GREATER PORTLAND TRANSIT DISTRICT

Financial Statements

For the Years Ended December 31, 2025, and 2024

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RKO
Runyon Kersteen Ouellette

Certified Public Accountants and Business Consultants

Independent Auditor's Report

To the Board of Directors of the
Greater Portland Transit District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Greater Portland Transit District, as of and for the years ended December 31, 2025, and 2024, 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, 2025, and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management'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 27, 2026, 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.

Runyon Kersteen Ouellette

May 27, 2026
South Portland, Maine

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.

Financial Highlights

- Capital Assets. Capital assets, net of depreciation and amortization decreased in 2025 by $1,684,751, about 9.36%. This reflects capital improvements for the building/facility, the addition of capital equipment for various departments, and the addition of Right to Use Asset Subscriptions; which provided an increase in capital assets of about $1,219,828 (excluding construction in progress). This was entirely offset by annual asset depreciation and amortization, totaling $2,596,663, along with the retirement of two of the District's older transit buses, equaling $740,574, which provided the overall net decrease in capital assets.
- Current Liabilities. The decrease in current liabilities of $13,003, or 0.62%, reflects a $94,158 and $138,313 decrease in accounts payable and payables to other governments, respectively, a decrease of $93,688 in accrued payroll costs, and an increase in other liabilities of $90,003 at year-end. Additionally, the District saw increases in both the current portions of lease payable and accrued compensated absences of $19,084 and $86,290, respectively. In addition, there is an increase of $72,810 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 $44,969 in the current portion of subscription payables.
- Noncurrent Liabilities. Noncurrent liabilities decreased by $420,906, about 10.23%, which is inclusive of $274,922 in principal reduction of our lease payable. Refer to Page 17 for additional detail. Notes payable also declined due to regular principal pay downs over the year. Accrued compensated absences decreased by $119,950, which primarily reflects retirements and other employee departures partially offset by wage increases. Other postemployment benefits (OPEB) liability increased by $81,779. The 2025 OPEB liability is $1,085,035 as described on page 19.
- Net Position. Overall net position for GPTD decreased by 8.56%, or $1,471,226, primarily due to the annual depreciation and amortization expense exceeding capital asset additions, along with an increase in long-term liabilities for lease, subscriptions and post-employment benefits. Unrestricted net position decreased by 11.01%, or about $196,210. Restricted net position, which is the unexpended portion of local match funds for awarded capital grants, increased by $91,053, based on receipt of additional funds for capital projects throughout 2025. Detailed changes in net position are shown on page 9, and the allocation of net position is explained beginning on page 22. GPTD realized a net budgetary surplus (revenues minus expenses) of $149,075.
- 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 9, it shows that 2024 total Unrestricted Net Position was $1,782,252. Of that amount, $1,352,272 was reserved for the policy, which has an equal amount of cash restricted, as required. This represented 7.02% of 2025 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 2025 year-end unrestricted net position is $1,586,042, which reflects the budgetary surplus of $149,075 and is an increase from 2024 of $196,210. In an effort to move closer to its Board policy goal, GPTD management increased the level of reserves to $1,528,043 in 2025. The unrestricted, reserved for Board policy amount of $1,528,043, is about 7.56% of 2026 budgeted operating expenses. Page 23 shows the amount of restricted cash. The full policy calculation, at 16.66%, would require a reserve of $3,366,425 for the 2026 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 3.11%, or about $599,116, and 16.20%, or $2,600,524, above the 2024 total. Most of the variances in revenues can be attributed to passenger fares and lower than anticipated Federal ARPA funding due to lower than estimated costs for the first full year of the new service improvements. The variance in passenger fare revenue can also partly be contributed to this uncertainty, along with slower than anticipated ridership recovery. These variances were partially offset by higher organizational route guarantee payments related to the pilot expansion of the BREEZ service to Bath/BIW. Miscellaneous income was overall lower than the estimated amount mainly due to lower than estimated advertising income, which was partially offset by higher interest income, insurance claims recovery funds and other miscellaneous income.

<u>Passenger Fares.</u> Collected passenger fares were under budget by about 11.77%, or $397,520. Despite the ridership gains made over the years, fare recovery from the pandemic remained below pre-pandemic levels, with 2025 ridership at 1,877,464, about 89.23% of 2019 peak ridership at 2,104,150.

<u>Advertising Revenue</u>. Collected revenue from transit advertising fell below budget at 24.98%, or $80,519 lower than the budgeted estimate, and $4,921, or 2.07%, higher than in 2024. These variances can be directly related to a national industry shift away from annual advertising contracts to shorter-term contracts which started in 2024. Economic concerns coupled with the District's more restrictive advertising policy have also directly impacted these results. Despite GPTD's maximization of advertising space on buses and passenger stations, the shorter-term contract trends have proven steady for 2025.

<u>Federal and State Assistance.</u> Collections from Federal and State agencies was 22.39% higher than 2024, or up by $1,715,470. This significant increase in funding is a result of the merger between GPTD and South Portland Bus Service. GPTD was awarded discretionary funds from the State of Maine Department of Transportation which fully funded various capital projects and also slightly contributed to the increase in State operating assistance for 2025. Other federal and state operating assistance all surpassed 2024 levels, with the exception of Federal Fuel Assistance funds, as the 2024 amount included catch-up amounts for prior years.

Total federal and state assistance for 2025 was 1.74% lower than budgeted, or $166,465, which is primarily attributed to the lower than estimated costs for the first full year of the new service improvements, which are ARPA funded at 100% of cost.

Local Investment. Payments from communities were $714,894, or 14.83%, higher than in 2024. This was a result of an additional $802,715, or approximately 18.27% in local assessments and match for operating costs. Total local assessments were collected above budgeted amount by $2,484, or 0.04% due to higher than estimated costs associated with ADA paratransit services billed to the member communities. Match for capital costs decreased $131,542 or 38.12% when compared to 2024. The overall increase in local assessments is directly related to the merger between GPTD and South Portland Bus Service, with the City of South Portland's local assessment accounting for the majority of the increase.

Budgeted Expenses

Total operating expenses for 2025 were under budget by 3.89%, or $748,191, and about 14.35%, or $2,321,535 more than 2024. The majority of the increase was incurred in personnel and fuel cost increases, which is directly related to the merger between GPTD and South Portland Bus Service. The budget to actual schedule for expenses begins on page 28.

Wages and benefits (personnel) Total wages and benefits costs were about 17.64% higher, or $2,009,702 than in 2024. This not only reflects a cumulative 4.00% cost of living wage increase and step increases for all employees, but also the addition of 9 Bus Operators as a result of the merger between GPTD and the South Portland Bus Service. Health insurance premiums saw double digit increases in 2025, with smaller increases for dental and vision. In total, wages and benefits were under budget by 1.66%, or $226,583 in 2025.

Fleet parts and services and fuel. The cost of maintaining the fleet combined with fuel costs, were under budget by $209,310, about 13.61% with a savings in diesel fuel of $194,764 and CNG fuel of $8,995. Other under expended items included electricity (as a fuel), gasoline and tires and tubes and greases and fluids of $2,951, $3,703, $9,019, and $13,736, respectively. Fleet parts was over expended by $23,858 for 2025. However, the total expense of both categories was $256,117 higher than 2024. GPTD continues to experience inflationary pressures on cost and supply chain issues which has pushed fleet parts over budget. GPTD obtained favorable diesel fuel pricing and CNG supplier service costs in its current contracts which contributed to the net savings overall.

Advertising services. Advertising services were under budget by about 36.39%, or $24,424. A majority of GPTD's advertising dollars are typically used for initiatives to grow ridership. 2025 was no exception, with the marketing spending focus placed on the continued effort to grow ridership, and the GPTD-South Portland Bus Service Merger. A significant portion of advertising spending was directed to stemming the workforce shortage.

Contracted services. Contracted services were under budget by about 21.36%, or $125,178. This reflects lower than anticipated costs related to legal and technology services. Other planned contracted services expenditures have been pushed to future periods based on contract timing. Contracted services were lower than 2024 levels by $223,479 or 32.66%.

Utilities and telephone. The total cost of heat, electricity, phone, water, sewer, and storm water were under budget by about 4.69%, or $35,056. Total costs increased 8.92% compared to 2024. GPTD obtained favorable CNG supplier service costs in its current contract that resulted in the net savings in heating fuel.

Maintenance services. The total cost of maintenance services was under budget by 37.20%, or $120,945, and $20,650 lower than 2024. Costs budgeted for maintenance services, copier maintenance, and snow plowing were under budget, partially offset by over budget maintenance supplies by $2,469. This was largely due to lower than anticipated costs associated with fleet and building maintenance services.

Growth and Initiatives

GPTD's ridership recovery initiatives continued during 2025; however, overall ridership remained approximately 10% below pre-pandemic 2019 levels. While transit demand has steadily improved since the pandemic, the pace of recovery has slowed in 2025, resulting in fare revenues that continue to remain below pre-pandemic expectations.

At the same time, transit agencies nationwide continue to experience significant financial and operational pressures driven by rising costs across all major expenditure categories, including labor, fuel, utilities, insurance, contracted services, and commodities. Workforce challenges also remain a significant issue within the transit industry. Low unemployment levels and reduced labor force participation continue to impact GPTD's ability to recruit and retain qualified employees, particularly bus operators and vehicle maintenance technicians.

As federal emergency relief funding associated with the COVID-19 pandemic continues to phase out, transit agencies are increasingly required to absorb ongoing operating cost increases without corresponding growth in traditional revenue sources. As a result of these factors, including continued fare revenue impacts and inflationary operating pressures, GPTD currently projects structural operating deficits during the 2027 through 2030 financial planning period absent additional revenues, expenditure reductions, or other corrective actions.

Despite these challenges, GPTD continues to pursue strategies aimed at strengthening regional mobility, improving the customer experience, and rebuilding ridership. During 2024 and 2025, the District implemented and advanced several service enhancements and capital improvement initiatives funded in part through federal American Rescue Plan Act (ARPA) resources. These investments are intended to improve system reliability, increase ridership and rider satisfaction, and position the organization for long-term growth.

Looking ahead to 2026, GPTD plans to continue advancing initiatives intended to improve financial sustainability, customer convenience, and regional mobility access. Planned initiatives for 2026 include:

- Conducting a comprehensive fare policy analysis to evaluate potential fare adjustments that balance affordability and rider acceptance with the need to improve farebox recovery and support long-term financial sustainability;
- Implementing "tap to pay" functionality across the transit system to improve customer convenience, modernize fare collection, and streamline boarding processes;
- Expanding transit service into the Town of Scarborough to improve regional connectivity and mobility options; and
- Actively pursuing additional State of Maine transit funding opportunities to help support operating and capital needs, improve long-term financial sustainability, and reduce structural funding pressures
- Initiating regional discussions regarding the federal transit funding allocation methodology that supports the District's primary federal funding source, with the objective of ensuring future funding distributions appropriately reflect current service delivery, ridership trends, and regional transit needs; and
- Continuing targeted service and capital improvements designed to enhance reliability, accessibility, and the overall customer experience.

Conclusion

GPTD remains committed to investing in technology, infrastructure, and service enhancements that improve the accessibility, convenience, and reliability of public transportation throughout the region. During 2025, the District continued implementing operational and capital improvements intended to strengthen the customer experience, improve mobility options, and support long-term ridership growth.

While ridership recovery has continued at a measured pace following the pandemic, GPTD remains focused on initiatives that position the organization for long-term financial sustainability and future service growth. Planned investments in fare technology modernization, service expansion, infrastructure improvements, and customer-focused transit enhancements are expected to further strengthen the District's ability to meet the evolving mobility needs of the communities it serves.

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, 2025, and 2024

		2025	Restated 2024
ASSETS			
Current assets:			
Cash and cash equivalents	$	3,877,337	3,073,824
Accounts receivable		146,944	175,108
Receivables from other governments:			
Grants		309,527	1,138,125
Other		136,609	227,142
Lease receivable		314,820	479,487
Inventory		623,431	592,997
Prepaid expenses		32,075	106,737
Total current assets		5,440,743	5,793,420
Capital assets:			
Land		133,175	133,175
Construction in progress		272,504	580,420
Buildings and improvements		6,746,577	6,731,747
Vehicles		24,912,018	25,652,592
Passenger shelters		740,629	740,629
Equipment		6,388,313	5,478,803
Right to use asset - lease		2,827,020	2,827,020
Right to use asset - subscription		496,454	200,966
Total capital assets		42,516,690	42,345,352
Less accumulated depreciation and amortization		26,202,564	24,346,475
Capital assets, net		16,314,126	17,998,877
Total assets		**21,754,869**	**23,792,297**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB		103,001	153,013
Total deferred outflows of resources		**103,001**	**153,013**
LIABILITIES			
Current liabilities:			
Accounts payable		305,693	399,851
Payable to other governments		77,630	215,943
Accrued payroll and payroll taxes		249,209	342,897
Other liabilities		296,696	206,693
Unearned fare revenue		466,907	394,097
Current portion of accrued compensated absences		130,640	44,350
Current portion of notes payable		199,150	199,150
Current portion of lease payable		274,467	255,383
Current portion of subscription payable		82,544	37,575
Total current liabilities		2,082,936	2,095,939
Noncurrent liabilities:			
OPEB obligation		1,085,035	1,003,256
Accrued compensated absences		128,547	248,497
Notes payable		612,900	812,050
Lease payable		1,621,751	1,896,673
Subscription payable		243,608	152,271
Total noncurrent liabilities		3,691,841	4,112,747
Total liabilities		**5,774,777**	**6,208,686**
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB		93,667	116,762
Deferred inflows of resources related to leases		278,618	437,828
Total deferred inflows of resources		**372,285**	**554,590**
NET POSITION			
Net investment in capital assets		13,279,706	14,645,775
Restricted		845,060	754,007
Unrestricted, reserved for board policy		1,528,043	1,352,272
Unrestricted, unreserved		57,999	429,980
Total net position	**$**	**15,710,808**	**17,182,034**

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 31, 2025, and 2024

		2025	Restated 2024
Operating revenues:			
Passenger fares	$	2,980,993	2,670,561
Rental income		249,830	252,785
Outside repairs, maintenance and CNG sales		7,874	40,515
Federal and state operating grants		9,406,715	7,875,932
Local assessments for operating		5,322,014	4,475,578
Advertising		241,819	236,907
Insurance proceeds		89,514	102,151
Autofare reimbursement		5,811	17,463
Miscellaneous income		37,077	94,727
Total operating revenues		18,341,647	15,766,619
Operating expenses before depreciation and amortization:			
Personnel		13,509,239	11,485,731
Temporary help		88,832	4,674
ADA Paratransit		627,580	410,475
Fuel		938,342	799,539
Dues and subscriptions		49,377	45,881
Other employee costs		51,650	48,534
Fleet parts and services		606,339	491,969
Insurance		490,111	423,011
Advertising		112,410	111,307
Office and building supplies		24,559	20,128
Contract services		676,905	734,790
Utilities		492,068	448,489
Maintenance costs		378,262	414,136
Total operating expenses before depreciation and amortization		18,045,674	15,438,664
Operating income (loss) before depreciation and amortization		295,973	327,955
Depreciation and amortization expense		2,596,663	2,291,942
Operating income (loss) after depreciation and amortization		(2,300,690)	(1,963,987)
Nonoperating revenues (expenses):			
Federal and state capital grants		736,482	1,140,979
Local assessments for capital		102,029	313,936
Wellness and training grants		605	5,218
Gain (loss) on disposal of capital assets		-	(279,013)
Interest income		129,396	152,185
Bank interest and fees		(58,768)	(38,300)
Interest on debt service		(80,280)	(105,124)
Total nonoperating revenues (expenses)		829,464	1,189,881
Change in net position		(1,471,226)	(774,106)
Net position, beginning of year, previously reported		17,182,034	16,679,452
Restatement, adoption of GASBS 101		-	(40,211)
Restatement, adoption of GASBS Implementation 2021-1		-	82,410
Restatement, correction of lease term		-	(49,469)
Net position, beginning of the year, restated		17,182,034	16,672,182
Special item - net position of transferred bus services		-	1,283,958
Net position, end of year	**$**	**15,710,808**	**17,182,034**

See accompanying notes to basic financial statements.

GREATER PORTLAND TRANSIT DISTRICT
Statements of Cash Flows
For the years ended December 31, 2025, and 2024

		2025	Restated 2024
Cash flows from operating activities:			
Receipts from customers	$	3,720,973	3,282,145
Receipts from federal and state operating grants		10,235,313	7,297,750
Receipts from local sources		5,322,014	4,475,578
Receipts from insurance proceeds		89,514	102,151
Payments to suppliers		(4,552,961)	(3,630,082)
Payments to employees		(13,668,373)	(11,276,719)
Net cash provided by (used in) operating activities		1,146,480	250,823
Cash flows from investing activities:			
Interest income		129,396	152,185
Net cash provided by (used in) investing activities		129,396	152,185
Cash flows from capital and related financing activities:			
Local sources		102,029	313,936
Federal and State capital grants		736,482	1,140,979
Principal payments on notes		(199,150)	(199,150)
Principal payments on lease		(255,838)	(238,147)
Principal payments on subscriptions		(161,118)	(11,120)
Purchase of capital assets		(614,488)	(1,259,919)
Interest payments		(80,280)	(105,124)
Net cash provided by (used in) capital and related financing activities		(472,363)	(358,545)
Net increase (decrease) in cash and cash equivalents		803,513	44,463
Cash and cash equivalents, beginning of year		3,073,824	3,029,361
Cash and cash equivalents, end of year	**$**	**3,877,337**	**3,073,824**
Reconciliation of operating income (loss) to			
net cash provided by (used in) operating activities:			
Operating income (loss)	$	(2,300,690)	(1,963,987)
Adjustments to reconcile operating loss to net cash provided by			
(used in) operating activities:			
Depreciation and amortization		2,596,663	2,291,942
Bank interest and fees		(58,768)	(38,300)
Wellness and training grants		605	5,218
Amortization of deferred inflows and outflows of resources related to OPEB		26,917	(107,666)
Amortization of deferred inflows and outflows of resources related to leases		(159,210)	(159,210)
Change in operating assets and liabilities:			
Accounts receivable		118,697	(101,605)
Grants receivable		828,598	(578,182)
Lease receivable		164,667	154,131
Inventory		(30,434)	(45,989)
Prepaid expenses		74,662	3,131
Accounts payable		(232,471)	307,883
Accrued payroll and payroll taxes		(93,688)	112,691
Other liabilities		90,003	42,918
Unearned fare revenue		72,810	70,653
Accrued compensated absences		(33,660)	54,637
Net OPEB obligation		81,779	202,558
Net cash provided by (used in) operating activities	$	1,146,480	250,823
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
Subscription issuance proceeds	$	297,424	200,966

See accompanying 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 and amortization 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, 2025, and 2024, 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.

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	3-8 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 net assets 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Leases and Subscription-based Information 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.

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 two 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, 2025, the District reported deposits of $3,877,337 with a bank balance of $3,859,492. 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 $15,125 for the period January to September 2025 and $15,427 for the period October to December 2025, adjusted for a 2% increase each year annually in October.

The District recognized $164,667 in lease revenue and $17,737 in related interest revenue during 2025. As of December 31, 2025, the District's receivable for lease payments was $314,820. 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, 2025, the balance of the deferred inflow of resources was $278,618.

CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2025, was as follows:

	Balance 12/31/2024 (restated)	Increases	Decreases	Balance 12/31/2025
Capital assets not being depreciated/ amortized:				
Land	$ 133,175	-	-	133,175
Construction in progress	580,420	403,441	711,357	272,504
Total capital assets not being depreciated/ amortized	713,595	403,441	711,357	405,679
Capital assets being depreciated/amortized:				
Buildings and improvements	6,731,747	14,830	-	6,746,577
Vehicles	25,652,592	-	740,574	24,912,018
Passenger stations	740,629	-	-	740,629
Equipment	5,478,803	909,510	-	6,388,313
Right to use asset – lease*	2,827,020	-	-	2,827,020
Right to use asset – subscription assets	200,966	295,488	-	496,454
Total capital assets being depreciated/ amortized	41,631,757	1,219,828	740,574	42,111,011
Less accumulated depreciation/ amortization for:				
Buildings and improvements	5,791,116	128,606	-	5,919,722
Vehicles	13,544,804	1,777,544	740,574	14,581,774
Passenger stations	235,147	38,555	-	273,702
Equipment	3,904,208	291,134	-	4,195,342
Right to use asset – lease*	862,481	287,493	-	1,149,974
Right to use asset – subscription assets	8,719	73,331	-	82,050
Total accumulated depreciation/ amortization	24,346,475	2,596,663	740,574	26,202,564
Total capital assets being depreciated/ amortized, net	17,285,282	(1,376,835)	-	15,908,447
Capital assets, net	**$ 17,998,877**	**(973,394)**	**711,357**	**16,314,126**

* In 2025 it was determined that the length of the initial term on the right-to-use lease entered into in 2021 by the District was incorrect. Previously, the District recognized a lease term of seven years. In 2025, it was determined that the initial lease term is actually ten years. The prior period has been restated with an increase of $791,850 recognized for the right-to-use lease asset and a decrease of $31,009 in accumulated amortization for the right-to-use lease asset as of December 31, 2024.

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the District for the year ended December 31, 2025:

	Beginning Balance (restated)	Additions	Deletions	Ending balance	Due within one year
Notes from direct borrowing	$ 1,011,200	-	199,150	812,050	199,150
Other postemployment liabilities	1,003,256	81,779	-	1,085,035	-
Accrued compensated absences	292,847	-	33,660	259,187	130,640
Leases payable*	2,152,056	-	255,838	1,896,218	274,467
Subscriptions payable	189,846	297,424	161,118	326,152	82,544
Total long-term liabilities	**$ 4,649,205**	**379,203**	**649,766**	**4,378,642**	**686,801**

* In 2025 it was determined that the length of the initial term on the right-to-use lease entered into in 2021 by the District was incorrect. Previously, the District recognized a lease term of seven years. In 2025, it was determined that the initial lease term is actually ten years. The prior period has been restated with an increase of $903,963 recognized for the right-to-use lease payable as of December 31, 2024.

Notes payable at December 31, 2025, are comprised of the following individual issues:

	Date of issue	Amount issued	Interest rate	Maturity date	Balance 12/31/25	Balance 12/31/24
2018 Buses	2018	$ 855,000	1.92-2.99%	11/1/2028	256,500	342,000
2019 Buses	2019	460,000	1.72-2.39%	11/1/2029	184,000	230,000
2020 Buses	2020	510,000	1.24-1.74%	11/1/2030	255,000	306,000
2022 Buses	2022	166,500	3.52-4.02%	11/1/2032	116,550	133,200
Total notes payable					**$ 812,050**	**1,011,200**

The annual requirements to amortize notes payable outstanding as of December 31, 2025, are as follows:

Year ended December 31,	Principal	Interest	Total
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	67,650	2,860	70,510
2031-2032	33,300	1,998	35,298
Totals	**$ 812,050**	**56,391**	**868,441**

LEASES PAYABLE

During 2021, the District entered into a ten-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. During 2025, it was determined that the lease term needed to be updated, so the lease liability was increased by $900,963 with a prior period restatement as of December 31, 2024. As of December 31, 2025, the value of the lease liability was $1,896,218. The District was required to make monthly principal and interest payments of $28,741 for the period of January to October 2025 and $29,316 for the period of November and December 2025, adjusted for a 2% increase each year annually in November.

The lease has an interest rate of 4.43% derived from the District's estimated incremental borrowing rate. An initial right-to-use asset value of $2,035,170 was recorded during 2021. The value of the right-to-use asset was restated as of December 31, 2024, when the term was updated with an increase of $791,850. The value of the right-to-use asset as of the end of 2025 was $2,827,020 and had $1,149,974 in accumulated amortization as of December 31, 2025.

The future principal and interest lease payments as of December 31, 2025, were as follows:

	Lease Payable		
	Principal	**Interest**	**Total**
2026	$ 274,467	78,495	352,962
2027	294,080	65,942	360,022
2028	314,724	52,499	367,223
2029	336,448	38,120	374,568
2030	359,304	22,755	382,059
2031	317,195	6,476	323,671
Totals	**$ 1,896,218**	**264,287**	**2,160,505**

SUBSCRIPTIONS

The Greater Portland Transit District has several subscription agreements for various software programs. As of December 31, 2025, the value of subscription payables were $326,152. The value of the right-to-use asset as of the end of the current fiscal year was $496,454 and had accumulated amortization of $82,050.

The future principal and interest payments as of December 31, 2025, were as follows:

	Subscription Payable		
	Principal	**Interest**	**Total**
2026	82,544	12,723	95,267
2027	76,243	9,507	85,750
2028	80,333	6,538	86,871
2029	84,623	3,402	88,025
2030	2,409	91	2,500
Totals	**$ 326,152**	**$32,261**	**$ 358,413**

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.

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 and 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, 2025, and 2024.

For the years ended December 31, 2025, and 2024, respectively, employee contributions amounted to $0 and $0 and employer contributions were $569,818 and $471,804.

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. Union employees are only eligible for an explicit subsidy if they were hired before 1/1/2022 and nonunion employees are only eligible for an explicit subsidy if they were hired before 1/1/2020. 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 for employees meeting eligibility requirements. The District does not provide any subsidy for spouses.

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Employees Covered by Benefit Terms – At December 31, 2025, 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	95

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, 2025, were $14,526.

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 $1,085,035 was measured as of January 1, 2025, 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, 2024	$ 1,003,256
Changes for the year:	
Service cost	91,704
Interest	35,461
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(30,860)
Benefit payments	(14,526)
Net changes	81,779
Balance at December 31, 2025	$ 1,085,035

Change in assumptions reflects a change in the discount rate from 3.26% to 4.08%.

For the year ended December 31, 2025, the District recognized OPEB expense of $108,696 related to the Health Plan. At December 31, 2025, 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	$ -	93,667
Changes of assumption or other inputs	85,322	-
Contributions after measurement date	17,679	-
Total	$ 103,001	93,667

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

An amount of $17,679 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, 2026. 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:		
2026	$	6,480
2027		(2,213)
2028		(8,697)
2029		(8,692)
2030		(1,495)
Thereafter		6,272

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	4.08%
Healthcare cost trend rates	10.14% Non-Medicare, decreasing to 3.81% by 2045.
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 4.08%. 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 4.08%, 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 (3.08%) or 1 percentage-point higher (5.08%) than the current rate:

		1% Decrease (3.08%)	Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB liability	$	1,253,247	1,085,035	946,972

OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

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	$	920,716	1,085,035	1,293,359

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, 2025, were as follows:

	Beginning Balance	Additions	Deletions	Ending balance
Tax anticipation note	**$ -**	**5,600,000**	**5,600,000**	**-**

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, 2025, and 2024, respectively, employee contributions amounted to $698,170 and $543,183 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.

NET POSITION, CONTINUED

The District's net investment in capital assets was calculated as follows at December 31, 2025, and 2024:

	2025	2024 (restated)
Capital assets	$42,516,690	42,345,352
Accumulated depreciation	(26,202,564)	(24,346,475)
Notes payable	(812,050)	(1,011,200)
Lease payable	(1,896,218)	(2,152,056)
Subscription payable	(326,152)	(189,846)
Total net investment in capital assets	**$ 13,279,706**	**14,645,775**

The District's net position at December 31, 2025, and 2024, was restricted for the local match of the following grants and projects:

		2025	2024
ME-2016-016	2016 Operating Assistance & Cap Maintenance	$ 6,095	10,705
ME-2016-017	Regional Bus Shelter/Sign Project	7,730	7,730
ME-2017-008	2017 Operating Assistance & Cap Maintenance	-	16,186
ME-2019-010	2019 Operating Assistance & Cap Maintenance	10,000	10,000
ME-2020-025	2020 Operating Assistance & Cap Maintenance	10,594	12,269
ME-2021-016	2021 Operating Assistance & Cap Maintenance	40,618	65,956
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	227,891	157,891
ME-2024-010	2024 Operating Assistance & Cap Maintenance	270,189	283,185
N/A	Facility	125,000	5,000
N/A	Bus Stop Improvement	-	70,000
N/A	2018 Operations - Electric signs	-	8,590
N/A	Security	8,000	10,000
N/A	AVL	14,908	59,460
N/A	Proceeds On Sale of FTA Assets	7,400	7,400
N/A	Service Vehicle	15,000	15,000
N/A	BRT	85,000	-
N/A	Admin Copier	2,000	-
Total restricted net position		**$ 845,060**	**754,007**

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, 2025, and 2024, the District has designated the following amounts of net position within cash and cash equivalents:

	2025	2024
Restricted net position	$ 845,060	754,007
Unrestricted, reserved for board policy	1,528,043	1,352,272
Total	**$ 2,373,103**	**2,106,279**

RESTATEMENT OF NET POSITION

During fiscal year 2024, 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.

During fiscal year 2025, the District determined that the initial lease term recognized during fiscal year 2022 on the District's right-to-use lease was incorrect. Previously, the District recognized a lease term of seven years. In 2025, it was determined that the initial lease term is actually ten years.

Net position, as previously reported, as of 12/31/24	$ 16,679,452
Restatement, adoption of GASBS 101	(40,211)
Restatement, adoption of GASBS Implementation 2021-1	82,410
Restatement, correction of lease term error	(49,469)
Net position, as restated, as of 12/31/24	**$ 16,672,182**

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

Last 10 Fiscal Years*

		2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability								
Service cost	$	91,704	69,748	81,164	80,573	70,683	45,853	50,269
Interest		35,461	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		(30,860)	192,511	(92,976)	(3,812)	45,400	104,895	(50,926)
Benefit payments		(14,526)	(11,242)	(9,030)	(8,145)	(7,832)	(7,152)	(6,877)
Net change in total OPEB Liability		81,779	202,558	(2,712)	32,777	127,698	109,702	12,008
Total OPEB liability - beginning		1,003,256	800,698	803,410	770,633	642,935	533,233	521,225
Total OPEB liability - ending	**$**	**1,085,035**	**1,003,256**	**800,698**	**803,410**	**770,633**	**642,935**	**533,233**
Covered-employee payroll	$	6,118,106	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		17.73%	16.40%	15.94%	15.99%	16.44%	13.71%	13.72%

**Only seven years of information available.*

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:

Fiscal Year	Discount Rate
2025	4.08%
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, 2025
(With Comparative Actual Amounts for the year ended December 31, 2024)

		Budgeted amounts			Variance with final budget positive	
		Original	Final	Actual	(negative)	2024
Revenues:						
Passenger fares:						
Regular fares	$	2,321,404	2,321,404	1,972,265	(349,139)	1,734,225
Organization paid fares		693,004	693,004	589,723	(103,281)	606,169
Organization Route Guarantee		364,105	364,105	419,005	54,900	330,167
Total passenger fares		3,378,513	3,378,513	2,980,993	(397,520)	2,670,561
Federal assistance:						
Operating assistance		4,690,835	4,690,835	4,690,835	-	4,617,398
American Rescue Plan - service expansion		1,490,036	1,490,036	1,304,552	(185,484)	586,754
ADA paratransit		492,000	492,000	492,000	-	328,380
Fuel Reimbursement		25,000	25,000	40,298	15,298	124,819
Preventive maintenance		1,829,000	1,829,000	1,829,000	-	1,285,278
Total federal assistance		8,526,871	8,526,871	8,356,685	(170,186)	6,942,629
State assistance		1,014,287	1,014,287	1,018,008	3,721	716,841
Local investment:						
Members:		5,533,090	5,533,090	5,535,574	2,484	4,820,680
Operating assessments		5,196,530	5,196,530	5,196,529	(1)	4,393,814
Capital assessments		213,560	213,560	213,560	-	345,102
ADA paratransit		123,000	123,000	125,485	2,485	81,764
Total local investment		5,533,090	5,533,090	5,535,574	2,484	4,820,680
Miscellaneous:						
Rental of property		255,287	255,287	249,830	(5,457)	252,785
Fleet maintenance services		5,000	5,000	6,540	1,540	40,465
Advertising		322,338	322,338	241,819	(80,519)	236,907
Interest income		110,000	110,000	129,396	19,396	152,185
Fuel sales		-	-	1,334	1,334	50
Autofare reimbursement		19,000	19,000	5,811	(13,189)	17,463
Wellness grant		5,500	5,500	605	(4,895)	5,218
Claims Recovery		65,000	65,000	89,514	24,514	102,151
Miscellaneous income		17,416	17,416	37,077	19,661	94,727
Total miscellaneous		799,541	799,541	761,926	(37,615)	901,951
Total revenues		19,252,302	19,252,302	18,653,186	(599,116)	16,052,662

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2025
(With Comparative Actual Amounts for the year ended December 31, 2024)

		Budgeted amounts			Variance with final budget positive	
		Original	Final	Actual	(negative)	2024
Expenses:						
Personnel:						
Regular wages and salaries	$	8,966,215	8,966,215	8,741,833	224,382	7,510,662
Overtime		695,660	695,660	781,976	(86,316)	584,628
Benefits		3,965,251	3,965,251	3,876,734	88,517	3,295,551
Total personnel		13,627,126	13,627,126	13,400,543	226,583	11,390,841
Temporary help		50,400	50,400	88,832	(38,432)	4,674
ADA paratransit		615,000	615,000	627,580	(12,580)	410,475
Fuel:						
CNG fuel		95,000	95,000	86,005	8,995	61,884
Diesel fuel		1,049,755	1,022,255	827,491	194,764	723,877
Electricity as a fuel		16,000	16,000	13,049	2,951	13,778
Gasoline		5,500	15,500	11,797	3,703	-
Total fuel		1,166,255	1,148,755	938,342	210,413	799,539
Dues and subscriptions:						
Dues and subscriptions		41,394	41,394	39,404	1,990	38,453
HRA annual dues		15,000	15,000	9,762	5,238	7,255
Licenses and permits		1,000	1,000	211	789	173
Total dues and subscriptions		57,394	57,394	49,377	8,017	45,881
Other employee costs:						
Wellness program		10,000	10,000	439	9,561	314
Meals and hosting		15,000	18,400	14,078	4,322	20,639
Travel, conferences, meetings		28,100	21,699	21,601	98	13,162
Employment services		19,500	24,500	15,532	8,968	10,581
Total other employee costs		72,600	74,599	51,650	22,949	44,696
Fleet parts and services:						
Parts		387,950	387,950	411,808	(23,858)	323,857
Tires and tubes		94,279	111,779	102,760	9,019	71,694
Greases and fluids		98,550	98,550	84,814	13,736	86,517
Total fleet parts and services		580,779	598,279	599,382	(1,103)	482,068
Insurance		499,967	499,967	490,111	9,856	423,011
Advertising:						
Advertising		92,500	91,534	67,110	24,424	74,793
Fare media		15,000	15,000	8,869	6,131	21,498
Marketing supplies		14,000	23,613	19,073	4,540	12,021
Total advertising		121,500	130,147	95,052	35,095	108,312
Office and building supplies:						
Supplies		22,120	26,799	21,787	5,012	17,889
Postage		3,000	3,000	2,772	228	2,239
Total office and building supplies		25,120	29,799	24,559	5,240	20,128

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2025
(With Comparative Actual Amounts for the year ended December 31, 2024)

	Budgeted amounts			Variance with final budget positive	
	Original	Final	Actual	(negative)	2024
Contract services:					
Technology services	$ 182,563	182,563	158,860	23,703	209,588
Legal fees	80,000	80,000	64,628	15,372	177,754
Audit fees	31,583	31,583	30,800	783	26,500
Other contracted services	203,950	208,520	126,251	82,269	189,722
Real estate broker services - lease	80,269	80,269	76,533	3,736	78,031
Miscellaneous services	3,000	3,000	3,685	(685)	2,641
Total contract services	581,365	585,935	460,757	125,178	684,236
Utilities and telephone:					
Heating fuel	133,210	133,210	112,190	21,020	93,540
Electricity	140,415	140,415	135,602	4,813	108,206
Water/sewer/storm water	36,500	36,500	35,257	1,243	32,908
Phone/cell/internet	80,976	80,976	73,467	7,509	73,574
Real estate taxes - lease	42,230	42,230	41,759	471	39,151
Rental Fees	346,042	349,631	349,631	-	339,257
Total utilities and telephone	779,373	782,962	747,906	35,056	686,636
Maintenance costs:					
Maintenance services	347,256	327,361	207,235	120,126	257,544
Copier maintenance	6,100	6,100	5,510	590	5,653
Maintenance supplies	113,150	106,294	108,763	(2,469)	82,574
Snow plowing and removal	9,900	6,311	3,613	2,698	-
Total maintenance costs	476,406	446,066	325,121	120,945	345,771
Bank and credit card fees	37,933	37,933	58,768	(20,835)	38,300
Capital match	213,560	213,560	213,560	-	345,102
Capital expense	-	6,856	53,141	(46,285)	48,632
Debt service principal	199,150	199,150	199,150	-	199,150
Debt service interest	103,374	103,374	80,280	23,094	105,124
Fund balance restoration	45,000	45,000	-	45,000	-
Total expenditures	19,252,302	19,252,302	18,504,111	748,191	16,182,576
Change in net position - budgetary basis	-	-	149,075	149,075	(129,914)

GREATER PORTLAND TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Budgetary Basis, Continued
For the year ended December 31, 2025

		Budgeted amounts			Variance with final budget positive
		Original	**Final**	**Actual**	**(negative)**
Reconciliation to GAAP:	$				
Unbudgeted federal and state capital grants				736,482	
Unbudgeted federal and state operating grants				32,022	
Unbudgeted contracted services				(200,149)	
Unbudgeted supplies/parts				(6,957)	
Unbudgeted advertising fees				(17,358)	
Unbudgeted local contributions				(111,531)	
Unbudgeted subscription costs				(177,117)	
Depreciation and amortization expense				(2,596,663)	
Capitalized local match				213,560	
Capitalized expense				-	
Principal payment on debt service				199,150	
Other postemployment benefits expense				(108,696)	
Lease capitalization / GASB 87 adjustments				255,838	
Subscription capitalization / GASB 96 adjustments				161,118	
Net change in net position - GAAP basis				(1,471,226)	
Net position, beginning of year				17,182,034	
Net position, end of year	**$**			**15,710,808**	