

Federal Compliance Audit

# Green Mountain Transit Authority

June 30, 2023



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GREEN MOUNTAIN TRANSIT AUTHORITY

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Green Mountain Transit Authority  
Burlington, Vermont

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the 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, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Green Mountain Transit Authority as of June 30, 2023 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Green Mountain Transit Authority 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 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.

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

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 Green Mountain Transit Authority'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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements 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 controls 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 Green Mountain Transit Authority'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 doubt about the Green Mountain Transit Authority'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 on pages 5 through 9 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.

#### *Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 16, 2024, on our consideration of Green Mountain Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Green Mountain Transit Authority'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* and should be read in considering the Green Mountain Transit Authority's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
January 16, 2024

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**(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, 2023. 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 decreased by \$1,817,034 from \$36,623,397 to \$34,806,363.

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 - decreased by \$111,227 from \$3,520,122 to a balance of \$3,408,895 at the end of this year.

**Table 1**  
**Green Mountain Transit Authority**  
**Net Position**  
**June 30,**

	<u>2023</u>	<u>2022</u>
Assets:		
Current Assets	\$ 9,546,757	\$ 11,418,302
Noncurrent Assets - Capital Assets	28,126,209	30,596,144
Total Assets	<u>\$ 37,672,966</u>	<u>\$ 42,014,446</u>
Liabilities:		
Current Liabilities	\$ 1,193,975	\$ 3,954,116
Noncurrent Liabilities	917,928	909,883
Total Liabilities	<u>\$ 2,111,903</u>	<u>\$ 4,863,999</u>
Deferred Inflows of Resources:		
Deferred Revenue	\$ 754,700	\$ 527,050
Total Deferred Inflows of Resources	<u>\$ 754,700</u>	<u>\$ 527,050</u>
Net Position:		
Net Investment in Capital Assets	\$ 28,126,209	\$ 30,596,144
Restricted	3,271,259	2,507,131
Unrestricted	3,408,895	3,520,122
Total Net Position	<u>\$ 34,806,363</u>	<u>\$ 36,623,397</u>



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

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Purchase of services	\$ 2,199,824	\$ 1,716,269
Intergovernmental	22,434,554	22,228,628
Other income	412,116	175,770
Total operating revenues	<u>25,046,494</u>	<u>24,120,667</u>
Operating expenses:		
Transportation	<u>23,988,691</u>	<u>21,959,518</u>
Operating income (loss)	<u>1,057,803</u>	<u>2,161,149</u>
Nonoperating revenues (expenses)		
Contributions	1,276,856	4,419,324
Other nonoperating revenue	156,446	(6,069)
Nonoperating expense	(3,943,830)	(4,002,971)
Change in deferred cost pool	<u>(364,309)</u>	<u>(238,778)</u>
Total nonoperating revenues (expenses)	<u>(2,874,837)</u>	<u>171,506</u>
Change in net position	(1,817,034)	2,332,655
Net Position - July 1	<u>36,623,397</u>	<u>34,290,742</u>
Net Position - June 30	<u>\$ 34,806,363</u>	<u>\$ 36,623,397</u>

### Revenues and Expenses

The Authority's operating revenues increased over last year's amounts and operating expenses increased compared to last year's amounts. Operating revenues increased by 3.84% and operating expenses increased by 9.24%.

### Capital Asset and Long-Term Debt Activity

#### Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Authority decreased by \$2,469,935 over the prior year. Net capital additions of \$1,006,658 were recorded. Depreciation expense in the amount of \$3,476,593 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>2023</u>	<u>2022</u>
Land	\$ 775,000	\$ 775,000
Construction in progress	47,315	84,813
Land easement - right of way	264,364	267,228
Buildings and improvements	13,679,150	14,200,892
Bus stops and shelters	366,212	452,326
Revenue vehicles	12,269,402	14,298,268
Non-revenue vehicles	205,106	90,299
Office equipment	32,784	10,950
Computer equipment/software	7,051	23,373
Shop equipment	479,825	392,995
Total	<u>\$ 28,126,209</u>	<u>\$ 30,596,144</u>

### Long-Term Debt

The Authority has no long-term debt.

### 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
- 3<sup>rd</sup> Party Contractor Costs
- Authority's Collective Bargaining Agreements Negotiations
- State and Local funding levels
- Ability to find skilled and affordable labor

## **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.

## STATEMENT A

## GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF NET POSITION  
JUNE 30,

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 4,899,287	\$ 3,831,572
Grants, assessments and other receivables, (net of allowance for uncollectibles)	4,265,100	6,991,702
Deferred cost pool (Note 11)	(806,103)	(441,794)
Inventories	955,140	793,299
Prepaid items	233,333	243,523
Total current assets	<u>9,546,757</u>	<u>11,418,302</u>
Noncurrent assets:		
Land, structures and equipment - net of accumulated depreciation and amortization (Note 3)	<u>28,126,209</u>	<u>30,596,144</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 37,672,966</u></u>	<u><u>\$ 42,014,446</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 625,086	\$ 3,443,613
Accrued payroll expenses	406,296	345,510
Other accrued liabilities	114,281	117,104
Current portion of long-term obligations	48,312	47,889
Total current liabilities	<u>1,193,975</u>	<u>3,954,116</u>
Long-term liabilities:		
Noncurrent portion of long-term obligations:		
Accrued compensated absences (Note 5)	<u>917,928</u>	<u>909,883</u>
Total long-term liabilities	<u>917,928</u>	<u>909,883</u>
<b>TOTAL LIABILITIES</b>	<u>2,111,903</u>	<u>4,863,999</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue	<u>754,700</u>	<u>527,050</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>754,700</u>	<u>527,050</u>
<b>NET POSITION</b>		
Net investment in capital assets	28,126,209	30,596,144
Restricted (Note 6)	3,271,259	2,507,131
Unrestricted (Note 7)	<u>3,408,895</u>	<u>3,520,122</u>
<b>TOTAL NET POSITION</b>	<u>34,806,363</u>	<u>36,623,397</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 37,672,966</u></u>	<u><u>\$ 42,014,446</u></u>

See accompanying independent auditor's report and notes to financial statements.

## GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30,

	2023		Total	2022
	Urban	Rural		
OPERATING REVENUES				
Purchase of services	\$ 144,389	\$ 2,055,435	\$ 2,199,824	\$ 1,716,269
Other income	348,620	63,496	412,116	175,770
Local subsidies	3,361,876	539,148	3,901,024	3,669,475
State subsidies	2,400,000	325,883	2,725,883	957,007
Federal subsidies	6,163,759	1,836,717	8,000,476	11,171,961
Other grants	4,515,365	3,291,806	7,807,171	6,430,185
TOTAL OPERATING REVENUES	<u>16,934,009</u>	<u>8,112,485</u>	<u>25,046,494</u>	<u>24,120,667</u>
OPERATING EXPENSES				
Transportation	<u>16,310,257</u>	<u>7,678,434</u>	<u>23,988,691</u>	<u>21,959,518</u>
OPERATING INCOME (LOSS)	<u>623,752</u>	<u>434,051</u>	<u>1,057,803</u>	<u>2,161,149</u>
NONOPERATING REVENUES (EXPENSES)				
SSTA lease payments	-	6,595	6,595	-
Interest income	67,454	47,646	115,100	3,517
Insurance proceeds	34,751	-	34,751	-
Interest expense	-	-	-	(9,586)
Capital fund expense	(406,074)	(61,163)	(467,237)	(575,083)
Depreciation expense	(2,753,189)	(723,404)	(3,476,593)	(3,427,888)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(3,057,058)</u>	<u>(730,326)</u>	<u>(3,787,384)</u>	<u>(4,009,040)</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>(2,433,306)</u>	<u>(296,275)</u>	<u>(2,729,581)</u>	<u>(1,847,891)</u>
CAPITAL CONTRIBUTIONS				
Capital contributions - grants	<u>493,983</u>	<u>782,873</u>	<u>1,276,856</u>	<u>4,419,324</u>
TOTAL CAPITAL CONTRIBUTIONS	<u>493,983</u>	<u>782,873</u>	<u>1,276,856</u>	<u>4,419,324</u>
CHANGE IN DEFERRED COST POOL	<u>(364,309)</u>	<u>-</u>	<u>(364,309)</u>	<u>(238,778)</u>
CHANGE IN NET POSITION	<u>(2,303,632)</u>	<u>486,598</u>	<u>(1,817,034)</u>	<u>2,332,655</u>
NET POSITION - JULY 1	<u>32,521,100</u>	<u>4,102,297</u>	<u>36,623,397</u>	<u>34,290,742</u>
NET POSITION - JUNE 30	<u>\$ 30,217,468</u>	<u>\$ 4,588,895</u>	<u>\$ 34,806,363</u>	<u>\$ 36,623,397</u>

See accompanying independent auditor's report and notes to financial statements

## GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and local partners	\$ 6,740,614	\$ 6,014,877
Receipts from operating grants	21,260,132	15,582,729
Payments to vendors	(16,249,682)	(9,512,943)
Payments to employees	(10,642,756)	(10,055,987)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,108,308</u>	<u>2,028,676</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>115,100</u>	<u>3,517</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>115,100</u>	<u>3,517</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(1,006,658)	(4,361,744)
Disposal of capital assets	-	69,830
Principal paid on capital debt	-	(171,412)
Interest paid on capital debt	-	(9,586)
Payments for capital fund expenses	(467,237)	(575,083)
Proceeds from SSTA lease payments	6,595	-
Insurance proceeds	34,751	-
Proceeds from capital grants and contributions	<u>1,276,856</u>	<u>4,419,324</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(155,693)</u>	<u>(628,671)</u>
NET INCREASE (DECREASE) IN CASH	1,067,715	1,403,522
CASH AND CASH EQUIVALENTS - JULY 1	<u>3,831,572</u>	<u>2,428,050</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 4,899,287</u>	<u>\$ 3,831,572</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,057,803	\$ 2,161,149
Changes in operating assets and liabilities:		
(Increase) decrease in grants, assessments and other receivables	2,726,602	(2,976,424)
(Increase) decrease in inventories	(161,841)	(114,840)
(Increase) decrease in prepaid items	10,190	149,503
(Decrease) increase in accounts payable	(2,818,527)	2,331,443
(Decrease) increase in accrued payroll expenses	60,786	69,686
(Decrease) increase in deferred revenue	227,650	453,363
(Decrease) increase in other accrued liabilities	(2,823)	(2,251)
(Decrease) increase in accrued compensated absences	8,468	(42,953)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,108,308</u>	<u>\$ 2,028,676</u>

See accompanying independent auditor's report and notes to financial statements.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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, Colchester, Essex, Hinesburg, Milton, Shelburne, South Burlington, Williston and Winooski. Paratransit service for people with disabilities is provided in those communities where it is required.

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 Colchester (non-voting member) and 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, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Implementation of New Accounting Standards**

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 “Subscription-Based Information Technology Arrangements”. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 “Omnibus 2022”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a



# GREEN MOUNTAIN TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. 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, 2023 AND 2022

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, 2023 AND 2022

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 deposit and other evidence 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. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$1,136,409 for the year ended June 30, 2023. The allowance for uncollectible accounts for grants receivable is estimated to be \$0 as of June 30, 2023. Grants receivable netted with allowances for uncollectible accounts were \$3,128,691 for the year ended June 30, 2023.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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 fair market 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 consist of 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, 2023 AND 2022

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.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, 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, 2023, the Authority's cash and cash equivalents balance of \$1,856,355 was comprised of deposits amounting to \$1,969,650. 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 \$1,718,807 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. Cash equivalents of \$843 were uninsured and uncollateralized.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 495,326
Repurchase agreements	1,474,324
Cash equivalents	843
	<u>\$ 1,969,650</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**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.

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, 2023 the Authority's investments were comprised of \$3,042,932 in U.S Treasury Bills which are backed by the full faith and credit of the U.S. Government.

Investment Type	Fair Value	Maturity		
		<1 Year	1 - 5 Years	N/A
Government agency bonds	\$ 3,042,931	\$ 3,042,931	\$ -	\$ -
	<u>\$ 3,042,931</u>	<u>\$ 3,042,931</u>	<u>\$ -</u>	<u>\$ -</u>

**Fair Value Hierarchy**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Authority has the following recurring fair value measurements as June 30, 2023:

	Total June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
Government agency bonds	\$ 3,042,932	\$ -	\$ 3,042,932	\$ -
Total investments by fair value level	<u>3,042,932</u>	<u>\$ -</u>	<u>\$ 3,042,932</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market funds	843			
Total cash equivalents measured at the NAV	<u>843</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 3,043,775</u>			

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Debt securities classified in Level 2 of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Authority has no Level I and III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2023 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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, 2023:

	Balance, 7/1/22	Additions	Disposals	Balance, 6/30/23
<u>Primary government:</u>				
Non-depreciated assets:				
Land	\$ 775,000	\$ -	\$ -	\$ 775,000
Construction in progress	84,813	-	(37,498)	47,315
	<u>859,813</u>	<u>-</u>	<u>(37,498)</u>	<u>822,315</u>
Depreciated assets:				
Land easement - right of way	283,600	-	-	283,600
Buildings and improvements	19,113,544	13,850	-	19,127,394
Bus stops and shelters	2,283,833	-	-	2,283,833
Revenue vehicles	41,473,104	717,415	(2,714,639)	39,475,880
Non-revenue vehicles	393,942	150,189	-	544,131
Office equipment	33,768	6,385	-	40,153
Computer equipment/software	377,615	-	-	377,615
Bus accessories	17,750	8,128	-	25,878
Shop equipment	878,218	148,189	-	1,026,407
	<u>64,855,374</u>	<u>1,044,156</u>	<u>(2,714,639)</u>	<u>63,184,891</u>
Less: accumulated depreciation	<u>(35,119,043)</u>	<u>(3,476,593)</u>	<u>2,714,639</u>	<u>(35,880,997)</u>
Net depreciated capital assets	<u>29,736,331</u>	<u>(2,432,437)</u>	<u>-</u>	<u>27,303,894</u>
Total net capital assets	<u>\$ 30,596,144</u>	<u>\$ (2,432,437)</u>	<u>\$ (37,498)</u>	<u>\$ 28,126,209</u>



GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 4 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Current Portion
Accrued compensated absences	<u>\$ 957,772</u>	<u>\$ 8,468</u>	<u>\$ -</u>	<u>\$ 966,240</u>	<u>\$ 48,312</u>

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 5 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Authority at June 30, 2023:

Invested in capital assets	\$ 64,007,206
Accumulated depreciation	<u>(35,880,997)</u>
	<u>\$ 28,126,209</u>

NOTE 6 - RESTRICTED NET POSITION

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

	2023	2022
Restricted for obligated local match on future purchases	\$ 2,600,665	\$ 2,372,961
Restricted by the Board for future capital match	<u>670,594</u>	<u>134,170</u>
	<u>\$ 3,271,259</u>	<u>\$ 2,507,131</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 7 - NET POSITION

The following table discloses the composition of net position at June 30, 2023, separated between Rural and Urban programs:

	Urban	Rural	Total
Net investment in capital assets	\$ 26,156,729	\$ 1,969,480	\$ 28,126,209
Restricted net position (Note 6)	2,854,030	417,229	3,271,259
Unrestricted net position	1,206,709	2,202,186	3,408,895
	\$ 30,217,468	\$ 4,588,895	\$ 34,806,363

The Authority has recognized management-imposed designations on unrestricted net position as of June 30, 2023, separated between Rural and Urban programs:

	Urban	Rural	Total
Unrestricted net position	\$ 1,206,709	\$ 2,202,186	\$ 3,408,895
Less: management designated net position:			
Inventories	916,794	38,346	955,140
Prepaid items	172,992	60,341	233,333
Total management designated net position	1,089,786	98,687	1,188,473
Unrestricted, undesignated net position	\$ 116,923	\$ 2,103,499	\$ 2,220,422

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

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 5% to 7% or more of the eligible employees' gross wages for that year. Employee contributions during fiscal years ended June 30, 2023 and 2022, respectively, were \$616,484 and \$528,762. Pension expense for fiscal years ended June 30, 2023 and 2022, respectively, were \$453,743 and \$412,024. Total payroll covered under the plan is \$8,537,049.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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 \$17,911 and \$4,838 for unemployment claims for the years ended June 30, 2023 and 2022, respectively.

NOTE 11 - DEFERRED COST POOL

For the fiscal years ended June 30, 2023 and 2022, 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 over-allocation of general and administration costs at June 30, 2023 of \$364,309 and an under-allocation of general and administration costs at June 30, 2022 of \$238,778.

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.

## Supplementary Information Description

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Operating Revenues and Subsidies
- Schedule of Expenses

## GREEN MOUNTAIN TRANSIT AUTHORITY

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

	Urban	Rural	Total	
			2023	2022
Operating Revenues:				
Passenger fares:				
Fixed route	\$ 111,565	\$ -	\$ 111,565	\$ (330)
Subtotal passenger fares	<u>111,565</u>	<u>-</u>	<u>111,565</u>	<u>(330)</u>
Purchase of services:				
Fixed route	<u>32,824</u>	<u>2,055,435</u>	<u>2,088,259</u>	<u>1,716,599</u>
Total other purchase of services	<u>144,389</u>	<u>2,055,435</u>	<u>2,199,824</u>	<u>1,716,269</u>
Other income:				
Advertising	319,334	36,570	355,904	141,585
Gain (loss) - sale of asset	20,800	22,513	43,313	28,928
Other income	8,486	4,413	12,899	5,257
Subtotal other income	<u>348,620</u>	<u>63,496</u>	<u>412,116</u>	<u>175,770</u>
Local subsidies:				
Fixed route operating	2,568,666	539,148	3,107,814	2,986,451
Paratransit operating	793,210	-	793,210	683,024
Subtotal local subsidies	<u>3,361,876</u>	<u>539,148</u>	<u>3,901,024</u>	<u>3,669,475</u>
State subsidies - State operating grant	<u>2,400,000</u>	<u>325,883</u>	<u>2,725,883</u>	<u>957,007</u>
Federal subsidies - Federal operating grant	<u>6,163,759</u>	<u>1,836,717</u>	<u>8,000,476</u>	<u>11,171,961</u>
Other grants:				
Planning revenue	398,556	9,515	408,071	377,884
Grants - JARC, CMAQ, other	4,116,809	3,282,291	7,399,100	6,052,301
Subtotal other grants	<u>4,515,365</u>	<u>3,291,806</u>	<u>7,807,171</u>	<u>6,430,185</u>
Total operating revenues	<u>16,934,009</u>	<u>8,112,485</u>	<u>25,046,494</u>	<u>24,120,667</u>
Nonoperating revenues:				
Local contributions:				
SSTA lease payments	-	6,595	6,595	-
Interest income	67,454	47,646	115,100	3,517
Insurance proceeds	34,751	-	34,751	-
Total nonoperating revenue	<u>102,205</u>	<u>54,241</u>	<u>156,446</u>	<u>3,517</u>
Total revenues from operating grants and subsidies	<u>\$ 17,036,214</u>	<u>\$ 8,166,726</u>	<u>\$ 25,202,940</u>	<u>\$ 24,124,184</u>

See accompanying independent auditor's 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	Training		Capital Exp./ Depreciation
Operating Expenses:										
Labor:										
Operators' salaries and wages	\$ -	\$ 4,697,946	\$ 907,520	\$ -	\$ -	\$ -	\$ -	\$ 37,293	\$ -	\$ 5,642,759
Other salaries and wages	627,264	554,677	171,569	29,619	247,898	-	34,478	-	7,390	1,672,895
Benefit wages	8,232	89,409	41,181	(6,717)	21,760	-	-	-	-	153,865
Subtotal labor	635,496	5,342,032	1,120,270	22,902	269,658	-	34,478	37,293	7,390	7,469,519
Fringe benefits:										
Payroll taxes	48,352	409,967	83,407	2,168	18,420	-	2,609	2,850	555	568,328
Pension plan	19,775	251,624	54,266	729	12,884	-	2,368	475	469	342,590
Life insurance and short-term disability plan	9,706	72,521	14,426	1,740	2,760	-	187	-	388	101,728
Medical plan	101,243	1,323,030	334,924	5,450	63,063	-	2,781	9,563	982	1,841,036
Dental plan	6,260	76,153	17,773	287	3,490	-	297	505	49	104,814
Employer flex contribution	-	19	-	-	-	-	-	-	-	19
Vision reimbursement	2,069	3,213	936	-	-	-	-	-	-	6,218
Vision plan	933	11,074	2,587	41	515	-	37	61	8	15,256
Employee testing	819	7,300	2,030	-	-	-	-	-	-	10,149
Unemployment insurance	-	114	-	-	-	-	-	-	-	114
Other employee benefits	14,044	1,777	49	-	-	-	-	-	-	15,870
Uniform and work clothing allowance	-	12,742	18,818	-	-	-	-	-	-	31,560
Employee development	455	-	3,217	-	-	-	-	181	-	3,853
Tool allowance	-	-	11,232	-	-	-	-	-	-	11,232
Subtotal fringe benefits	203,656	2,169,534	543,665	10,415	101,132	-	8,279	13,635	2,451	3,052,767
Services:										
Legal fees	15,941	-	-	-	-	-	-	-	-	15,941
Accounting and audit fees	26,526	-	-	-	-	-	-	-	-	26,526
Cleaning	-	-	-	-	-	-	-	-	-	-
Consultants	13,614	-	-	-	-	-	-	-	-	13,614
Subtotal services	56,081	-	-	-	-	-	-	-	-	56,081

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED JUNE 30,

Rural

	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	Training	Capital Exp./ Depreciation	Rural Total	2023 Total	2022 Total
Operating Expenses:															
Labor:															
Operators' salaries and wages	\$ 2,048,974	\$ 139,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,105	\$ -	\$ 2,230,278	\$ 7,873,037	\$ 7,572,996
Other salaries and wages	528,400	29,655	18,040	-	-	-	284,934	-	30,917	43,593	-	4,343	939,882	2,612,777	2,318,605
Benefit wages	55,983	116	-	-	-	2,884	9,763	-	-	762	-	-	69,508	223,373	188,868
Subtotal labor	2,633,357	168,970	18,040	-	-	2,884	294,697	-	30,917	44,355	42,105	4,343	3,239,668	10,709,187	10,080,469
Fringe benefits:															
Payroll taxes	200,554	12,842	1,337	-	-	-	21,954	-	4,970	3,332	3,192	326	248,507	816,835	769,614
Pension plan	82,404	7,664	-	-	-	-	5,154	-	4,033	118	70	241	99,684	442,274	411,818
Life insurance and short-term disability plan	29,152	736	746	-	-	3,958	427	-	890	-	-	311	36,220	137,948	141,786
Medical plan	419,964	37,286	3,984	-	-	-	72,481	-	4,743	347	3,998	779	543,582	2,384,618	2,259,787
Dental plan	20,146	2,241	200	-	-	-	4,573	-	240	18	190	38	27,646	132,460	134,063
Employer flex contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	19	(2,830)
Vision reimbursement	1,246	-	-	-	-	-	460	-	-	-	-	-	1,706	7,924	4,434
Vision plan	3,089	326	30	-	-	-	662	-	33	3	25	6	4,174	19,430	14,897
Employee testing	7,580	609	-	-	-	-	8,696	-	-	-	-	-	16,885	27,034	20,965
Unemployment insurance	17,797	-	-	-	-	-	-	-	-	-	-	-	17,797	17,911	4,838
Other employee benefits	2,346	37	-	-	-	-	78	-	-	-	-	-	2,461	18,331	38,731
Uniform and work clothing allowance	15,013	3,247	-	-	-	-	-	-	-	-	-	-	18,260	49,820	50,719
Employee development	988	200	-	25,322	-	-	-	-	-	65	-	-	26,575	30,428	44,906
Tool allowance	-	1,250	-	-	-	-	-	-	-	-	-	-	1,250	12,482	12,400
Subtotal fringe benefits	800,279	66,438	6,297	25,322	-	3,958	114,485	-	14,909	3,883	7,475	1,701	1,044,747	4,097,514	3,906,128
Services:															
Legal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	15,941	77,036
Accounting and audit fees	-	-	-	-	-	-	-	-	-	-	-	-	-	26,526	23,500
Cleaning	1,088	1,972	-	-	-	-	340	-	-	-	-	-	3,400	3,400	8,132
Consultants	-	-	-	-	-	-	750	-	-	-	-	-	750	14,364	3,659
Subtotal services	1,088	1,972	-	-	-	-	1,090	-	-	-	-	-	4,150	60,231	112,327

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED JUNE 30,

	Urban								Urban
	General	Transit						Capital Exp./	Urban
	Admin.	Operations	Maintenance	Marketing	Planning	ADA	Mobility	Depreciation	Total
							Management	Training	
Materials and supplies:									
Fuels and lubricants	-	1,415,491	-	-	-	-	-	-	1,415,491
Tires and tubes	-	-	111,933	-	-	-	-	-	111,933
Other materials and supplies:									
Hardware	-	-	23,491	-	-	-	-	-	23,491
Facility maintenance	-	-	147,932	-	-	-	-	-	147,932
Small tools expense	-	-	12,938	-	-	-	-	-	12,938
Parts expense:									
Service vehicles	-	-	9,850	-	-	-	-	-	9,850
Revenue vehicles	-	-	338,261	-	-	-	-	-	338,261
Towing maintenance	-	-	6,910	-	-	-	-	-	6,910
Maintenance supplies	-	-	66,629	-	-	-	-	-	66,629
Radio maintenance	-	-	8,346	-	-	-	-	-	8,346
Repeater fees	-	23,265	-	-	-	-	-	-	23,265
Safety expense	-	1,217	-	-	-	-	-	-	1,217
Vehicle registrations	-	4,179	-	-	-	-	-	-	4,179
Subtotal materials and supplies	-	1,444,152	726,290	-	-	-	-	-	2,170,442
Utilities:									
Light, heat and water	28,402	8,354	197,606	-	-	-	-	-	234,362
Communications	15,762	21,947	8,272	1,404	1,872	-	-	-	49,257
Subtotal utilities	44,164	30,301	205,878	1,404	1,872	-	-	-	283,619
Casualty and liability costs:									
Insurance premiums	147,987	810,833	142,766	7,260	7,020	148	-	-	1,116,014
Subtotal casualty and liability costs	147,987	810,833	142,766	7,260	7,020	148	-	-	1,116,014



GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED JUNE 30,

	Rural											Rural Total	2023 Total	2022 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	Training				Capital Exp./ Depreciation
Materials and supplies:															
Fuels and lubricants	525,150	-	-	-	-	-	-	-	-	-	-	-	525,150	1,940,641	1,666,212
Tires and tubes	-	48,148	-	-	-	-	-	-	-	-	-	-	48,148	160,081	100,061
Other materials and supplies:															
Hardware	-	5,015	-	-	-	-	-	-	-	-	-	-	5,015	28,506	17,473
Facility maintenance	-	43,611	-	-	-	-	-	-	4,409	-	-	-	48,020	195,952	132,037
Small tools expense	-	2,896	-	-	-	-	-	-	-	-	-	-	2,896	15,834	11,102
Parts expense:															
Service vehicles	-	3,730	-	-	-	-	-	-	-	-	-	-	3,730	13,580	9,060
Revenue vehicles	-	85,294	-	-	-	-	-	-	-	-	-	-	85,294	423,555	525,118
Towing maintenance	-	4,780	-	-	-	-	-	-	-	-	-	-	4,780	11,690	11,186
Maintenance supplies	-	23,403	-	-	-	-	-	-	10	-	-	-	23,413	90,042	85,142
Radio maintenance	-	7,573	-	-	-	-	-	-	-	-	-	-	7,573	15,919	3,749
Repeater fees	18,465	-	-	-	-	-	-	-	-	-	-	-	18,465	41,730	37,969
Safety expense	-	-	-	-	-	-	-	-	-	-	-	-	-	1,217	4,935
Vehicle registrations	494	-	-	-	-	-	-	-	-	-	-	-	494	4,673	919
Subtotal materials and supplies	544,109	224,450	-	-	-	-	-	-	4,419	-	-	-	772,978	2,943,420	2,604,963
Utilities:															
Light, heat and water	20,738	36,977	-	-	-	-	6,276	-	-	6,799	-	-	70,790	305,152	245,576
Communications	18,590	-	-	-	-	-	5,730	-	-	4,898	-	-	29,218	78,475	69,121
Subtotal utilities	39,328	36,977	-	-	-	-	12,006	-	-	11,697	-	-	100,008	383,627	314,697
Casualty and liability costs:															
Insurance premiums	455,948	42,563	6,801	-	13,628	-	30,139	-	-	-	-	-	549,079	1,665,093	1,568,757
Subtotal casualty and liability costs	455,948	42,563	6,801	-	13,628	-	30,139	-	-	-	-	-	549,079	1,665,093	1,568,757

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	Training		Capital Exp./ Depreciation
General and administration:										
Dues and subscriptions	3,523	-	-	-	-	-	-	-	-	3,523
Travel, meetings and meals	4,277	674	337	90	-	-	-	-	-	5,378
Marketing expense	-	-	-	38,818	-	-	-	-	-	38,818
Advertising/public information	-	-	-	19,475	-	-	-	-	-	19,475
Office supplies	31,076	836	140	168	-	-	-	-	-	32,220
Fare media	-	-	-	-	-	-	-	-	-	-
Recruiting	14,565	661	3,433	-	-	-	-	-	-	18,659
Computer services	124,745	44,667	9,509	6,922	-	-	-	-	-	185,843
Postage and freight	6,326	-	-	-	-	-	-	-	-	6,326
Bank charges	2,694	-	-	-	-	-	-	-	-	2,694
Rent expense	-	-	-	-	-	-	-	-	-	-
Subtotal general and administration	187,206	46,838	13,419	65,473	-	-	-	-	-	312,936

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED JUNE 30,

	Rural											Rural Total	2023 Total	2022 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	Training				Capital Exp./ Depreciation
General and administration:															
Dues and subscriptions	93,350	-	-	-	-	-	7,379	-	-	-	-	-	100,729	104,252	93,000
Travel, meetings and meals	38	149	-	-	90	830	539	-	-	-	-	-	1,646	7,024	3,592
Marketing expense	-	-	22,153	-	-	-	-	-	-	-	-	-	22,153	60,971	29,486
Advertising/public information	-	-	7,480	-	-	-	-	-	-	-	-	-	7,480	26,955	40,845
Office supplies	2,910	-	-	-	-	-	1,065	-	-	-	-	-	3,975	36,195	29,217
Fare media	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11
Recruiting	21,809	614	-	-	-	-	736	-	14,531	-	-	-	37,690	56,349	56,169
Computer services	(1,413)	25,701	-	-	-	-	35	-	-	-	-	-	24,323	210,166	170,053
Postage and freight	-	-	-	-	-	-	-	-	-	-	-	-	-	6,326	5,834
Bank charges	-	-	-	-	-	-	-	-	-	-	-	-	-	2,694	507
Rent expense	-	34,800	-	-	-	-	-	-	-	-	-	-	34,800	34,800	36,700
Subtotal general and administration	116,694	61,264	29,633	-	90	830	9,754	-	14,531	-	-	-	232,796	545,732	465,414

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	Training		Capital Exp./ Depreciation
Miscellaneous expenses:										
Park and ride lease payments	-	26,644	-	-	-	-	-	-	-	26,644
Parking	-	-	-	-	-	-	-	-	-	-
Planning expenses	-	-	-	-	96,853	-	-	-	-	96,853
Cash counting expense	-	-	-	-	-	-	-	-	-	-
Paratransit transportation expense	-	-	-	-	-	1,863,779	-	-	-	1,863,779
Volunteer mileage reimbursements	-	-	-	-	-	-	-	-	-	-
Contracted transportation expense	-	20,052	-	-	-	-	-	-	-	20,052
Other miscellaneous expenses	-	22,214	63,712	-	-	-	-	-	-	85,926
Subtotal miscellaneous expenses	-	68,910	63,712	-	96,853	1,863,779	-	-	-	2,093,254
Total operating expenses	1,274,590	9,912,600	2,816,000	107,454	476,535	1,863,927	42,757	50,928	9,841	16,554,632
Nonoperating expenses:										
Capital fund expenses	-	-	-	-	-	-	-	-	406,074	406,074
Depreciation expense	-	-	-	-	-	-	-	-	2,753,189	2,753,189
Debt service expense	-	-	-	-	-	-	-	-	-	-
Subtotal nonoperating expenses	-	-	-	-	-	-	-	-	3,159,263	3,159,263
Total expenses	1,274,590	9,912,600	2,816,000	107,454	476,535	1,863,927	42,757	50,928	3,169,104	19,713,895
General administration allocation	(1,609,446)	1,036,641	278,623	9,059	32,007	12	3,606	4,293	830	(244,375)
Deferred Cost Pool - Current year	364,309	-	-	-	-	-	-	-	-	364,309
Total change in deferred cost pool	364,309	-	-	-	-	-	-	-	-	364,309
Net expenses	\$ 29,453	\$ 10,949,241	\$ 3,094,623	\$ 116,513	\$ 508,542	\$ 1,863,939	\$ 46,363	\$ 55,221	\$ 3,169,934	\$ 19,833,829

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENSES  
FOR THE YEARS ENDED JUNE 30,

Rural

	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Micro Transit	Mobility Management	Montpelier Transit Center	Training	Capital Exp./ Depreciation	Rural Total	2023 Total	2022 Total
Miscellaneous expenses:															
Park and ride lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-	26,644	28,274
Planning expenses	-	-	-	-	11,894	-	-	-	-	-	-	-	11,894	108,747	63,716
Cash counting expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,969)
Paratransit transportation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	1,863,779	1,544,404
Volunteer mileage reimbursements	-	-	-	-	-	126,182	251,788	-	-	-	-	-	377,970	377,970	340,834
Contracted transportation expense	4,941	-	-	-	-	746,660	346,980	-	-	-	-	-	1,098,581	1,118,633	912,284
Other miscellaneous expenses	-	2,188	-	-	-	-	-	-	-	-	-	-	2,188	88,114	19,140
Subtotal miscellaneous expenses	4,941	2,188	-	-	11,894	872,842	598,768	-	-	-	-	-	1,490,633	3,583,887	2,906,683
Total operating expenses	4,595,744	604,822	60,771	25,322	25,612	880,514	1,060,939	-	60,357	64,354	49,580	6,044	7,434,059	23,988,691	21,959,518
Nonoperating expenses:															
Capital fund expenses	-	-	-	-	-	-	-	-	-	-	-	61,163	61,163	467,237	575,083
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	723,404	723,404	3,476,593	3,427,888
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,586
Subtotal nonoperating expenses	-	-	-	-	-	-	-	-	-	-	-	784,567	784,567	3,943,830	4,012,557
Total expenses	4,595,744	604,822	60,771	25,322	25,612	880,514	1,060,939	-	60,357	64,354	49,580	790,611	8,218,626	27,932,521	25,972,075
General administration allocation	172,497	7,999	5,123	-	2,159	577	38,897	1,921	5,088	5,425	4,180	509	244,375	-	-
Deferred Cost Pool - Current year	-	-	-	-	-	-	-	-	-	-	-	-	-	364,309	238,778
Total change in deferred cost pool	-	-	-	-	-	-	-	-	-	-	-	-	-	364,309	238,778
Net expenses	<u>\$ 4,768,241</u>	<u>\$ 612,821</u>	<u>\$ 65,894</u>	<u>\$ 25,322</u>	<u>\$ 27,771</u>	<u>\$ 881,091</u>	<u>\$ 1,099,836</u>	<u>\$ 1,921</u>	<u>\$ 65,445</u>	<u>\$ 69,779</u>	<u>\$ 53,760</u>	<u>\$ 791,120</u>	<u>\$ 8,463,001</u>	<u>\$ 28,296,830</u>	<u>\$ 26,210,853</u>

See accompanying independent auditor's report and notes to financial statements.

## Federal Compliance Description

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

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	\$ 125	\$ -
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-04-0011	1,119	-
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-04-0019	2,729	-
			<u>3,973</u>	<u>-</u>
Direct Programs:				
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2019-004	4,372	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2022-004	42,038	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2022-002	226,773	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2023-007	127,727	-
Federal Transit Formula Grants - Operating	20.507	VT-2021-004	2,974,938	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2021-007	821,368	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2022-002	887,625	-
Federal Transit Forumua Grants - Preventative Maintenance	20.507	VT-2022-004	200,000	-
Federal Transit Forumua Grants - Preventative Maintenance	20.507	VT-2023-007	1,012,368	-
Federal Transit Formula Grants - Operating	20.507	VT-2020-008	1,168,741	-
Federal Transit Formula Grants - Operating - ARPA	20.507	VT-2021-009	1,772,318	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2022-002	778,054	-
Federal Transit Formula Grants - Operating	20.507	VT-2022-004	602,762	-
			<u>10,619,084</u>	<u>-</u>
Bus and Bus Facilities Formula, Competitive and Low or No Emissions Program - Capital Assistance Program	20.526	1393-2022-8	105,036	-
Bus and Bus Facilities Formula, Competitive and Low or No Emissions Program - Capital Assistance Program	20.526	1393-2022-8	42,125	-
Bus and Bus Facilities Formula, Competitive and Low or No Emissions Program - Capital Assistance Program	20.526	1393-2023-2	645	-
Bus and Bus Facilities Formula, Competitive and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2021-011	449,763	-
Subtotal Bus and Bus Facilities Formula, Competitive and Low or No Emissions Program - Capital Assistance Program			<u>597,569</u>	<u>-</u>
Subtotal Federal Transit Cluster			<u>11,220,626</u>	<u>-</u>
Passed through Chittenden County Regional Planning Commission (CCRPC):				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Rural Planning	20.505	VT-2023-002	9,516	-
Subtotal Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Rural Planning			<u>9,516</u>	<u>-</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023

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 State of Vermont, Agency of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	PL2023-GMT	398,556	-
Subtotal Highway and Planning Construction Cluster			<u>398,556</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Formula Grants for Rural Areas - Admin Formula	20.509	VT-2023-008	626,227	-
Formula Grants for Rural Areas - Capital Assistance Program	20.509	1393-2022-10	115,221	-
Formula Grants for Rural Areas - Operating Assistance Program - CRRSAA	20.509	VT-2022-001	1,200,000	-
Formula Grants for Rural Areas - Operating Assistance Program	20.509	VT-2023-008	10,489	-
Formula Grants for Rural Areas - Preventive Maintenance - Formula	20.509	1393-2022-10	591,500	-
Formula Grants for Rural Areas - E&D	20.509	1393-2022-10	1,477,852	-
Formula Grants for Rural Areas - RTAP	20.509	VT-2019-006	14,669	-
Formula Grants for Rural Areas - RTAP	20.509	VT-2023-008	10,653	-
Formula Grants for Rural Areas - Community Rides - Pilot Project	20.509	1393-2022-10	38,378	-
Formula Grants for Rural Areas - CMAQ US2 Commuter	20.509	1393-2022-10	749,422	-
Subtotal Formula Grants for Rural Areas			<u>4,834,411</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-2023-003	49,430	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Capital Assistance Program	20.513	VT-2023-004	3,330	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Management	20.513	VT-2022-008	15,115	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Management	20.513	VT-2022-007-00	52,356	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Management	20.513	VT-2022-007	31,800	-
Subtotal Transit Services Programs Cluster			<u>152,031</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Public Transportation Research, Technical Assistance and Training	20.514	VT-2020-001	1,553	-
			<u>1,553</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>16,616,693</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 16,616,693</u>	<u>\$ -</u>



GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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 8.43% fixed indirect cost rate for fiscal year 2023, as approved by the Federal Transit Administration. The approved fixed indirect cost rate used by Green Mountain Transit Authority in fiscal year 2023 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>
Formula Grants for Rural Areas	20.509



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

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, 2023 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 16, 2024.

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.

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
www.rhrsmith.com

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 February 2, 2024, we documented 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.

The image shows a handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

Buxton, Maine  
Vermont Registration No. 092.0000697  
January 16, 2024



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INDEPENDENT AUDITOR'S 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

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

We have audited the Green Mountain Transit Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Green Mountain Transit Authority's major federal programs for the year ended June 30, 2022. The 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.

In our opinion, the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

We are required to be independent of the Green Mountain Transit Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Green Mountain Transit Authority's compliance with the compliance requirements referred to above.

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
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## Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Green Mountain Transit Authority's federal programs.

## Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the Green Mountain Transit Authority's compliance based on our audit. 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 GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Green Mountain Transit Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Green Mountain Transit Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Green Mountain Transit Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Green Mountain Transit Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on 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 Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
January 16, 2024

GREEN MOUNTAIN TRANSIT AUTHORITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2023

**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        X  no
- Significant deficiency(ies) identified? \_\_\_\_\_yes        X  no
- Noncompliance material to financial statements noted? \_\_\_\_\_yes        X  no

- *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes        X  no
- Significant deficiency(ies) identified? \_\_\_\_\_yes        X  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        X  no

Identification of major programs:

<u>FAL Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas

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

Auditee qualified as low-risk auditee?   X  yes      \_\_\_\_\_no

**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

None