,646)	111,277
ADA paratransit	405,922	405,922	328,380	(77,542)	346,387
Fuel Reimbursement	-	-	124,819	124,819	-
Preventive maintenance	1,273,234	1,273,234	1,285,278	12,044	1,211,036
Total federal assistance	7,320,556	7,320,556	6,942,629	(377,927)	6,748,114
State assistance	1,089,347	1,089,347	716,841	(372,506)	405,080
Local investment:					
Members	4,670,257	4,670,257	4,820,680	150,423	4,682,771
Operating assessments	4,223,677	4,223,677	4,393,814	170,137	4,374,572
Operating assessments - lease	-	-	-	-	93,861
Capital assessments	345,100	345,100	345,102	2	124,999
ADA paratransit	101,480	101,480	81,764	(19,716)	89,339
Non-members	35,000	35,000	-	(35,000)	35,000
BREEZ/TW operating contributions	35,000	35,000	-	(35,000)	35,000
Total local investment	4,705,257	4,705,257	4,820,680	115,423	4,717,771
Miscellaneous:					
Rental of property	258,524	258,524	252,785	(5,739)	271,499
Fleet maintenance services	5,000	5,000	40,465	35,465	6,000
Advertising	300,000	300,000	236,907	(63,093)	243,637
Interest income	90,000	90,000	152,185	62,185	150,889
Fuel sales	7,000	7,000	50	(6,950)	4,137
Autofare reimbursement	15,810	15,810	17,463	1,653	15,861
Wellness grant	5,500	5,500	5,218	(282)	210
Claims Recovery	20,000	20,000	102,151	82,151	210
Miscellaneous income	20,000	20,000	94,727	74,727	39,856
Total miscellaneous	721,834	721,834	901,951	180,117	732,299
Total revenues	16,983,407	16,983,407	16,052,662	(930,745)	14,790,345

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2024
(With Comparative Actual Amounts for the year ended December 31, 2023)

	Budgeted amounts			Variance with final budget positive (negative)	2023
	Original	Final	Actual		
Expenses:					
Personnel:					
Regular wages and salaries	\$ 7,820,751	7,820,751	7,510,662	310,089	6,848,674
Overtime	551,570	551,570	584,628	(33,058)	554,797
Benefits	3,483,521	3,483,521	3,295,551	187,970	2,989,291
Total personnel	11,855,842	11,855,842	11,390,841	465,001	10,392,762
Temporary help	-	-	4,674	(4,674)	82,181
ADA paratransit	507,402	507,402	410,475	96,927	458,106
Fuel:					
CNG fuel	133,851	133,851	61,884	71,967	92,420
Diesel fuel	749,877	749,877	723,877	26,000	497,846
Electricity as a fuel	28,000	28,000	13,778	14,222	14,219
Total fuel	911,728	911,728	799,539	112,189	604,485
Dues and subscriptions:					
Dues and subscriptions	40,500	40,500	38,453	2,047	28,219
HRA annual dues	10,000	10,000	7,255	2,745	8,098
Licenses and permits	1,500	1,500	173	1,327	202
Total dues and subscriptions	52,000	52,000	45,881	6,119	36,519
Other employee costs:					
Wellness program	10,000	10,000	314	9,686	-
Meals and hosting	15,000	17,000	20,639	(3,639)	12,530
Travel, conferences, meetings	23,100	22,000	13,162	8,838	14,451
Employment services	14,500	14,500	10,581	3,919	13,402
Total other employee costs	62,600	63,500	44,696	18,804	40,383
Fleet parts and services:					
Parts	305,817	305,817	323,857	(18,040)	311,101
Tires and tubes	79,804	79,804	71,694	8,110	68,767
Greases and fluids	81,514	81,514	86,517	(5,003)	61,674
Total fleet parts and services	467,135	467,135	482,068	(14,933)	441,542
Insurance	421,168	421,168	423,011	(1,843)	394,403
Advertising:					
Advertising	87,000	64,840	74,793	(9,953)	106,612
Fare media	10,000	10,000	21,498	(11,498)	19,950
Marketing supplies	10,500	14,500	12,021	2,479	13,727
Total advertising	107,500	89,340	108,312	(18,972)	140,289
Office and building supplies:					
Supplies	22,600	20,600	17,889	2,711	16,509
Postage	3,000	3,000	2,239	761	2,156
Total office and building supplies	25,600	23,600	20,128	3,472	18,665

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2024
(With Comparative Actual Amounts for the year ended December 31, 2023)

	Budgeted amounts			Variance with final budget positive (negative)	2023
	Original	Final	Actual		
Contract services:					
Technology services	\$ 204,651	204,841	209,588	(4,747)	189,967
Legal fees	40,000	40,000	177,754	(137,754)	74,547
Audit fees	27,500	27,500	26,500	1,000	25,000
Other contracted services	314,614	333,684	189,722	143,962	146,349
Real estate broker services - lease	77,884	77,884	78,031	(147)	8,766
Miscellaneous services	2,800	2,800	2,641	159	2,331
Total contract services	667,449	686,709	684,236	2,473	446,960
Utilities and telephone:					
Heating fuel	170,844	170,844	93,540	77,304	146,979
Electricity	133,986	133,986	108,206	25,780	115,893
Water/sewer/storm water	43,674	43,674	32,908	10,766	32,400
Phone/cell/internet	77,496	77,496	73,574	3,922	66,097
Real estate taxes - lease	41,000	41,000	39,151	1,849	37,288
Rental Fees	339,257	339,257	339,257	-	332,605
Total utilities and telephone	806,257	806,257	686,636	119,621	731,262
Maintenance costs:					
Maintenance services	252,161	252,161	257,544	(5,383)	320,034
Copier maintenance	8,000	8,000	5,653	2,347	4,543
Maintenance supplies	101,500	101,500	82,574	18,926	93,798
Snow plowing and removal	9,000	9,000	-	9,000	2,675
Total maintenance costs	370,661	370,661	345,771	24,890	421,050
Bank and credit card fees	24,600	24,600	38,300	(13,700)	20,971
Capital match	345,100	345,100	345,102	(2)	124,999
Capital expense	-	-	48,632	(48,632)	-
Debt service principal	199,150	199,150	199,150	-	199,150
Debt service interest	114,215	114,215	105,124	9,091	99,329
Fund balance restoration	45,000	45,000	-	45,000	-
Total expenditures	16,983,407	16,983,407	16,182,576	800,831	14,653,056
Change in net position - budgetary basis	-	-	(129,914)	(129,914)	137,289

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2024

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Reconciliation to GAAP:	\$			
Unbudgeted federal and state capital grants			1,140,979	
Unbudgeted federal and state operating grants			216,462	
Unbudgeted capital maintenance expense			(19,733)	
Unbudgeted contracted services			(61,674)	
Unbudgeted supplies/parts			(9,901)	
Unbudgeted advertising fees			(2,995)	
Unbudgeted travel, conferences, meetings			(3,838)	
Unbudgeted local contributions			(31,166)	
Depreciation and amortization expense			(2,302,278)	
Capitalized local match			345,102	
Principal payment on debt service			199,150	
Other postemployment benefits expense			(94,890)	
Lease capitalization / GASB 87 adjustments			277,118	
Subscription capitalization / GASB 96 adjustments			11,120	
Gain (loss) on disposal of capital assets			(279,013)	
Net change in net position - GAAP basis			(745,471)	
Net position, beginning of year			16,721,651	
Special item - net position of transferred bus services			1,283,958	
Net position, end of year	\$		17,260,138	