

Federal Compliance Audit

Green Mountain Transit Authority

June 30, 2020



Proven Expertise & Integrity

GREEN MOUNTAIN TRANSIT AUTHORITY

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JUNE 30, 2020

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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, 2020 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, 2020 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 February 3, 2021, 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.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 3, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

(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, 2020. 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 \$1,639,474 from \$32,466,557 to \$34,106,031.

Table 1
Green Mountain Transit Authority
Net Position
June 30,

	<u>2020</u>	<u>2019</u>
Assets:		
Current Assets	\$ 6,172,385	\$ 6,648,834
Noncurrent Assets - Capital Assets	31,149,627	30,104,866
Total Assets	<u>\$ 37,322,012</u>	<u>\$ 36,753,700</u>
Liabilities:		
Current Liabilities	\$ 2,076,963	\$ 3,172,844
Noncurrent Liabilities	1,072,191	1,057,687
Total Liabilities	<u>\$ 3,149,154</u>	<u>\$ 4,230,531</u>
Deferred Inflows of Resources:		
Deferred Revenue	\$ 66,827	\$ 56,612
Total Deferred Inflows of Resources	<u>\$ 66,827</u>	<u>\$ 56,612</u>
Net Position:		
Net Investment in Capital Assets	\$ 30,938,726	\$ 29,855,736
Restricted	601,717	823,730
Unrestricted	2,565,588	1,787,091
Total Net Position	<u>\$ 34,106,031</u>	<u>\$ 32,466,557</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 \$778,497 from \$1,787,091 to a balance of \$2,565,588 at the end of this year.

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

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Purchase of services	\$ 4,074,101	\$ 4,646,550
Intergovernmental	17,502,004	16,637,182
Other income	247,946	199,875
Total Operating Revenues	<u>21,824,051</u>	<u>21,483,607</u>
Operating Expenses:		
Transportation	<u>20,843,103</u>	<u>21,096,703</u>
Operating income (loss)	<u>980,948</u>	<u>386,904</u>
Nonoperating revenues (expenses)		
Contributions	4,530,421	3,203,655
Other nonoperating revenue	353,605	49,978
Nonoperating expense	(4,252,555)	(4,062,077)
Change in deferred cost pool	27,055	(152,068)
Total non-operating revenues (expenses)	<u>658,526</u>	<u>(960,512)</u>
Change in net position	1,639,474	(573,608)
Net Position - July 1	<u>32,466,557</u>	<u>33,040,165</u>
Net Position - June 30	<u>\$ 34,106,031</u>	<u>\$ 32,466,557</u>

Revenues and Expenses

The Authority's operating revenues increased over last year's amounts and operating expenses decreased compared to last year's amounts. Operating revenues increased by 1.58% and operating expenses decreased by 1.20%.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2020, the net book value of capital assets recorded by the Authority increased by \$1,044,761 over the prior year. Capital additions of \$4,801,444 were recorded while net disposals of \$0 were removed from the books. Depreciation expense in the amount of \$3,756,683 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,

	2020	2019
Land	\$ 775,000	\$ 775,000
Construction in progress	1,175,405	196,186
Land easement - right of way	272,958	275,822
Buildings and improvements	14,448,370	14,959,645
Bus stops and shelters	715,324	834,984
Revenue vehicles	13,480,982	12,752,863
Non-revenue vehicles	96,840	85,149
Office equipment	12,836	16,577
Shop equipment	171,912	208,640
	\$ 31,149,627	\$ 30,104,866
Total		

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.

GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 1,730,196	\$ 1,098,224
Grants, assessments and other receivables, (net of allowance for uncollectibles)	3,785,998	4,929,457
Deferred cost pool (Note 11)	(392,276)	(419,331)
Inventories	653,038	721,817
Prepaid items	395,429	318,667
Total current assets	<u>6,172,385</u>	<u>6,648,834</u>
Noncurrent assets:		
Land, structures and equipment - net of accumulated depreciation and amortization (Note 3)	<u>31,149,627</u>	<u>30,104,866</u>
TOTAL ASSETS	<u><u>\$ 37,322,012</u></u>	<u><u>\$ 36,753,700</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,603,021	\$ 2,739,431
Accrued payroll expenses	256,256	230,646
Other accrued liabilities	130,788	119,970
Current portion of long-term obligations	86,898	82,797
Total current liabilities	<u>2,076,963</u>	<u>3,172,844</u>
Long-term liabilities:		
Noncurrent portion of long-term obligations:		
Note from direct borrowings payable (Note 4)	171,412	210,901
Accrued compensated absences (Note 5)	900,779	846,786
Total long-term liabilities	<u>1,072,191</u>	<u>1,057,687</u>
TOTAL LIABILITIES	<u>3,149,154</u>	<u>4,230,531</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	<u>66,827</u>	<u>56,612</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>66,827</u>	<u>56,612</u>
NET POSITION		
Net investment in capital assets	30,938,726	29,855,736
Restricted (Note 6)	601,717	823,730
Unrestricted (Note 7)	2,565,588	1,787,091
TOTAL NET POSITION	<u>34,106,031</u>	<u>32,466,557</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 37,322,012</u></u>	<u><u>\$ 36,753,700</u></u>

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

GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2020		Total	2019
	Urban	Rural		
OPERATING REVENUES				
Purchase of services	\$ 1,814,494	\$ 2,259,607	\$ 4,074,101	\$ 4,646,550
Other income	208,191	39,755	247,946	199,875
Local subsidies	3,178,291	431,544	3,609,835	3,456,921
State subsidies	1,982,192	664,753	2,646,945	3,347,786
Federal subsidies	4,036,274	1,766,451	5,802,725	4,544,693
Other grants	3,220,676	2,221,823	5,442,499	5,287,782
TOTAL OPERATING REVENUES	14,440,118	7,383,933	21,824,051	21,483,607
OPERATING EXPENSES				
Transportation	14,318,782	6,524,321	20,843,103	21,096,703
OPERATING INCOME (LOSS)	121,336	859,612	980,948	386,904
NONOPERATING REVENUES (EXPENSES)				
SSTA lease payments	345,166	-	345,166	38,999
Interest income	700	15,953	16,653	20,413
Interest expense	(8,214)	-	(8,214)	(9,434)
Capital fund expense	(432,912)	(62,960)	(495,872)	(604,124)
Depreciation expense	(2,964,879)	(791,804)	(3,756,683)	(3,457,953)
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,060,139)	(838,811)	(3,898,950)	(4,012,099)
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(2,938,803)	20,801	(2,918,002)	(3,625,195)
CAPITAL CONTRIBUTIONS				
Capital contributions - grants	3,155,374	1,375,047	4,530,421	3,203,655
TOTAL CAPITAL CONTRIBUTIONS	3,155,374	1,375,047	4,530,421	3,203,655
CHANGE IN DEFERRED COST POOL	27,055	-	27,055	(152,068)
CHANGE IN NET POSITION	243,626	1,395,848	1,639,474	(573,608)
NET POSITION - JULY 1	30,258,854	2,207,703	32,466,557	33,040,165
NET POSITION - JUNE 30	\$ 30,502,480	\$ 3,603,551	\$ 34,106,031	\$ 32,466,557

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>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 7,942,097	\$ 8,311,323
Receipts from operating grants	15,035,628	10,688,556
Payments to vendors	(11,778,830)	(9,072,545)
Payments to employees	(10,115,404)	(9,740,231)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,083,491</u>	<u>187,103</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	16,653	20,413
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>16,653</u>	<u>20,413</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(4,801,444)	(2,933,852)
Principal paid on capital debt	(38,229)	(37,009)
Interest paid on capital debt	(8,214)	(9,434)
Payments for capital fund expenses	(495,872)	(604,124)
Proceeds from SSTA lease payments	345,166	38,999
Proceeds from capital grants and contributions	4,530,421	3,203,655
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(468,172)</u>	<u>(341,765)</u>
NET INCREASE (DECREASE) IN CASH	631,972	(134,249)
CASH AND CASH EQUIVALENTS - JULY 1	<u>1,098,224</u>	<u>1,232,473</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 1,730,196</u>	<u>\$ 1,098,224</u>

STATEMENT C (CONTINUED)

GREEN MOUNTAIN TRANSIT AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2020	2019
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 980,948	\$ 386,904
Changes in operating assets and liabilities:		
(Increase) decrease in grants, assessments and other receivables	1,143,459	(2,491,705)
(Increase) decrease in inventories	68,779	(58,841)
(Increase) decrease in prepaid items	(76,762)	110,027
(Decrease) increase in accounts payable	(1,136,410)	2,120,263
(Decrease) increase in accrued payroll expenses	25,610	47,819
(Decrease) increase in deferred revenue	10,215	7,977
(Decrease) increase in other accrued liabilities	10,818	9,994
(Decrease) increase in accrued compensated absences	56,834	54,665
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,083,491	\$ 187,103

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

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 AND 2019

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. As of the date of this report, the state of emergency was extended to March 15, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

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. The Authority was required to reduce its staff temporarily/permanently.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on Finances

The Authority does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act 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.

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, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 and 5)." The primary objectives of paragraphs 4 and 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. 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.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$912,376 for the year ended June 30, 2020. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2020. Grants receivable netted with allowances for uncollectible accounts were \$2,873,622 for the year ended June 30, 2020. The allowance for uncollectible accounts for grants receivable is estimated to be \$0 as of June 30, 2020.

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. Contributed assets are reported at fair market value as of the date received. 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 valued 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

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 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, 2020, the Authority's cash balance of \$1,730,196 was comprised of deposits amounting to \$1,931,717. 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

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

consequently was not exposed to custodial credit risk and \$1,681,012 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	\$ 602,360
Repurchase agreements	1,328,652
	<u>\$ 1,931,012</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.

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, 2020, 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.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20
<u>Primary government:</u>				
Non-depreciated assets:				
Land	\$ 775,000	\$ -	\$ -	\$ 775,000
Construction in progress	196,186	979,219	-	1,175,405
	<u>971,186</u>	<u>979,219</u>	<u>-</u>	<u>1,950,405</u>
Depreciated assets:				
Land easement - right of way	283,600	-	-	283,600
Buildings and improvements	18,289,183	-	-	18,289,183
Bus stops and shelters	2,732,918	-	-	2,732,918
Revenue vehicles	36,758,615	3,773,351	(2,960,692)	37,571,274
Non-revenue vehicles	395,197	48,874	-	444,071
Office equipment	23,785	-	-	23,785
Computer equipment/software	330,238	-	-	330,238
Bus accessories	127,753	-	(79,843)	47,910
Shop equipment	544,689	-	-	544,689
	<u>59,485,978</u>	<u>3,822,225</u>	<u>(3,040,535)</u>	<u>60,267,668</u>
Less: accumulated depreciation	<u>(30,352,298)</u>	<u>(3,756,683)</u>	<u>3,040,535</u>	<u>(31,068,446)</u>
Net depreciated capital assets	<u>29,133,680</u>	<u>65,542</u>	<u>-</u>	<u>29,199,222</u>
Total net capital assets	<u>\$ 30,104,866</u>	<u>\$ 1,044,761</u>	<u>\$ -</u>	<u>\$ 31,149,627</u>

NOTE 4 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Portion
Note from direct borrowings payable	<u>\$ 249,130</u>	<u>\$ -</u>	<u>\$ (38,229)</u>	<u>\$ 210,901</u>	<u>\$ 39,489</u>

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.

\$ 210,901

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 - LONG-TERM DEBT (CONTINUED)

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
2021	\$ 39,489	\$ 6,953
2022	40,791	5,651
2023	42,135	4,307
2024	43,525	2,917
2025	44,961	1,482
	\$ 210,901	\$ 21,310

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, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Portion
Accrued compensated absences	\$ 891,354	\$ 56,834	\$ -	\$ 948,188	\$ 47,409
	\$ 891,354	\$ 56,834	\$ -	\$ 948,188	\$ 47,409

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 debt 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:

	2020	2019
Restricted for obligated local match on capital purchases	\$ 433,823	\$ 329,708
Restricted by the Board for future capital match	167,894	494,022
	\$ 601,717	\$ 823,730

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 - NET POSITION

The following table discloses the composition of net position at June 30, 2020, separated between Rural and Urban programs:

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Net investment in capital assets	\$ 28,501,214	\$ 2,437,512	\$ 30,938,726
Restricted net position (Note 6)	359,284	242,433	601,717
Unrestricted net position	<u>1,641,982</u>	<u>923,606</u>	<u>2,565,588</u>
	<u>\$ 30,502,480</u>	<u>\$ 3,603,551</u>	<u>\$ 34,106,031</u>

The Authority has recognized management-imposed designations on unrestricted net position as of June 30, 2020, separated between Rural and Urban programs:

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Unrestricted net position	\$ 1,641,982	\$ 923,606	\$ 2,565,588
Less: management designated net position:			
Inventories	615,179	37,859	653,038
Prepaid items	<u>351,759</u>	<u>43,670</u>	<u>395,429</u>
Total management designated net position	<u>966,938</u>	<u>81,529</u>	<u>1,048,467</u>
Unrestricted, undesignated net position	<u>\$ 675,044</u>	<u>\$ 842,077</u>	<u>\$ 1,517,121</u>

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 3% or more of the eligible employees' gross wages for that year. Employee contributions during fiscal years ended June 30, 2020 and 2019, respectively, were \$432,390 and \$384,317. Pension expense for fiscal years ended June 30, 2020 and 2019, respectively, was \$389,704 and \$359,559. Total payroll covered under the plan is \$6,955,196.

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

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 \$45,660 and \$33,885 for unemployment claims for the years ended June 30, 2020 and 2019, respectively.

NOTE 11 - DEFERRED COST POOL

For the fiscal years ended June 30, 2020 and 2019, 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, 2020 of \$27,055 and an over-allocation of general and administration costs at June 30, 2019 of \$152,068.

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.

GREEN MOUNTAIN TRANSIT AUTHORITY

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

	Urban	Rural	Total	
			2020	2019
Operating Revenues:				
Passenger fares:				
Fixed route	\$ 1,696,535	\$ 97,624	\$ 1,794,159	\$ 2,305,259
Paratransit	80,150	-	80,150	100,135
Subtotal passenger fares	<u>1,776,685</u>	<u>97,624</u>	<u>1,874,309</u>	<u>2,405,394</u>
Purchase of services:				
Fixed route	<u>37,809</u>	<u>2,161,983</u>	<u>2,199,792</u>	<u>2,241,156</u>
Total other purchase of services	<u>1,814,494</u>	<u>2,259,607</u>	<u>4,074,101</u>	<u>4,646,550</u>
Other income:				
Advertising	173,780	35,970	209,750	188,823
Gain (loss) - sale of asset	3,947	3,707	7,654	505
Other income	30,464	78	30,542	10,547
Subtotal other income	<u>208,191</u>	<u>39,755</u>	<u>247,946</u>	<u>199,875</u>
Local subsidies:				
Fixed route operating	2,499,324	431,544	2,930,868	2,819,154
Paratransit operating	678,967	-	678,967	637,767
Subtotal local subsidies	<u>3,178,291</u>	<u>431,544</u>	<u>3,609,835</u>	<u>3,456,921</u>
State subsidies - State operating grant	<u>1,982,192</u>	<u>664,753</u>	<u>2,646,945</u>	<u>3,347,786</u>
Federal subsidies - Federal operating grant	<u>4,036,274</u>	<u>1,766,451</u>	<u>5,802,725</u>	<u>4,544,693</u>
Other grants:				
Planning revenue	291,467	18,272	309,739	370,289
Grants - JARC, CMAQ, other	2,929,209	2,203,551	5,132,760	4,917,493
Subtotal other grants	<u>3,220,676</u>	<u>2,221,823</u>	<u>5,442,499</u>	<u>5,287,782</u>
Total operating revenues	<u>14,440,118</u>	<u>7,383,933</u>	<u>21,824,051</u>	<u>21,483,607</u>

SCHEDULE A (CONTINUED)

GREEN MOUNTAIN TRANSIT AUTHORITY

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

	Urban	Rural	Total	
			2020	2019
Nonoperating revenues:				
Local contributions:				
SSTA lease payments	345,166	-	345,166	38,999
Interest income	700	15,953	16,653	20,413
Total nonoperating revenue	345,866	15,953	361,819	59,412
Total revenues from operating grants and subsidies	\$ 14,785,984	\$ 7,399,886	\$ 22,185,870	\$ 21,543,019

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	\$ -	\$ 4,641,108	\$ 962,817	\$ -	\$ -	\$ -	\$ -	\$ 2,941	\$ 18,940	\$ -	\$ 5,625,806
Other salaries and wages	494,521	441,701	89,203	58,031	190,930	-	61,468	-	-	12,437	1,348,291
Benefit wages	26,429	89,825	16,016	3,364	2,500	5,262	-	-	-	-	143,396
Subtotal labor	520,950	5,172,634	1,068,036	61,395	193,430	5,262	61,468	2,941	18,940	12,437	7,117,493
Fringe benefits:											
Payroll taxes	41,126	393,220	81,722	4,587	14,214	-	4,728	-	1,443	936	541,976
Pension plan	30,839	221,721	37,443	4,240	11,048	-	4,431	-	717	233	310,672
Life insurance and short-term disability plan	12,131	70,607	17,104	1,971	2,245	62	621	-	-	-	104,741
Medical plan	122,060	1,317,838	275,476	9,470	37,556	-	19,223	-	4,837	1,943	1,788,403
Dental plan	6,833	86,678	16,524	603	2,260	-	1,101	-	312	112	114,423
Employer flex contribution	-	(554)	-	-	-	-	-	-	-	-	(554)
Vision reimbursement	408	2,748	-	-	-	-	-	-	-	-	3,156
Vision plan	886	9,480	1,814	65	336	-	125	-	33	18	12,757
Employee testing	180	5,931	1,865	-	-	-	-	-	-	-	7,976
Employee referral program	-	800	-	-	-	-	-	-	-	-	800
Unemployment insurance	8,200	15,537	873	-	-	-	-	-	-	-	24,610
Other employee benefits	10,463	3,212	-	-	-	-	-	-	-	-	13,675
Uniform and work clothing allowance	-	17,883	19,255	-	-	-	-	-	-	-	37,138
Employee development	2,747	1,700	3,796	-	-	-	-	-	-	-	8,243
Tool allowance	-	-	13,200	-	-	-	-	-	-	-	13,200
Subtotal fringe benefits	235,873	2,146,801	469,072	20,936	67,659	62	30,229	-	7,342	3,242	2,981,216
Services:											
Legal fees	90,821	-	278	-	-	-	-	-	-	-	91,099
Accounting and audit fees	26,500	-	-	-	-	-	-	-	-	-	26,500
Cleaning	-	-	11,272	-	-	-	-	-	-	-	11,272
Consultants	33,115	-	-	-	-	-	2,050	-	-	-	35,165
Subtotal services	150,436	-	11,550	-	-	-	2,050	-	-	-	164,036

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural											Rural Total	2020 Total	2019 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation
Operating Expenses:															
Labor:															
Operators' salaries and wages	\$ 1,911,259	\$ 155,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,311	\$ -	\$ 2,081,567	\$ 7,707,373	\$ 7,130,314
Other salaries and wages	459,051	53,204	100,004	-	-	9,783	237,823	46,043	8,540	-	-	7,050	921,498	2,269,789	2,446,963
	58,231	3,858	2,591	-	-	17,833	5,576	-	19	-	-	-	88,108	231,504	275,432
Subtotal labor	<u>2,428,541</u>	<u>213,059</u>	<u>102,595</u>	<u>-</u>	<u>-</u>	<u>27,616</u>	<u>243,399</u>	<u>46,043</u>	<u>8,559</u>	<u>-</u>	<u>14,311</u>	<u>7,050</u>	<u>3,091,173</u>	<u>10,208,666</u>	<u>9,852,709</u>
Fringe benefits:															
Payroll taxes	182,082	15,742	7,444	-	-	789	19,511	3,455	577	-	1,089	530	231,219	773,195	745,215
Pension plan	65,035	5,213	786	-	590	-	4,504	2,011	-	-	39	154	78,332	389,004	359,559
Life insurance and short-term disability plan	31,930	3,013	2,032	-	-	5,376	1,717	-	-	-	-	-	44,068	148,809	145,894
Medical plan	347,901	57,731	20,472	-	-	2,758	42,602	11,322	-	-	353	1,145	484,284	2,272,687	2,245,117
Dental plan	21,412	3,876	1,124	-	-	235	4,549	935	-	-	20	66	32,217	146,640	136,583
Employer flex contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	(554)	(4,398)
Vision reimbursement	195	250	-	-	-	-	240	-	-	-	-	-	685	3,841	3,651
Vision plan	2,509	421	381	-	-	26	556	105	-	-	2	12	4,012	16,769	17,543
Employee testing	14,557	-	-	-	-	-	4,738	-	-	-	-	-	19,295	27,271	25,869
Employee referral program	-	-	-	-	-	-	-	-	-	-	-	-	-	800	400
Unemployment insurance	14,600	22	-	-	-	-	6,428	-	-	-	-	-	21,050	45,660	32,099
Other employee benefits	3,064	-	-	-	-	-	5	-	-	-	-	-	3,069	16,744	20,083
Uniform and work clothing allowance	7,336	3,097	-	-	-	-	-	-	-	-	-	-	10,433	47,571	55,195
Employee development	897	-	-	3,331	-	-	549	-	-	-	-	-	4,777	13,020	50,263
Tool allowance	-	3,259	-	-	-	-	-	-	-	-	-	-	3,259	16,459	13,750
Subtotal fringe benefits	<u>691,518</u>	<u>92,624</u>	<u>32,239</u>	<u>3,331</u>	<u>590</u>	<u>9,184</u>	<u>85,399</u>	<u>17,828</u>	<u>577</u>	<u>-</u>	<u>1,503</u>	<u>1,907</u>	<u>936,700</u>	<u>3,917,916</u>	<u>3,846,823</u>
Services:															
Legal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	91,099	40,740
Accounting and audit fees	-	-	-	-	-	-	-	-	-	-	-	-	-	26,500	30,600
Cleaning	2,302	8,472	-	-	-	-	719	-	-	-	-	-	11,493	22,765	34,932
Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	35,165	22,169
Subtotal services	<u>2,302</u>	<u>8,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,493</u>	<u>175,529</u>	<u>128,441</u>

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	-	825,422	-	-	-	-	-	-	-	-
Tires and tubes	-	-	83,085	-	-	-	-	-	-	-
Other materials and supplies:										
Hardware	-	-	43,943	-	-	-	1,815	-	-	-
Facility maintenance	-	-	52,180	-	-	-	-	-	-	-
Small tools expense	-	-	7,175	-	-	-	-	-	-	-
Parts expense:										
Service vehicles	-	-	3,009	-	-	-	-	-	-	-
Revenue vehicles	-	-	588,401	-	-	-	-	-	-	-
Maintenance supplies	-	-	36,193	-	-	-	18,780	-	-	-
Radio maintenance	-	-	1,649	-	-	-	-	-	-	-
Repeater fees	-	20,298	-	-	-	-	-	-	-	-
Safety expense	-	328	-	-	-	-	-	-	-	-
Vehicle registrations	-	1,003	-	-	-	-	-	-	-	-
Subtotal materials and supplies	-	847,051	815,635	-	-	-	20,595	-	-	-
Utilities:										
Light, heat and water	20,087	5,908	147,562	-	-	-	-	-	-	-
Communications	15,563	16,767	6,518	1,226	817	-	-	-	-	-
Subtotal utilities	35,650	22,675	154,080	1,226	817	-	-	-	-	-
Casualty and liability costs:										
Insurance premiums	90,142	721,825	123,192	6,493	6,297	121	-	-	-	-
Subtotal casualty and liability costs	90,142	721,825	123,192	6,493	6,297	121	-	-	-	-

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural											Rural Total	2020 Total	2019 Total		
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation	
Materials and supplies:																
Fuels and lubricants	382,713	-	-	-	-	-	-	-	-	-	-	-	382,713	1,208,135	1,365,122	
Tires and tubes	-	21,826	-	-	-	-	-	-	-	-	-	-	21,826	104,911	74,518	
Other materials and supplies:																
Hardware	-	6,626	-	-	-	-	-	-	-	-	-	-	6,626	52,384	56,725	
Facility maintenance	-	19,334	-	-	-	-	-	-	-	-	-	-	19,334	71,514	111,600	
Small tools expense	-	535	-	-	-	-	-	-	-	-	-	-	535	7,710	9,834	
Parts expense:																
Service vehicles	-	362	-	-	-	-	-	-	-	-	-	-	362	3,371	7,741	
Revenue vehicles	-	89,908	-	-	-	-	-	-	-	-	-	-	89,908	678,309	692,466	
Maintenance supplies	-	10,655	-	-	-	-	-	-	194	1,027	-	-	11,876	66,849	50,939	
Radio maintenance	-	2,092	-	-	-	-	-	-	-	-	-	-	2,092	3,741	4,714	
Repeater fees	16,416	-	-	-	-	-	-	-	-	-	-	-	16,416	36,714	36,702	
Safety expense	-	-	-	-	-	-	-	-	-	-	-	-	-	328	566	
Vehicle registrations	1,456	-	-	-	-	-	-	-	-	-	-	-	1,456	2,459	910	
Subtotal materials and supplies	400,585	151,338	-	-	-	-	-	-	194	1,027	-	-	553,144	2,236,425	2,411,837	
Utilities:																
Light, heat and water	15,942	28,416	-	-	-	-	4,372	-	-	-	-	-	48,730	222,287	229,265	
Communications	37,576	-	-	-	-	-	4,046	-	345	-	-	-	41,967	82,858	80,456	
Subtotal utilities	53,518	28,416	-	-	-	-	8,418	-	345	-	-	-	90,697	305,145	309,721	
Casualty and liability costs:																
Insurance premiums	309,853	41,144	6,117	-	12,255	-	26,875	-	-	-	-	-	396,244	1,344,314	1,419,736	
Subtotal casualty and liability costs	309,853	41,144	6,117	-	12,255	-	26,875	-	-	-	-	-	396,244	1,344,314	1,419,736	

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	8,485	-	-	-	-	349	-	-	-	-	8,834
Travel, meetings and meals	2,007	27	-	2	-	-	-	-	-	-	2,036
Marketing expense	-	-	-	14,711	-	-	200	944	-	-	15,855
Advertising/public information	-	-	-	18,757	-	-	-	-	-	-	18,757
Office supplies	18,817	659	92	-	-	-	-	-	-	-	19,568
Fare media	-	-	-	12,202	-	-	-	-	-	-	12,202
Recruiting	239	4,832	362	-	-	-	-	-	-	-	5,433
Computer services	144,296	25	-	150	-	-	-	-	-	-	144,471
Postage and freight	6,836	-	-	-	-	-	-	-	-	-	6,836
Bank charges	21,484	-	-	-	-	-	-	-	-	-	21,484
Rent expense	-	450	-	-	-	-	-	-	-	-	450
Subtotal general and administration	202,164	5,993	454	45,822	-	349	200	944	-	-	255,926

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULES OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural														
	Transit				Elders	Broker	Mobility	Montpelier			Capital Exp./	Rural	2020	2019	
	Operations	Maintenance	Marketing	RTAP	Planning	and Disabled	Services	Management	Transit Center	COVID	Training	Depreciation	Total	Total	Total
General and administration:															
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	8,834	30,295
Travel, meetings and meals	-	-	1,150	-	-	149	-	-	-	-	-	-	1,299	3,335	4,116
Marketing expense	-	-	11,695	-	-	-	-	-	-	-	-	-	11,695	27,550	55,985
Advertising/public information	-	-	10,470	-	-	-	-	-	-	-	-	-	10,470	29,227	32,970
Office supplies	5,214	-	-	-	-	-	27	-	522	-	-	-	5,763	25,331	35,356
Fare media	-	-	1,562	-	-	-	-	-	-	-	-	-	1,562	13,764	16,293
Recruiting	4,780	-	-	-	-	-	-	-	-	-	-	-	4,780	10,213	24,035
Computer services	5,789	(180)	-	-	-	-	-	-	3,121	-	-	-	8,730	153,201	64,851
Postage and freight	-	-	-	-	-	-	-	-	-	-	-	-	-	6,836	8,947
Bank charges	-	-	-	-	-	-	-	-	625	-	-	-	625	22,109	10,917
Rent expense	450	34,500	-	-	-	-	-	-	-	-	-	-	34,950	35,400	34,500
Subtotal general and administration	16,233	34,320	24,877	-	-	149	27	-	4,268	-	-	-	79,874	335,800	318,265

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Urban									Urban	
	General Admin.	Transit Operations	Maintenance	Marketing	Planning	ADA	Mobility Management	COVID	Training	Capital Exp./ Depreciation	Total
Miscellaneous expenses:											
Park and ride lease payments	-	28,652	-	-	-	-	-	-	-	-	28,652
Planning expenses	-	-	-	-	36,301	-	-	3,037	-	-	39,338
Cash counting expense	4,265	-	-	-	-	-	-	-	-	-	4,265
Paratransit transportation expense	-	-	-	-	-	1,011,000	-	-	-	-	1,011,000
Volunteer mileage reimbursements	-	-	-	-	-	-	-	-	-	-	-
Contracted transportation expense	19,833	4,825	-	-	-	-	-	-	-	-	24,658
Other miscellaneous expenses	-	2,293	-	-	-	-	-	-	-	-	2,293
Subtotal miscellaneous expenses	24,098	35,770	-	-	36,301	1,011,000	-	3,037	-	-	1,110,206
Total operating expenses	1,259,313	8,952,749	2,642,019	135,872	304,504	1,016,794	93,947	27,517	26,282	15,679	14,474,676
Nonoperating expenses:											
Capital fund expenses	-	-	-	-	-	-	-	-	-	432,912	432,912
Depreciation expense	-	-	-	-	-	-	-	-	-	2,964,879	2,964,879
Interest expense	8,214	-	-	-	-	-	-	-	-	-	8,214
Subtotal nonoperating expenses	8,214	-	-	-	-	-	-	-	-	3,397,791	3,406,005
Total expenses	1,267,527	8,952,749	2,642,019	135,872	304,504	1,016,794	93,947	27,517	26,282	3,413,470	17,880,681
General administration allocation	(1,178,896)	795,434	188,732	9,253	18,265	395	6,398	1,667	1,790	1,068	(155,894)
Deferred Cost Pool - Current year	(27,055)	-	-	-	-	-	-	-	-	-	(27,055)
Total change in deferred cost pool	(27,055)	-	-	-	-	-	-	-	-	-	(27,055)
Net expenses	\$ 61,576	\$ 9,748,183	\$ 2,830,751	\$ 145,125	\$ 322,769	\$ 1,017,189	\$ 100,345	\$ 29,184	\$ 28,072	\$ 3,414,538	\$ 17,697,732

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30,

	Rural											Rural Total	2020 Total	2019 Total	
	Transit Operations	Maintenance	Marketing	RTAP	Planning	Elders and Disabled	Broker Services	Mobility Management	Montpelier Transit Center	COVID	Training				Capital Exp./ Depreciation
Miscellaneous expenses:															
Park and ride lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-	28,652	27,089
Planning expenses	30	-	-	-	22,841	-	-	-	-	-	-	-	22,871	62,209	92,280
Cash counting expense	-	-	-	-	-	-	-	-	-	-	-	-	-	4,265	4,015
Paratransit transportation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	1,011,000	1,227,554
Volunteer mileage reimbursements	-	-	-	-	-	140,971	396,520	-	-	-	-	-	537,491	537,491	542,807
Contracted transportation expense	-	-	-	-	-	475,415	172,494	-	-	-	-	-	647,909	672,567	902,231
Other miscellaneous expenses	831	-	-	-	-	-	-	-	-	-	-	-	831	3,124	13,195
Subtotal miscellaneous expenses	861	-	-	-	22,841	616,386	569,014	-	-	-	-	-	1,209,102	2,319,308	2,809,171
Total operating expenses	3,903,411	569,373	165,828	3,331	35,686	653,335	933,851	63,871	13,943	1,027	15,814	8,957	6,368,427	20,843,103	21,096,703
Nonoperating expenses:															
Capital fund expenses	-	-	-	-	-	-	-	-	-	-	-	62,960	62,960	495,872	604,124
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	791,804	791,804	3,756,683	3,457,953
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	8,214	9,434
Subtotal nonoperating expenses	-	-	-	-	-	-	-	-	-	-	-	854,764	854,764	4,260,769	4,071,511
Total expenses	3,903,411	569,373	165,828	3,331	35,686	653,335	933,851	63,871	13,943	1,027	15,814	863,721	7,223,191	25,103,872	25,168,214
General administration allocation	77,790	29,963	11,293	-	2,430	2,516	24,846	4,346	953	70	1,077	610	155,894	-	-
Deferred Cost Pool - Current year	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,055)	152,068
Total change in deferred cost pool	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,055)	152,068
Net expenses	\$ 3,981,201	\$ 599,336	\$ 177,121	\$ 3,331	\$ 38,116	\$ 655,851	\$ 958,697	\$ 68,217	\$ 14,896	\$ 1,097	\$ 16,891	\$ 864,331	\$ 7,379,085	\$ 25,076,817	\$ 25,320,282

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, 2020

Federal Grantor Pass-through Grantor Program Title or Cluster	Federal CFDA 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	\$ 20,954	\$ -
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-04-0011	3,709	-
			<u>24,663</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Federal Transit Capital Investment Grants - Capital Assistance Program	20.500	VT-04-0021	1,700	-
			<u>26,363</u>	<u>-</u>
Direct Programs:				
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2016-001	15,548	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2017-005	24,000	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2019-004	497,853	-
Federal Transit Formula Grants - Capital Assistance Program	20.507	VT-2020-007	178,851	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2019-004	724,470	-
Federal Transit Formula Grants - Preventive Maintenance	20.507	VT-2020-007	889,214	-
COVID-19 - Federal Transit Formula Grants - Operating	20.507	VT-2020-006	677,640	-
Federal Transit Formula Grants - Operating	20.507	VT-2019-003	3,513,021	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2017-005	270,429	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2018-001	730,581	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2019-004	7,634	-
Federal Transit Formula Grants - CMAQ Operating	20.507	VT-2020-007	52,888	-
			<u>7,582,129</u>	<u>-</u>
Subtotal Federal Transit Administration			<u>7,608,492</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-2018-003	1,817,256	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2019-001	154,289	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2016-003	94,083	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program	20.526	VT-2018-007	1,165,338	-
Subtotal Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program - Capital Assistance Program			<u>3,230,966</u>	<u>-</u>
Subtotal Federal Transit Cluster			<u>\$ 10,839,458</u>	<u>\$ -</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program Title or Cluster	Federal CFDA Number	Pass-Through Identifying Grantor Number	Total Federal Expenditures	Expenditures to Subrecipients
Highway Planning and Construction Cluster:				
Passed through State of Vermont, Agency of Transportation:				
Highway Planning and Construction	20.205	101-TB-LG03	28,088	-
Subtotal Highway Planning and Construction Cluster			<u>28,088</u>	<u>-</u>
Passed through Chittenden County Regional Planning Commission (CCRPC):				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - CCRPC	20.505	PL 2020-05	259,082	-
Passed through State of Vermont, Agency of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Rural Planning	20.505	VT-2020-002	8,183	-
Subtotal Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research - Rural Planning			<u>267,265</u>	<u>-</u>
Passed through State of Vermont, Agency of Transportation:				
Formula Grants for Rural Areas - Admin	20.509	VT-2018-008	26,108	-
Formula Grants for Rural Areas - Admin - GM Search	20.509	VT-2018-008	24,292	-
Formula Grants for Rural Areas - Admin	20.509	VT-2019-006	140,634	-
Formula Grants for Rural Areas - Admin	20.509	VT-2020-005	414,000	-
Formula Grants for Rural Areas - Capital Assistance Program	20.509	VT-2020-005	39,532	-
Formula Grants for Rural Areas - Operating Assistance Program	20.509	VT-2019-006	421,643	-
COVID-19 - Formula Grants for Rural Areas - Operating Assistance Program	20.509	VT-2020-004	764,067	-
Formula Grants for Rural Areas - Preventive Maintenance	20.509	VT-2018-005	8,543	-
Formula Grants for Rural Areas - Preventive Maintenance	20.509	VT-2020-005	741,457	-
Formula Grants for Rural Areas - E&D - Washington, Franklin & Grand Isle Counties - Rural	20.509	VT-2020-005	1,006,084	-
Formula Grants for Rural Areas - RTAP	20.509	VT-2019-006	3,331	-
Formula Grants for Rural Areas - CMAQ US2 Commuter/Stowe/Capital Shuttle	20.509	VT-2020-005	221,084	-
Subtotal Formula Grants for Rural Areas			<u>3,810,775</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	314,208	-
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-2016-005	25,224	-
Enhanced Mobility of Seniors and Individuals with Disabilities - Mobility Management	20.513	VT-2020-003	24,776	-
Subtotal Transit Services Programs Cluster			<u>434,208</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>15,379,794</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 15,379,794</u>	<u>\$ -</u>

GREEN MOUNTAIN TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. 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 6.81% fixed indirect cost rate for fiscal year 2020, as approved by the Federal Transit Administration. The approved fixed indirect cost rate used by Green Mountain Transit Authority in fiscal year 2020 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>CFDA #</u>
Formula Grants for Rural Areas	20.509



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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, 2020 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 February 3, 2021.

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 November 30, 2020, 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.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 3, 2021



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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, 2020. 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, 2020.

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.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 3, 2021

GREEN MOUNTAIN TRANSIT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2020

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>CFDA Numbers</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