

Federal Compliance Audit

Green Mountain Transit Authority

June 30, 2021

DRAFT



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GREEN MOUNTAIN TRANSIT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Green Mountain Transit Authority
Burlington, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the major fund of Green Mountain Transit Authority, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the major fund of Green Mountain Transit Authority as of June 30, 2021 and the respective changes in financial position and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Green Mountain Transit Authority's basic financial statements. The Schedules of Operating Revenues and Subsidies and Schedules of Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The Schedules of Operating Revenues and Subsidies, Schedules of Expenses and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Operating Revenues and Subsidies, Schedule of Expenses and the Schedule of Expenditures of Federal Awards are 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 January 31, 2022, on our consideration of Green Mountain Transit Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in considering the Green Mountain Transit Authority's internal control over financial reporting and compliance.

Buxton, Maine
Vermont Registration No. 092.0000697
January 31, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

(UNAUDITED)

The following management's discussion and analysis of Green Mountain Transit Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Authority's financial statements.

Financial Statement Overview

The Authority's basic financial statements include the following components: 1) proprietary fund financial statements and 2) notes to the financial statements. This report also includes other supplementary information including combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in the proprietary fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Statement of Cash Flows - this statement presents information on the effects changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources and operations have on cash during the course of the fiscal year.

The above-mentioned financial statements have one column for the Authority's activities. The type of activity presented for the Authority is:

- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Proprietary Fund Financial Statements. The Notes to Financial Statements can be found following the Statements of Cash Flows.

Other Supplementary Information

Other supplementary information follows the notes to the financial statements. These combining and other schedules provide information in regard to operating revenues and subsidies and expenses.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Authority's business-type activities. The Authority's net position increased by \$184,711 from \$34,106,031 to \$34,290,742.

Table 1
Green Mountain Transit Authority
Net Position
June 30,

	<u>2021</u>	<u>2020</u>
Assets:		
Current Assets	\$ 7,311,797	\$ 6,172,385
Noncurrent Assets - Capital Assets	29,732,118	31,149,627
Total Assets	<u>\$ 37,043,915</u>	<u>\$ 37,322,012</u>
Liabilities:		
Current Liabilities	\$ 1,596,874	\$ 2,076,963
Noncurrent Liabilities	1,082,612	1,072,191
Total Liabilities	<u>\$ 2,679,486</u>	<u>\$ 3,149,154</u>
Deferred Inflows of Resources:		
Deferred Revenue	\$ 73,687	\$ 66,827
Total Deferred Inflows of Resources	<u>\$ 73,687</u>	<u>\$ 66,827</u>
Net Position:		
Net Investment in Capital Assets	\$ 29,560,706	\$ 30,938,726
Restricted	1,537,493	601,717
Unrestricted	3,192,543	2,565,588
Total Net Position	<u>\$ 34,290,742</u>	<u>\$ 34,106,031</u>

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased by \$626,955 from \$2,565,588 to a balance of \$3,192,543 at the end of this year.

Table 2
Green Mountain Transit Authority
Changes in Net Position
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Purchase of services	\$ 1,589,991	\$ 4,074,101
Intergovernmental	19,071,258	17,502,004
Other income	79,800	247,946
Total operating revenues	<u>20,741,049</u>	<u>21,824,051</u>
Operating expenses:		
Transportation	<u>19,374,899</u>	<u>20,843,103</u>
Operating income (loss)	<u>1,366,150</u>	<u>980,948</u>
Nonoperating revenues (expenses)		
Contributions	2,756,828	4,530,421
Other nonoperating revenue	121,925	353,605
Nonoperating expense	(4,249,452)	(4,252,555)
Change in deferred cost pool	189,260	27,055
Total nonoperating revenues (expenses)	<u>(1,181,439)</u>	<u>658,526</u>
Change in net position	184,711	1,639,474
Net Position - July 1	<u>34,106,031</u>	<u>32,466,557</u>
Net Position - June 30	<u>\$ 34,290,742</u>	<u>\$ 34,106,031</u>

Revenues and Expenses

The Authority's operating revenues decreased over last year's amounts and operating expenses decreased compared to last year's amounts. Operating revenues decreased by 4.96% and operating expenses decreased by 7.04%.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2021, the net book value of capital assets recorded by the Authority decreased by \$1,417,509 over the prior year. Net capital additions of \$2,449,223 were recorded while net disposals of \$244,605 were removed from the books. Depreciation expense in the amount of \$3,622,127 was recorded.

All capital assets and capital improvements with an original cost of \$5,000 or more are capitalized and depreciated, if necessary, in accordance with Government Accounting Standards Board Statement No. 34. More information on capital assets is included in Note 3 of Notes to Financial Statements.

Table 3
Green Mountain Transit Authority
Capital Assets (Net of Depreciation)
June 30,

	<u>2021</u>	<u>2020</u>
Land	\$ 775,000	\$ 775,000
Construction in progress	142,448	1,175,405
Land easement - right of way	270,093	272,958
Buildings and improvements	14,696,721	14,448,370
Bus stops and shelters	585,929	715,324
Revenue vehicles	12,722,912	13,480,982
Non-revenue vehicles	97,756	96,840
Office equipment	3,852	12,836
Computer equipment/software	9,117	-
Shop equipment	428,290	171,912
Total	<u>\$ 29,732,118</u>	<u>\$ 31,149,627</u>

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Authority has steadily maintained a sufficient unrestricted net position to sustain government operations for a period of approximately one month, while also maintaining significant reserve accounts for future capital and program needs. However, several factors including the following will have an impact on that balance:

- Fuel market volatility
- Expansion of services and service routes
- Purchases of additional buses
- Rising medical, workers' compensation and other insurance costs
- Declining State revenues and its effect on agency allocations
- Declining and/or level funded Federal grants

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Authority. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Authority.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Finance Department at 101 Queen City Park Road, Burlington, Vermont 05401.

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GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 2,428,050	\$ 1,730,196
Grants, assessments and other receivables, (net of allowance for uncollectibles)	4,015,278	3,785,998
Deferred cost pool (Note 11)	(203,016)	(392,276)
Inventories	678,459	653,038
Prepaid items	393,026	395,429
Total current assets	<u>7,311,797</u>	<u>6,172,385</u>
Noncurrent assets:		
Land, structures and equipment - net of accumulated depreciation and amortization (Note 3)	<u>29,732,118</u>	<u>31,149,627</u>
TOTAL ASSETS	<u>\$ 37,043,915</u>	<u>\$ 37,322,012</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,112,170	\$ 1,603,021
Accrued payroll expenses	275,824	256,256
Other accrued liabilities	119,355	130,788
Current portion of long-term obligations	89,525	86,898
Total current liabilities	<u>1,596,874</u>	<u>2,076,963</u>
Long-term liabilities:		
Noncurrent portion of long-term obligations:		
Note from direct borrowings payable (Note 4)	131,923	171,412
Accrued compensated absences (Note 5)	950,689	900,779
Total long-term liabilities	<u>1,082,612</u>	<u>1,072,191</u>
TOTAL LIABILITIES	<u>2,679,486</u>	<u>3,149,154</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	<u>73,687</u>	<u>66,827</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>73,687</u>	<u>66,827</u>
NET POSITION		
Net investment in capital assets	29,560,706	30,938,726
Restricted (Note 6)	1,537,493	601,717
Unrestricted (Note 7)	3,192,543	2,565,588
TOTAL NET POSITION	<u>34,290,742</u>	<u>34,106,031</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 37,043,915</u>	<u>\$ 37,322,012</u>

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

GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2021		Total	2020
	Urban	Rural		
OPERATING REVENUES				
Purchase of services	\$ 41,168	\$ 1,548,823	\$ 1,589,991	\$ 4,074,101
Other income	219,863	(140,063)	79,800	247,946
Local subsidies	3,198,468	443,213	3,641,681	3,609,835
State subsidies	1,734,144	581,744	2,315,888	2,646,945
Federal subsidies	5,506,164	2,106,774	7,612,938	5,802,725
Other grants	3,598,297	1,902,454	5,500,751	5,442,499
TOTAL OPERATING REVENUES	14,298,104	6,442,945	20,741,049	21,824,051
OPERATING EXPENSES				
Transportation	13,449,348	5,925,551	19,374,899	20,843,103
OPERATING INCOME (LOSS)	848,756	517,394	1,366,150	980,948
NONOPERATING REVENUES (EXPENSES)				
SSTA lease payments	107,054	16,549	123,603	345,166
Interest income	355	4,920	5,275	16,653
Interest expense	(6,953)	-	(6,953)	(8,214)
Capital fund expense	(475,684)	(151,641)	(627,325)	(495,872)
Depreciation expense	(2,928,949)	(693,178)	(3,622,127)	(3,756,683)
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,304,177)	(823,350)	(4,127,527)	(3,898,950)
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(2,455,421)	(305,956)	(2,761,377)	(2,918,002)
CAPITAL CONTRIBUTIONS				
Capital contributions - grants	1,641,885	1,114,943	2,756,828	4,530,421
TOTAL CAPITAL CONTRIBUTIONS	1,641,885	1,114,943	2,756,828	4,530,421
CHANGE IN DEFERRED COST POOL	189,260	-	189,260	27,055
CHANGE IN NET POSITION	(624,276)	808,987	184,711	1,639,474
NET POSITION - JULY 1	30,502,480	3,603,551	34,106,031	32,466,557
NET POSITION - JUNE 30	\$ 29,878,204	\$ 4,412,538	\$ 34,290,742	\$ 34,106,031

See accompanying independent auditors' report and notes to financial statements

GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 5,318,332	\$ 7,942,097
Receipts from operating grants	15,200,297	15,035,628
Payments to vendors	(10,572,317)	(11,778,830)
Payments to employees	<u>(9,255,779)</u>	<u>(10,115,404)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>690,533</u>	<u>1,083,491</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>5,275</u>	<u>16,653</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5,275</u>	<u>16,653</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(2,449,223)	(4,801,444)
Disposal of capital assets	244,605	-
Principal paid on capital debt	(39,489)	(38,229)
Interest paid on capital debt	(6,953)	(8,214)
Payments for capital fund expenses	(627,325)	(495,872)
Proceeds from SSTA lease payments	123,603	345,166
Proceeds from capital grants and contributions	<u>2,756,828</u>	<u>4,530,421</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>2,046</u>	<u>(468,172)</u>
NET INCREASE (DECREASE) IN CASH	697,854	631,972
CASH AND CASH EQUIVALENTS - JULY 1	<u>1,730,196</u>	<u>1,098,224</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 2,428,050</u>	<u>\$ 1,730,196</u>

STATEMENT C (CONTINUED)
GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2021	2020
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,366,150	\$ 980,948
Changes in operating assets and liabilities:		
(Increase) decrease in grants, assessments and other receivables	(229,280)	1,143,459
(Increase) decrease in inventories	(25,421)	68,779
(Increase) decrease in prepaid items	2,403	(76,762)
(Decrease) increase in accounts payable	(490,851)	(1,136,410)
(Decrease) increase in accrued payroll expenses	19,568	25,610
(Decrease) increase in deferred revenue	6,860	10,215
(Decrease) increase in other accrued liabilities	(11,433)	10,818
(Decrease) increase in accrued compensated absences	52,537	56,834
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 690,533	\$ 1,083,491

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

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Green Mountain Transit Authority (the Authority) was created in 1973 under the name Chittenden County Transportation Authority (CCTA) as a municipal corporation by an Act of the General Assembly of the State of Vermont. CCTA was formed for the purpose of providing public transportation services in Chittenden County. Fixed route (bus) transportation is provided in the following Authority member communities: Burlington, Essex, Hinesburg, Milton, Shelburne, South Burlington, Williston and Winooski. Paratransit service for people with disabilities is provided in those communities where it is required and Colchester.

With the addition of Green Mountain Transit Agency (GMTA) on July 1, 2011, the Authority now also provides public transportation in Washington, Lamoille, Franklin and Grand Isle Counties in Vermont and the municipalities of Washington, Williamstown and Orange in Orange County, Vermont. GMTA provides a variety of transportation options including deviated fixed route bus service in Montpelier and Barre, Medicaid brokering for eligible recipients, commuter routes to Waterbury, Montpelier, Burlington, Morristown, Richford, Alburg, St. Albans City and St. Albans Town, volunteer drivers and Ticket-To-Ride program. In addition, GMTA participates with the Central Vermont Council on Aging, Barre Project Independence, Care Partners, Vermont Center for Independent Living, CIDER, Central Vermont Area Aging and the Franklin County Senior Center, in the Elderly and Disabled Program.

The name of the Authority was legally changed to Green Mountain Transit Authority in fiscal year 2019 to rebrand and fully encompass the combined activities of CCTA and GMTA. The Authority is governed by a Board of Commissioners consisting of one commissioner from each member community with the exception of Burlington who has two.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Authority has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Authority has chosen not to do so.

The Authority's combined financial statements include all accounts and all operations of the Authority. We have determined that the Authority has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Vermont, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Vermont issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a “stay at home” directive for most citizens, restricting nonessential travel and limiting movement of all persons in Vermont to those necessary to obtain or provide essential services or activities. See Executive Order 01-20 and its addendums. The state of emergency expired on June 15, 2021.

Impact on and Results of Operations

In accordance with Addendum 6 to Executive Order 01-20, issued by the Governor of Vermont on March 24, 2020 (also referred to as the “Stay Home, Stay Safe Order”) and Directive 5 to Executive Order 01-20, issued by the Governor of Vermont on March 26, 2020, the Authority’s facilities were temporarily closed to the public from March 23, 2020 to October 5, 2020. As a result of the COVID-19 pandemic the Board of Commissioners elected to offer fare free service beginning in March 2020.

Impact on Finances

The Authority does not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security (“CARES”) Act, American Rescue Plan Act (“ARPA”) funding and applicable State programs.

Expected Federal/State Support

The Authority may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Authority expects that if those actions are necessary, that the Authority would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Authority and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Authority. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Authority.

Implementation of New Accounting Standards

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Statement No 93 "Replacement of Interbank Offered Rates (paragraphs 4-11a)." The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

Proprietary Fund Financial Statements

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

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

The proprietary fund focus is more on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Authority are reported in one fund in the financial statements. This fund is accounted for by providing self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures/expenses. The following fund type is used by the Authority:

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Proprietary Fund

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

Major Fund

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

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

Basis of Accounting

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

1. Accrual

Business-type activities in the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

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

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

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

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory of the Authority consists of tickets, fuel, oil, materials and supplies.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Accounts receivable netted with allowances for uncollectible accounts were \$806,824 for the year ended June 30, 2021. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2021. Grants receivable netted with allowances for uncollectible accounts were \$3,208,454 for the year ended June 30, 2021. The allowance for uncollectible accounts for grants receivable is estimated to be \$0 as of June 30, 2021.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

Estimated useful lives are as follows:

Land easement - right of way	99 years
Buildings and improvements	10-50 years
Bus stops and shelters	5-20 years
Office equipment	5-10 years
Revenue vehicles	7-12 years
Shop equipment	7-20 years
Non-revenue vehicles	4-12 years
Computer equipment/software	3 years

Long-term Obligations

All long-term obligations to be repaid from business-type resources are reported as liabilities in proprietary fund statements. The long-term obligations consists of a note from direct borrowings payable and accrued compensated absences.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred revenue qualifies for reporting in this category. This item is reported in both the statements of net position and proprietary funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Encumbrance Accounting

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

Use of Estimates

During the preparation of the Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets,

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Authority consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Authority funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Authority will not be able to recover its deposits. The Authority does not have a policy covering custodial credit risk for deposits. However, the Authority maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF. At June 30, 2021, the Authority's cash balance of \$2,428,050 was comprised of deposits amounting to \$2,830,072. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Authority's cash balance. Of these bank deposits, \$250,000 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$2,580,072 was insured or collateralized with securities held by the financial institution in the Authority's name and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 590,405
Repurchase agreements	<u>2,239,667</u>
	<u>\$ 2,830,072</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2021, the Authority did not have any investments.

Credit risk - Statutes for the State of Vermont authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. Generally, the Authority invests excess funds in cash management accounts and various insured certificates of deposit.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Disposals	Balance, 6/30/21
<u>Primary government:</u>				
Non-depreciated assets:				
Land	\$ 775,000	\$ -	\$ -	\$ 775,000
Construction in progress	1,175,405	-	(1,032,957)	142,448
	<u>1,950,405</u>	<u>-</u>	<u>(1,032,957)</u>	<u>917,448</u>
Depreciated assets:				
Land easement - right of way	283,600	-	-	283,600
Buildings and improvements	18,289,183	783,269	-	19,072,452
Bus stops and shelters	2,732,918	8,870	(64,169)	2,677,619
Revenue vehicles	37,571,274	2,315,185	(2,243,234)	37,643,225
Non-revenue vehicles	444,071	52,164	(85,438)	410,797
Office equipment	23,785	-	-	23,785
Computer equipment/software	330,238	-	-	330,238
Bus accessories	47,910	-	-	47,910
Shop equipment	544,689	322,692	-	867,381
	<u>60,267,668</u>	<u>3,482,180</u>	<u>(2,392,841)</u>	<u>61,357,007</u>
Less: accumulated depreciation	<u>(31,068,446)</u>	<u>(3,622,127)</u>	<u>2,148,236</u>	<u>(32,542,337)</u>
Net depreciated capital assets	<u>29,199,222</u>	<u>(139,947)</u>	<u>(244,605)</u>	<u>28,814,670</u>
Total net capital assets	<u>\$ 31,149,627</u>	<u>\$ (139,947)</u>	<u>\$ (1,277,562)</u>	<u>\$ 29,732,118</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Portion
Note from direct borrowings payable	\$ 210,901	\$ -	\$ (39,489)	\$ 171,412	\$ 39,489

A summary of the outstanding note from direct borrowings payable is as follows:

The Authority entered into a capital lease payable with Municipal Leasing Consultants, LLC dated as of July 2, 2012 to acquire 10 replacement motor coaches. Under the agreement the Authority pays annual principal and interest payments of \$46,443 through July 2, 2024.

\$ 171,412

The following is a summary of the outstanding note from direct borrowings payable requirements for the fiscal years ending June 30:

Year Ending June 30:	Principal	Interest
2022	40,791	5,651
2023	42,135	4,307
2024	43,525	2,917
2025	44,961	1,482
	<u>\$ 171,412</u>	<u>\$ 14,357</u>

All notes from direct borrowings payable are direct obligations of the Authority, for which its full faith and credit are pledged. The Authority is not obligated for any special assessment debt. All debt is payable from assessments levied on all member municipalities within the Authority.

NOTE 5 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Portion
Accrued compensated absences	\$ 948,188	\$ 52,537	\$ -	\$ 1,000,725	\$ 50,036

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 - OTHER LONG-TERM OBLIGATIONS (CONTINUED)

The Authority's policies regarding combined time off permit employees to accumulate earned but unused combined time off. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements.

NOTE 6 - RESTRICTED NET POSITION

The following net position has been restricted at June 30, for the following purposes:

	<u>2021</u>	<u>2020</u>
Restricted for obligated local match on future purchases	\$ 1,326,479	\$ 433,823
Restricted by the Board for future capital match	211,014	167,894
	<u>\$ 1,537,493</u>	<u>\$ 601,717</u>

NOTE 7 - NET POSITION

The following table discloses the composition of net position at June 30, 2021, separated between Rural and Urban programs:

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Net investment in capital assets	\$ 26,975,028	\$ 2,585,678	\$ 29,560,706
Restricted net position (Note 6)	1,270,941	266,552	1,537,493
Unrestricted net position	<u>1,632,235</u>	<u>1,560,308</u>	<u>3,192,543</u>
	<u>\$ 29,878,204</u>	<u>\$ 4,412,538</u>	<u>\$ 34,290,742</u>

The Authority has recognized management-imposed designations on unrestricted net position as of June 30, 2021, separated between Rural and Urban programs:

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Unrestricted net position	\$ 1,632,235	\$ 1,560,308	\$ 3,192,543
Less: management designated net position:			
Inventories	662,479	15,980	678,459
Prepaid items	<u>306,077</u>	<u>86,949</u>	<u>393,026</u>
Total management designated net position	<u>968,556</u>	<u>102,929</u>	<u>1,071,485</u>
Unrestricted, undesignated net position	<u>\$ 663,679</u>	<u>\$ 1,457,379</u>	<u>\$ 2,121,058</u>

The Authority currently has approximately one month of operating expenses in unrestricted, undesignated net position.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 - RETIREMENT PLAN

The Authority contributes to a qualified 401(a) plan covering all eligible employees who have completed one year of service and have attained the age of 21. The plan is administered by Future Planning Associates, Inc. Employee contributions vest immediately and employer contributions are 100% vested after three years of service. Normal retirement age is 65, however, the pension plan also provides for early retirement at age 62 with completion of three years of service. The Authority's contribution will be equal to 3% or more of the eligible employees' gross wages for that year. Employee contributions during fiscal years ended June 30, 2021 and 2020, respectively, were \$440,210 and \$432,390. Pension expense for fiscal years ended June 30, 2021 and 2020, respectively, were \$381,792 and \$389,704. Total payroll covered under the plan is \$6,738,919.

NOTE 9 - CONTINGENCY

The Authority receives federal funds through grants and loans. Closeout of these grants may not happen until subsequent fiscal years. The Authority may be responsible for returning federal funds based upon the close out of these grants.

NOTE 10 - RISK MANAGEMENT

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

The Authority is self-insured for unemployment coverage. The Authority must pay the Vermont Department of Labor for any paid claims. The Authority paid \$18,636 and \$45,660 for unemployment claims for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 - DEFERRED COST POOL

For the fiscal years ended June 30, 2021 and 2020, the Authority used a Simplified Allocation Method with a fixed rate and a carryforward provision as prescribed under the Uniform Guidance. This methodology resulted in an under-allocation of general and administration costs at June 30, 2021 of \$189,260 and an under-allocation of general and administration costs at June 30, 2020 of \$27,055.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Authority's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

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GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF OPERATING REVENUES AND SUBSIDIES
FOR THE YEARS ENDED JUNE 30,

	Urban	Rural	Total	
			2021	2020
Operating Revenues:				
Passenger fares:				
Fixed route	\$ 692	\$ (1,357)	\$ (665)	\$ 1,794,159
Paratransit	-	-	-	80,150
Subtotal passenger fares	692	(1,357)	(665)	1,874,309
Purchase of services:				
Fixed route	40,476	1,550,180	1,590,656	2,199,792
Total other purchase of services	41,168	1,548,823	1,589,991	4,074,101
Other income:				
Advertising	151,801	80,904	232,705	209,750
Gain (loss) - sale of asset	13,135	(222,457)	(209,322)	7,654
Other income	54,927	1,490	56,417	30,542
Subtotal other income	219,863	(140,063)	79,800	247,946
Local subsidies:				
Fixed route operating	2,509,697	443,213	2,952,910	2,930,868
Paratransit operating	688,771	-	688,771	678,967
Subtotal local subsidies	3,198,468	443,213	3,641,681	3,609,835
State subsidies - State operating grant	1,734,144	581,744	2,315,888	2,646,945
Federal subsidies - Federal operating grant	5,506,164	2,106,774	7,612,938	5,802,725
Other grants:				
Planning revenue	373,357	25,000	398,357	309,739
Grants - JARC, CMAQ, other	3,224,940	1,877,454	5,102,394	5,132,760
Subtotal other grants	3,598,297	1,902,454	5,500,751	5,442,499
Total operating revenues	14,298,104	6,442,945	20,741,049	21,824,051

SCHEDULE A (CONTINUED)

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF OPERATING REVENUES AND SUBSIDIES
FOR THE YEARS ENDED JUNE 30,

	Urban	Rural	Total	
			2021	2020
Nonoperating revenues:				
Local contributions:				
SSTA lease payments	107,054	16,549	123,603	345,166
Interest income	355	4,920	5,275	16,653
Total nonoperating revenue	107,409	21,469	128,878	361,819
Total revenues from operating grants and subsidies	<u>\$ 14,405,513</u>	<u>\$ 6,464,414</u>	<u>\$ 20,869,927</u>	<u>\$ 22,185,870</u>

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

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Urban									Urban Total	
	General Admin.	Transit Operations	Maintenance	Marketing	Planning	ADA	Mobility Management	COVID	Training		Capital Exp./ Depreciation
Operating Expenses:											
Labor:											
Operators' salaries and wages	\$ -	\$ 4,062,428	\$ 894,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,204	\$ -	\$ 4,993,519
Other salaries and wages	501,984	419,472	122,449	24,702	228,933	8,944	58,301	5,382	-	12,706	1,382,873
Benefit wages	34,940	57,942	22,482	5,637	18,482	-	3,221	-	-	-	142,704
Subtotal labor	536,924	4,539,842	1,039,818	30,339	247,415	8,944	61,522	5,382	36,204	12,706	6,519,096
Fringe benefits:											
Payroll taxes	38,376	348,902	78,824	2,301	17,137	670	4,059	-	2,761	951	493,981
Pension plan	33,597	194,680	37,947	1,497	13,775	610	3,701	-	1,529	630	287,966
Life insurance and short-term disability plan	11,869	69,759	17,872	1,420	2,741	87	754	-	-	28	104,530
Medical plan	102,671	1,356,066	279,024	4,817	47,631	3,122	14,441	-	6,531	1,880	1,816,183
Dental plan	5,639	85,298	16,162	298	2,778	168	793	-	409	105	111,650
Employer flex contribution	-	(2,671)	-	-	-	-	-	-	-	-	(2,671)
Vision reimbursement	32	2,857	500	-	-	-	-	-	-	-	3,389
Vision plan	750	9,327	1,784	34	390	20	93	-	44	18	12,460
Employee testing	584	5,616	1,318	-	-	-	-	-	-	-	7,518
Unemployment insurance	1,324	12,393	62	-	-	-	-	-	-	-	13,779
Other employee benefits	9,411	1,440	342	-	-	-	-	-	-	-	11,193
Uniform and work clothing allowance	-	19,133	19,953	-	-	-	-	-	-	-	39,086
Employee development	12,497	2,486	654	-	-	-	-	-	-	-	15,637
Tool allowance	-	-	12,100	-	-	-	-	-	-	-	12,100
Subtotal fringe benefits	216,750	2,105,286	466,542	10,367	84,452	4,677	23,841	-	11,274	3,612	2,926,801
Services:											
Legal fees	87,485	-	-	-	-	-	-	-	-	-	87,485
Accounting and audit fees	28,500	-	-	-	-	-	-	-	-	-	28,500
Cleaning	-	-	-	-	-	-	-	-	-	-	-
Consultants	9,500	-	-	-	-	-	-	-	-	-	9,500
Subtotal services	125,485	-	-	-	-	-	-	-	-	-	125,485

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural												Rural Total	2021 Total	2020 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation
Operating Expenses:																
Labor:																
Operators' salaries and wages	\$ 1,718,425	\$ 145,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,923	\$ -	\$ 1,875,130	\$ 6,868,649	\$ 7,707,373	
Other salaries and wages	438,950	41,328	60,663	-	-	-	257,254	-	48,040	19,130	-	7,352	872,717	2,255,590	2,269,789	
Benefit wages	35,067	887	1,669	-	-	6,797	4,807	-	-	281	-	-	49,508	192,212	231,504	
Subtotal labor	2,192,442	187,997	62,332	-	-	6,797	262,061	-	48,040	19,411	-	10,923	2,797,355	9,316,451	10,208,666	
Fringe benefits:																
Payroll taxes	165,289	13,868	4,753	-	-	-	19,575	-	4,237	1,463	-	831	550	210,566	704,547	773,195
Pension plan	71,313	7,472	223	-	-	-	5,427	-	3,808	-	-	80	357	88,680	376,646	389,004
Life insurance and short-term																
disability plan	33,386	2,566	1,381	-	-	5,260	1,274	-	-	-	-	-	23	43,890	148,420	148,809
Medical plan	337,642	52,585	19,181	-	-	-	70,645	-	10,098	120	-	1,041	1,118	492,430	2,308,613	2,272,687
Dental plan	18,992	3,493	1,116	-	-	-	6,127	-	627	7	-	59	62	30,483	142,133	146,640
Employer flex contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,671)	(554)
Vision reimbursement	25	-	-	-	-	-	-	-	-	-	-	-	-	25	3,414	3,841
Vision plan	2,216	386	132	-	-	-	738	-	88	1	-	6	8	3,575	16,035	16,769
Employee testing	7,448	166	-	-	-	-	6,533	-	-	-	-	-	-	14,147	21,665	27,271
Employee referral program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800
Unemployment insurance	6,628	-	-	-	-	-	(1,771)	-	-	-	-	-	-	4,857	18,636	45,660
Other employee benefits	1,284	-	-	-	-	-	-	-	-	-	-	-	-	1,284	12,477	16,744
Uniform and work clothing allowance	7,874	2,729	-	-	-	-	-	-	-	-	-	-	-	10,603	49,689	47,571
Employee development	727	-	-	12,000	-	-	-	-	-	1,360	-	-	-	14,087	29,724	13,020
Tool allowance	-	3,300	-	-	-	-	-	-	-	-	-	-	-	3,300	15,400	16,459
Subtotal fringe benefits	652,824	86,565	26,786	12,000	-	5,260	108,548	-	18,858	2,951	-	2,017	2,118	917,927	3,844,728	3,917,916
Services:																
Legal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,485	91,099
Accounting and audit fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,500	26,500
Cleaning	2,943	3,631	-	-	-	-	920	-	-	-	-	-	-	7,494	7,494	22,765
Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,500	35,165
Subtotal services	2,943	3,631	-	-	-	-	920	-	-	-	-	-	-	7,494	132,979	175,529

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Urban									Urban Total
	General Admin.	Transit Operations	Maintenance	Marketing	Planning	ADA	Mobility Management	COVID	Training	
Materials and supplies:										
Fuels and lubricants	-	609,669	-	-	-	-	-	-	-	-
Tires and tubes	-	-	71,585	-	-	-	-	-	-	-
Other materials and supplies:										
Hardware	-	-	32,958	-	-	-	-	-	-	-
Facility maintenance	-	-	56,723	-	-	-	-	-	-	-
Small tools expense	-	-	3,273	-	-	-	-	-	-	-
Parts expense:										
Service vehicles	-	-	2,444	-	-	-	-	-	-	-
Revenue vehicles	-	-	430,741	-	-	-	-	-	-	-
Maintenance supplies	-	-	41,436	-	-	-	-	33,426	-	-
Radio maintenance	-	-	4,913	-	-	-	-	-	-	-
Repeater fees	-	20,655	-	-	-	-	-	-	-	-
Safety expense	-	2,719	-	-	-	-	-	-	-	-
Vehicle registrations	-	1,423	-	-	-	-	-	-	-	-
Subtotal materials and supplies	-	634,466	644,073	-	-	-	-	33,426	-	-
Utilities:										
Light, heat and water	18,372	5,403	138,196	-	-	-	-	-	-	-
Communications	16,305	15,061	6,833	1,470	1,960	-	-	-	-	-
Subtotal utilities	34,677	20,464	145,029	1,470	1,960	-	-	-	-	-
Casualty and liability costs:										
Insurance premiums	97,405	761,806	130,601	6,960	6,754	127	-	-	-	-
Subtotal casualty and liability costs	97,405	761,806	130,601	6,960	6,754	127	-	-	-	-

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural												Rural Total	2021 Total	2020 Total		
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation	
Materials and supplies:																	
Fuels and lubricants	290,887	-	-	-	-	-	-	-	-	-	-	-	-	290,887	900,556	1,208,135	
Tires and tubes	-	14,611	-	-	-	-	-	-	-	-	-	-	-	14,611	86,196	104,911	
Other materials and supplies:																	
Hardware	-	18,373	-	-	-	-	-	-	-	-	-	-	-	18,373	51,331	52,384	
Facility maintenance	-	22,209	-	-	-	-	-	-	664	-	-	-	-	22,873	79,596	71,514	
Small tools expense	-	1,375	-	-	-	-	-	-	-	-	-	-	-	1,375	4,648	7,710	
Parts expense:																	
Service vehicles	-	1,557	-	-	-	-	-	-	-	-	-	-	-	1,557	4,001	3,371	
Revenue vehicles	-	72,268	-	-	-	-	-	-	-	-	-	-	-	72,268	503,009	678,309	
Maintenance supplies	-	8,253	-	-	-	-	-	-	-	-	8,306	-	-	16,559	91,421	66,849	
Radio maintenance	-	1,647	-	-	-	-	-	-	-	-	-	-	-	1,647	6,560	3,741	
Repeater fees	15,048	-	-	-	-	-	-	-	-	-	-	-	-	15,048	35,703	36,714	
Safety expense	350	-	-	-	-	-	-	-	-	-	-	-	-	350	3,069	328	
Vehicle registrations	257	-	-	-	-	-	-	-	-	-	-	-	-	257	1,680	2,459	
Subtotal materials and supplies	306,542	140,293	-	-	-	-	-	-	664	8,306	-	-	-	455,805	1,767,770	2,236,425	
Utilities:																	
Light, heat and water	18,598	21,644	-	-	-	-	3,797	-	3,260	-	-	-	-	47,299	209,270	222,287	
Communications	14,316	-	-	-	-	-	5,026	-	4,662	-	-	-	-	24,004	65,633	82,858	
Subtotal utilities	32,914	21,644	-	-	-	-	8,823	-	7,922	-	-	-	-	71,303	274,903	305,145	
Casualty and liability costs:																	
Insurance premiums	332,159	46,317	6,566	-	13,154	-	28,784	-	-	-	-	-	-	426,980	1,430,633	1,344,314	
Subtotal casualty and liability costs	332,159	46,317	6,566	-	13,154	-	28,784	-	-	-	-	-	-	426,980	1,430,633	1,344,314	

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Urban									Urban Total	
	General Admin.	Transit Operations	Maintenance	Marketing	Planning	ADA	Mobility Management	COVID	Training		Capital Exp./ Depreciation
General and administration:											
Dues and subscriptions	6,193	-	-	-	-	349	-	-	-	-	6,542
Travel, meetings and meals	26	-	-	-	-	-	-	-	-	-	26
Marketing expense	-	-	-	12,292	-	-	-	433	-	-	12,725
Advertising/public information	-	-	-	24,168	-	-	-	1,349	-	-	25,517
Office supplies	14,886	2,281	42	77	-	-	-	-	-	-	17,286
Fare media	-	-	-	3	-	-	-	-	-	-	3
Recruiting	769	-	4,686	-	-	-	-	-	-	-	5,455
Computer services	108,484	-	-	-	-	-	-	-	-	-	108,484
Postage and freight	4,220	-	-	-	-	-	-	-	-	-	4,220
Bank charges	17,873	-	-	-	-	-	-	-	-	-	17,873
Rent expense	-	300	-	-	-	-	-	-	-	-	300
Subtotal general and administration	152,451	2,581	4,728	36,540	-	349	-	1,782	-	-	198,431

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural												Rural Total	2021 Total	2020 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation
General and administration:																
Dues and subscriptions	-	-	-	-	-	-	7,458	-	-	-	-	-	-	7,458	14,000	8,834
Travel, meetings and meals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26	3,335
Marketing expense	-	-	9,783	-	-	-	-	-	-	-	-	-	-	9,783	22,508	27,550
Advertising/public information	-	-	10,581	-	-	-	-	-	-	-	578	-	-	11,159	36,676	29,227
Office supplies	2,118	-	-	-	-	-	272	-	-	100	-	-	-	2,490	19,776	25,331
Fare media	-	-	4,144	-	-	-	-	-	-	-	-	-	-	4,144	4,147	13,764
Recruiting	11,346	230	-	-	-	-	-	-	-	-	-	-	-	11,576	17,031	10,213
Computer services	47	-	-	-	-	-	805	-	-	(31)	-	-	-	821	109,305	153,201
Postage and freight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,220	6,836
Bank charges	-	-	-	-	-	-	-	-	-	996	-	-	-	996	18,869	22,109
Rent expense	300	35,500	-	-	-	-	-	-	-	-	-	-	-	35,800	36,100	35,400
Subtotal general and administration	13,811	35,730	24,508	-	-	-	8,535	-	-	1,065	578	-	-	84,227	282,658	335,800

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GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Urban									Urban Total	
	General Admin.	Transit Operations	Maintenance	Marketing	Planning	ADA	Mobility Management	COVID	Training		Capital Exp./ Depreciation
Miscellaneous expenses:											
Park and ride lease payments	-	31,886	-	-	-	-	-	-	-	-	31,886
Parking	-	480	-	-	-	-	-	-	-	-	480
Planning expenses	-	-	-	-	63,721	-	-	-	-	-	63,721
Cash counting expense	1,969	-	-	-	-	-	-	-	-	-	1,969
Paratransit transportation expense	-	-	-	-	-	1,093,218	-	-	-	-	1,093,218
Volunteer mileage reimbursements	-	-	-	-	-	-	-	-	-	-	-
Contracted transportation expense	-	22,439	-	-	-	-	-	-	-	-	22,439
Other miscellaneous expenses	-	1,160	-	-	-	-	-	-	-	-	1,160
Subtotal miscellaneous expenses	1,969	55,965	-	-	63,721	1,093,218	-	-	-	-	1,214,873
Total operating expenses	1,165,661	8,120,410	2,430,791	85,676	404,302	1,107,315	85,363	40,590	47,478	16,318	13,503,904
Nonoperating expenses:											
Capital fund expenses	-	-	-	-	-	-	-	-	-	475,684	475,684
Depreciation expense	-	-	-	-	-	-	-	-	-	2,928,949	2,928,949
Debt service expense	6,953	-	-	-	-	-	-	-	-	-	6,953
Subtotal nonoperating expenses	6,953	-	-	-	-	-	-	-	-	3,404,633	3,411,586
Total expenses	1,172,614	8,120,410	2,430,791	85,676	404,302	1,107,315	85,363	40,590	47,478	3,420,951	16,915,490
General administration allocation	(966,901)	698,872	175,226	5,200	20,673	856	5,181	2,464	2,882	991	(54,556)
Deferred Cost Pool - Current year	(189,260)	-	-	-	-	-	-	-	-	-	(189,260)
Total change in deferred cost pool	(189,260)	-	-	-	-	-	-	-	-	-	(189,260)
Net expenses	\$ 16,453	\$ 8,819,282	\$ 2,606,017	\$ 90,876	\$ 424,975	\$ 1,108,171	\$ 90,544	\$ 43,054	\$ 50,360	\$ 3,421,942	\$ 16,671,674

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural												Rural Total	2021 Total	2020 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation
Miscellaneous expenses:																
Park and ride lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,886	28,652
Planning expenses	-	-	-	-	31,538	-	-	21,200	-	-	-	-	-	52,738	116,459	62,209
Cash counting expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,969	4,265
Paratransit transportation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,093,218	1,011,000
Volunteer mileage reimbursements	-	-	-	-	-	123,904	220,099	-	-	-	-	-	-	344,003	344,003	537,491
Contracted transportation expense	45,872	-	-	-	-	589,471	77,037	-	-	-	421	-	-	712,801	735,240	672,567
Other miscellaneous expenses	362	-	-	-	-	-	-	-	-	-	-	-	-	362	1,522	3,124
Subtotal miscellaneous expenses	46,234	-	-	-	31,538	713,375	297,136	21,200	-	-	421	-	-	1,109,904	2,324,297	2,319,308
Total operating expenses	3,579,869	522,177	120,192	12,000	44,692	725,432	714,807	21,200	66,898	32,013	9,305	12,940	9,470	5,870,995	19,374,899	20,843,103
Nonoperating expenses:																
Capital fund expenses	-	-	-	-	-	-	-	-	-	-	-	-	151,641	151,641	627,325	495,872
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	693,178	693,178	3,622,127	3,756,683
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,953	8,214
Subtotal nonoperating expenses	-	-	-	-	-	-	-	-	-	-	-	-	844,819	844,819	4,256,405	4,260,769
Total expenses	3,579,869	522,177	120,192	12,000	44,692	725,432	714,807	21,200	66,898	32,013	9,305	12,940	854,289	6,715,814	23,631,304	25,103,872
General administration allocation	5,253	4,019	7,296	-	2,713	732	25,353	1,287	4,061	1,943	539	785	575	54,556	-	-
Deferred Cost Pool - Current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(189,260)	(27,055)
Total change in deferred cost pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(189,260)	(27,055)
Net expenses	\$ 3,585,122	\$ 526,196	\$ 127,488	\$ 12,000	\$ 47,405	\$ 726,164	\$ 740,160	\$ 22,487	\$ 70,959	\$ 33,956	\$ 9,844	\$ 13,725	\$ 854,864	\$ 6,770,370	\$ 23,442,044	\$ 25,076,817

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

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Pass-through Grantor Program Title or Cluster	Federal AL Number	Pass-Through Grantor Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION:				
Federal Transit Cluster:				
Direct Programs:				
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-03-0048	\$ 1,581	\$ -
			<u>1,581</u>	<u>-</u>
Direct Programs:				
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2019-004	56,153	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2021-007	104,228	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2020-007	111,548	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2016-001	186,046	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2020-007	636,470	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2021-007	539,778	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-95-0015	181,703	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-95-0017	20,997	-
Federal Transit Formula Grants - Operating - COVID-19	20.507	VT-2020-006	5,740,580	-
Federal Transit Formula Grants - Operating	20.507	VT-2016-002	25,359	-
Federal Transit Formula Grants - Operating	20.507	VT-2018-002	33,743	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2018-001	310,826	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2019-004	970,483	-
			<u>8,917,914</u>	<u>-</u>
Subtotal Federal Transit Cluster			<u>8,919,495</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2019-001	498,251	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2020-010	1,298	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2016-003	8,194	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2018-007	281,822	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2021-002	314,596	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2021-012	460,816	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2020-012	40,000	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2020-010	1,035	-
Subtotal Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program			<u>1,606,012</u>	<u>-</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Pass-through Grantor Program Title or Cluster	Federal AL Number	Pass-Through Identifying Grantor Number	Total Federal Expenditures	Expenditures to Subrecipients
Passed through Chittenden County Regional Planning Commission (CCRPC):				
Metropolitan Transportation Planning and State and Non- Planning and Research - CCRPC	20.505	PL 2020-05	10,001	-
Metropolitan Transportation Planning and State and Non- Planning and Research - CCRPC	20.505	PL 2021-06	<u>321,872</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Rural Planning	20.505	VT-2020-013	<u>25,000</u>	<u>-</u>
Subtotal Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Rural Planning			<u>356,873</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Formula Grants for Rural Areas - Admin	20.509	VT-2020-011	468,792	-
Formula Grants for Rural Areas - Admin - Microtransit	20.509	VT-2020-011	66,712	-
Formula Grants for Rural Areas - Capital Assistance Program	20.509	VT-2020-012	254,145	-
Formula Grants for Rural Areas - Capital Assistance Program	20.509	VT-04-0021	27,176	-
Formula Grants for Rural Areas - Operating Assistance Program	20.509	VT-2020-012	150,674	-
Formula Grants for Rural Areas - COVID-19 - Operating Assistance Program	20.509	VT-2020-004	1,420,597	-
Formula Grants for Rural Areas - Preventive Maintenance	20.509	VT-2020-012	750,000	-
Formula Grants for Rural Areas - E&D - Rural	20.509	VT-2020-011	887,609	-
Formula Grants for Rural Areas - RTAP	20.509	VT-2020-011	12,000	-
Formula Grants for Rural Areas - CMAQ US2 Commuter/Stowe/Capital Shuttle	20.509	VT-2020-011	<u>57,908</u>	<u>-</u>
Subtotal Formula Grants for Rural Areas			<u>4,095,613</u>	<u>-</u>
Transit Services Programs Cluster:				
Passed through State of Vermont, Agency of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities - Capital Assistance Program	20.513	VT-2018-006	348,887	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Capital Assistance Program	20.513	VT-2020-003	67,200	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Management	20.513	VT-2020-003	70,000	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Management	20.513	VT-2021-012	<u>56,759</u>	<u>-</u>
Subtotal Transit Services Programs Cluster			<u>542,846</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>15,520,839</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 15,520,839</u>	<u>\$ -</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of Green Mountain Transit Authority under programs of the federal government for the year ended June 30, 2021. The federal awards activity presented in the Schedule includes all federal awards received directly from federal agencies as well as federal awards passed through other government agencies. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Since the Schedule presents only a selected portion of the operations of the Green Mountain Transit Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Green Mountain Transit Authority.

2. Summary of Significant Accounting Policies

- a. Expenditures presented on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Green Mountain Transit Authority elected to use a 6.07% fixed indirect cost rate for fiscal year 2021, as approved by the Federal Transit Administration. The approved fixed indirect cost rate used by Green Mountain Transit Authority in fiscal year 2021 is calculated using an indirect cost rate base type of modified total direct costs.

3. Major Programs - Federal

The following programs were considered major programs as defined by the Uniform Guidance and also Type A programs as defined by the Uniform Guidance. These programs were tested due to the Agency being classified as low-risk as defined in the Uniform Guidance:

<u>Program</u>	<u>FAL #</u>
Federal Transit Cluster	20.507



Proven Expertise & Integrity

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

Board of Commissioners
Green Mountain Transit Authority
Burlington, Vermont

We have audited, in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the major fund of the Green Mountain Transit Authority as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Green Mountain Transit Authority's basic financial statements and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Green Mountain Transit Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Green Mountain Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Green Mountain Transit Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Green Mountain Transit Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In a separate management letter dated October 17, 2021, we documented that we noted no other matters that were required to be reported to the management of the Authority.

Purpose of this Report

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

Buxton, Maine
Vermont Registration No. 092.0000697
January 31, 2022



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE

Board of Commissioners
Green Mountain Transit Authority
Burlington, Vermont

Report on Compliance for Each Major Federal Program

We have audited Green Mountain Transit Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Green Mountain Transit Authority's major federal programs for the year ended June 30, 2021. Green Mountain Transit Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Green Mountain Transit Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Green Mountain Transit Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Green Mountain Transit Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Green Mountain Transit Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Green Mountain Transit Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Green Mountain Transit Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Green Mountain Transit Authority's internal control over compliance.

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

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

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

Buxton, Maine
Vermont Registration No. 092.0000697
January 31, 2022

DRAFT

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

• *Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported
In accordance with 2 CFR 200.516(a) yes no

Identification of major programs:

<u>FAL Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None