

A

Annual Comprehensive Financial Report FOR THE FISCAL YEAR ENDED JUNE 30, 2024



RHODE ISLAND PUBLIC TRANSIT AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Prepared by: Department of Finance
Christopher Durand, Chief Financial Officer**

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

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INTRODUCTORY SECTION



October 1, 2024

To the Chairman and the Members of the Board of Directors
And Citizens of Rhode Island
Rhode Island Public Transit Authority:

We are pleased to submit the Annual Comprehensive Report for the RI Public Transit Authority (RIPTA) for the fiscal year ended June 30, 2024. The purpose of the report is to provide a broad financial picture of RIPTA to Board Members, the public, and other interested parties.

State law requires that every component unit of the State of Rhode Island publish a complete set of audited financial statements within three months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

RIPTA's Finance Department staff following guidelines set forth by the Governmental Accounting Standards Board (GASB) prepared the Annual Comprehensive Financial Report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Our independent auditors Marcum LLP have issued an unmodified opinion and RIPTA's financial statements for the fiscal year ended June 30, 2024, are presented in conformity with Generally Accepted Accounting Principle (GAAP).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors report in the Financial Section of this Report.

Organization and Management

RIPTA is a non-profit public corporation created by the State of Rhode Island in 1966. RIPTA continued to expand the number of bus miles traveled in the early 1980's which truly made it a statewide system.

The Rhode Island Public Transit Authority is a component unit of the State of Rhode Island as an enterprise fund. Accordingly, the financial statements of RIPTA will be included in the State of Rhode Island's financial statements.

A nine-member Board of Directors establishes RIPTA policy, providing strategic direction and exercising fiscal oversight. Eight members of the Board are appointed by the Governor of the State of Rhode Island with the Director of the RI Department of Transportation serving as Chairperson of the Board. The Board was expanded from eight members to nine in the 2023 legislative session. That same legislation changed the Director of the Department of Transportation from serving in an ex-officio role to serving as Chair of the Board. That new seat is currently vacant.

Economic Environment

The State of Rhode Island holds two Revenue Estimating Conferences each year with one in November and a second in May. These conferences bring together the fiscal staff and budget staff of the General Assembly and the Executive Branch along with economists and other experts to develop economic forecasts and revenue assumptions for the purpose of developing financial projections for policy and budget purposes.

In the May 2024 conference Michael Lynch, Associate Director for US Regional Economics from S&P Global Market Intelligence provided an update that Rhode Island's labor market started strong in 2024, with employment growth surpassing the U.S. average and other New England states. Despite a rise in an unemployment rate of 4.0 percent, labor market conditions remain tight as Rhode Island deals with labor supply-side shortages. In December of 2023, Rhode Island regained all the jobs lost during the pandemic.

Low housing inventories are driving sustained home price growth, despite high mortgage rates, leading to eroded affordability. Home prices have surged, ranking among the highest in the nation.

Rhode Island is projected to experience slow, below-trend growth, with employment growth decelerating and the unemployment rate gradually increases toward a peak of 4.5 percent in FY 2027. Housing starts are expected to pick up, driven by low vacancy rates and high prices, through price appreciation is expected to slow.

The state's unemployment rate has been increasing since July 2023, reaching 4.0 percent in March 2024. This increase is attributed to more residents entering and re-entering the labor market. Rhode Island's unemployment rate is higher than the national average, but lower than some neighboring states in New England. Overall, while Rhode Island's labor market has shown improvement, challenges remain, particularly in fully recovering all sectors from the pandemic's impact and managing changes in unemployment rates and labor force dynamics.

RIPTA is closely watching employment trends as it projects ridership recovery from pandemic era lows. Less people commuting to the office every day has impacted ridership, potentially permanently which would also impact passenger revenues and state transportation revenues that RIPTA receives shares of.

The Authority has recently increased wages to remain competitive with the labor market and continues to monitor the labor market to ensure we are positioned to resolve personnel shortages. Adequate staffing levels are crucial to providing quality service across the state and in turn continuing to improve ridership.

The Authority is also monitoring the housing and office supply markets to determine how to best position our service given the changing economic environment. The linkage between housing and transit has never been more important to address both supply shortfalls of housing and improved access via transit.

Long-Term Financial Planning

The RIPTA maintains and updates a long-term financial model in order to project current and future operating and capital requirements. The model is used to develop and support financing strategies.

Future Operating Budget

In November of 2023, the RIPTA Board of Directors approved an operating budget with a balanced budget for FY 2024 and a long-term financial plan that contained a deficit as federal COVID-relief funding sources become exhausted. Similar to prior years the budget does not include funding for Other Post-Employment Benefits (OPEB) other than current retiree health costs (Pay-As-You-Go). As is the annual process, the 2025 budget is currently being revised to account for updated fuel costs, pension contributions, and increasing revenue as a result of increased ridership coming out of the pandemic. Passenger revenue and gas tax saw steep declines at the height of the pandemic but has steadily been improving. With rising costs, management continues to review all estimated expenditure activity to ensure only the most critical expenses are approved. The Authority continues to rely on COVID-19 relief funding to balance the budget and support cash flow. As those funds are exhausted the Authority will need a new revenue source to maintain operations. Part of the revisions to the FY 2025 budget is to include \$15M in state support to ensure a balanced budget in 2025 while discussions regarding sustainable and predictable transportation funding continue.

Major Capital Initiatives

RIPTA's FY 2024 Capital budget includes \$111 million in capital expenditures. An inflow of capital funding from the recently passed Infrastructure Investment and Jobs Act, and the creation of a new project management department within RIPTA is enabling numerous projects to be accelerated. An updated capital budget will be presented to the Board of Directors in October 2024 as part of the annual Financial Plan.

RIPTA's capital program is rapidly expanding with the new Infrastructure bill and state funding to leverage those new funds. RIPTA will continue to replace fixed route and paratransit buses with deliveries of both scheduled for FY 2025. Ground was recently broken to construct a new passenger facility at the Pawtucket/Central Falls Transit Hub funded solely with state funds.

Finally, RIPTA has started a project with Next Wave partners to design, build, finance, operate, and maintain a new transit center in Providence. The project is intended to increase multi-modal connectivity, improve amenities for passengers, and help improve the supply and access to housing and transit.

Funding of the CIP

In FY 2025, RIPTA plans to fund the capital program with \$69.5 million in Federal Transit Administration funds, of which \$28.8 million will be discretionary dollars. Match for these projects will come from \$1.1 million in various RIPTA sources, and \$40 million in state sources.

Awards

The Government Finance Officers Association, awarded a Certificate of Achievement for the Excellence in Financial Reporting to RIPTA for its 2023 annual report. This was the twelfth consecutive year RIPTA has received this prestigious award. In order to be eligible for a Certificate of Achievement, RIPTA published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Programs requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated services of the entire staff of the RIPTA's Finance Department. Credit must be given to the Chairman and the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the RIPTA's finances.

Respectfully Submitted,



Christopher Durand
Interim Chief Executive Officer and Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Rhode Island Public Transit Authority

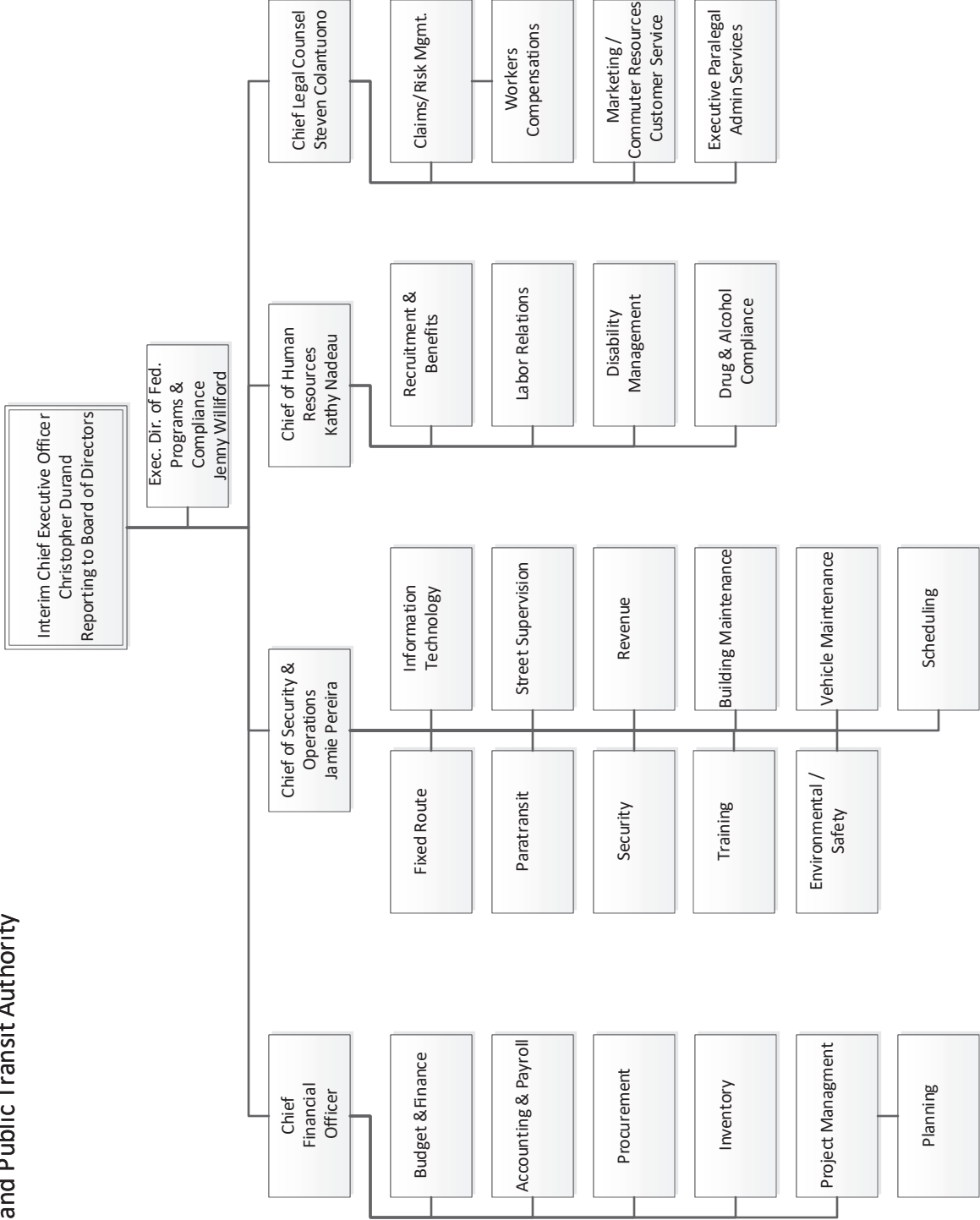
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

The Rhode Island Public Transit Authority



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
PRINCIPAL OFFICIALS
JUNE 30, 2024**

Interim Chief Executive Officer

Christopher Durand

Finance Department

Christopher Durand, Chief Financial Officer

Board of Directors

Peter Alviti Jr. P.E. – Chairman
Normand Benoit
Patrick Crowley
Robert Kells
Heather Schey
Marcy Reyes
James Leach
James Lombardi
Vincent Masino

INDEPENDENT AUDITORS' REPORT

To the Board Members
Rhode Island Public Transit Authority

Report on the Financial Statements

Opinions

We have audited the financial statements of the business-type activity and aggregate remaining fund information of Rhode Island Public Transit Authority (a component unit of the State of Rhode Island) (the "Authority"), as of and for the year ended June 30, 2024, 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 activity and aggregate remaining fund information of the Authority, as of June 30, 2024, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' 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 misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 substantial doubt about the 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.

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 12-18, the Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Changes in Net Pension Liability and Related Ratios the schedule of the Authority's contributions and the notes to the required supplementary information on Pages 62-65, 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 an opinion on the financial statements that collectively comprise Rhode Island Public Transit Authority's basic financial statements. The State of Rhode Island required format, schedule of travel and entertainment expenses, schedule of tangible property, schedule of operating expenses, schedule of expenditures of federal awards and the combining schedule of revenues, expenses and changes in net position on Pages 66-78, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The State of Rhode Island required format, schedule of travel and entertainment expenses, schedule of tangible property, schedule of operating expenses and the combining schedule of revenues, expenses and changes in net position are the responsibility of management and were derived from and relate 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 State of Rhode Island required format, schedule of travel and entertainment expenses, schedule of tangible property, schedule of operating expenses and the combining schedule of revenues, expenses and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of Rhode Island Public Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Rhode Island Public 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* in considering Rhode Island Public Transit Authority's internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
October 1, 2024

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Management of the Rhode Island Public Transit Authority (Authority) provides this *Management's Discussion and Analysis* of their financial performance for the readers of the Authority's financial statements. This narrative provides an overview of the Authority's financial activity for the fiscal year ended June 30, 2024. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the Authority's financial activities based on facts, decisions, and conditions currently facing management.

Understanding the Authority's Financial Statements

The Authority is a component unit of the State of Rhode Island (State), accounted for as an enterprise fund, which reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting much like a private business entity. In accordance with generally accepted accounting principles, this report consists of a series of financial statements, along with explanatory notes to the financial statements and supplementary schedules.

The financial statements include Proprietary Funds and Fiduciary Funds. The proprietary funds include a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and notes to the financial statements. The Fiduciary Funds include a Statement of Net Position and Statement of Changes in Fiduciary Net Position.

The Statement of Net Position presents the financial position of the Authority on the accrual basis of accounting for the current year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

All revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement reports the current years' operating revenues and expenses and non-operating revenue and expenses for the Authority.

The Statement of Cash Flows provides information about the changes in cash and cash equivalents, resulting from operational, financing and, investing activities for the current year. This statement presents cash receipts and cash disbursement information, without consideration of the earning event, when an obligation arises, or depreciation of assets.

The financial statements immediately follow this discussion and analysis by management and are designed to highlight the Authority's net position and changes to net position resulting from Authority's operations.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Financial Highlights

- The Authority's operating, non-operating and State of RI gas tax revenues decreased by 6% or \$8.2 million during FY 2024 compared to FY 2023. This decrease is a result of one-time revenues that were received in FY 2023 as a result of receipts from the Volkswagen Settlement fund to support our bus electrification efforts.
- Operating and non-operating expenses increased by 3% or \$5.4 million during FY 2024 as compared to FY 2023. With the majority of RIPTA's expenditures related to labor, and having contractual obligations for wage increases, we do expect an annual increase of approximately 3%.
- Capital contributions increased \$3.5 million or 8.8% from the previous year. The increase was due to several large capital projects underway including the rehabilitation of the East Side bus tunnel, delivery of fixed route buses, construction of a new transit facility at the CCRI Knight campus in Warwick RI, and improvements to RIPTA's maintenance and operations facility. With additional funding as a result of the Infrastructure Investment and Jobs Act, we expect capital contributions to continue at this level, and likely to grow.
- Capital assets increased by \$34.8 million or 30% from FY 2023, primarily as a result of bus deliveries and the completion of both the CCRI Bus Hub, and the R-Line charging station.
- The Authority's total net position increased by \$26 million or 85% from FY 2023. This increase is largely due to capital contributions significantly outpacing depreciation costs on existing assets.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Net Position

The following schedule presents the condensed Statement of Net Position for the fiscal years ended June 30, 2024 and 2023.

Net Position

	2024	2023	Dollar Change	Percentage Change
Current and non-current assets	\$ 66,792,443	\$ 39,361,716	\$ 27,430,727	69.69%
Capital assets	198,870,346	164,297,714	34,572,632	21.04%
Total Assets	<u>265,662,789</u>	<u>203,659,430</u>	<u>62,003,359</u>	30.44%
Deferred Outflows of Resources	<u>30,313,407</u>	<u>50,476,307</u>	<u>(20,162,900)</u>	-39.95%
Current liabilities	49,765,803	18,715,444	31,050,359	165.91%
Noncurrent liabilities	176,407,779	171,825,473	4,582,306	2.67%
Total Liabilities	<u>226,173,582</u>	<u>190,540,917</u>	<u>35,632,665</u>	18.70%
Deferred Inflows of Resources	<u>14,311,626</u>	<u>33,600,587</u>	<u>(19,288,961)</u>	-57.41%
Net Position				
Net investment in capital assets	159,736,061	155,272,540	4,463,521	2.87%
Restricted for debt service	290,626	9,279,150	(8,988,524)	-96.87%
Unrestricted	<u>(104,535,699)</u>	<u>(134,557,457)</u>	<u>30,021,758</u>	-22.31%
Total Net Position	<u>\$ 55,490,988</u>	<u>\$ 29,994,233</u>	<u>\$ 25,496,755</u>	85.01%

The majority of the Authority's assets (75%) reflect its investment in capital assets (land, building, revenue vehicles, and equipment). Other assets include cash (including amounts invested in cash equivalent type instruments), accounts receivables from federal and state governments, inventories, prepaid expenses and other receivables. Current liabilities consist of vendor, government, employee and benefit payments. Non-current liabilities included self-insured claims, liabilities associated with the implementation of GASB statements (68, 75, 87, 96), and a Due to Primary Government of \$5.6 million.

This liability reflects the amounts owed for long-term debt to the State of Rhode Island for bonds issued in the State of Rhode Island's name on behalf of the Authority. The long-term debt is reflected as such on the State of Rhode Island's Financial Statements. A more detailed account of long-term liability activity for fiscal year 2024 can be found in Note 7, Long-Term Liabilities.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Authority Operations

The following schedule presents the condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2024 and 2023.

	2024	2023	Dollar Change	Percentage Change
Operating Revenues				
Ritecare program revenue	\$ 1,381,240	\$ 1,476,860	\$ (95,620)	-6.47%
Passenger revenue	15,443,831	12,931,164	2,512,667	19.43%
Ride program revenue	1,999,623	823,670	1,175,953	142.77%
Other program revenue	4,776,098	11,527,201	(6,751,103)	-58.57%
Non-operating revenue				
Grant revenue	64,564,097	71,788,851	(7,224,754)	-10.06%
State of RI - DEA gas tax	3,125,281	3,395,523	(270,242)	-7.96%
Other non-operating revenue	668,313	255,755	412,558	161.31%
State of RI gas tax	<u>43,884,283</u>	<u>41,889,856</u>	<u>1,994,427</u>	4.76%
Total Revenues	<u>135,842,766</u>	<u>144,088,880</u>	<u>(8,246,114)</u>	-5.72%
Operating Expenses				
Management and general	(28,579,899)	(30,824,598)	2,244,699	-7.28%
Operations and maintenance	(108,687,974)	(102,187,640)	(6,500,334)	6.36%
Depreciation	(16,517,454)	(15,378,581)	(1,138,873)	7.41%
Non-operating expenses				
Debt service	<u>(311,933)</u>	<u>(348,827)</u>	<u>36,894</u>	-10.58%
Total Expenses	<u>(154,097,260)</u>	<u>(148,739,646)</u>	<u>(5,357,614)</u>	3.60%
Net Income (Loss) before Capital Contributions	<u>(18,254,494)</u>	<u>(4,650,766)</u>	<u>(13,603,728)</u>	292.51%
Capital contributions	<u>43,751,249</u>	<u>40,216,072</u>	<u>3,535,177</u>	8.79%
Changes in Net Position	25,496,755	35,565,306	(10,068,551)	-28.31%
Net Position - Beginning of Year, As Restated	<u>29,994,233</u>	<u>(5,571,073)</u>	<u>35,565,306</u>	
Net Position - End of Year	<u>\$ 55,490,988</u>	<u>\$ 29,994,233</u>	<u>\$ 25,496,755</u>	85.01%

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Authority Operations (Continued)

The Authority's operating revenue, non-operating revenue, State of RI gas tax and capital contributions total \$179,594,015. The revenue reported as operating revenue, non-operating revenue and State of RI gas tax decreased by 2.5% or \$4,710,937 over the prior year. This increase was the result of large capital inflows from federal grant programs. The Authority's operating and non-operating expenses total \$154,097,260. This reflects an increase of 3.6% or \$5,357,614 over the prior year. The increase is largely due to increases to operational position salaries in order to address long-term personnel shortages.

Capital Assets

The following schedule summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2024 and 2023.

	2024	2023	Dollar Change	Percentage Change
Land and land rights	\$ 107,421,088	\$ 107,421,088	\$ --	0.00%
Revenue equipment - buses	201,690,891	178,029,805	23,661,086	13.29%
Service cars and equipment	8,255,876	7,668,356	587,520	7.66%
Furniture and office equipment	10,512,877	10,513,240	(363)	0.00%
Management information system	17,482,570	17,473,647	8,923	0.05%
Security equipment	2,090,429	2,185,735	(95,306)	-4.36%
Federal grant projects in process	63,104,493	43,264,358	19,840,135	45.86%
Right-to-use subscription assets	1,093,981	1,093,981	--	0.00%
	411,652,205	367,650,210	44,001,995	
Less accumulated depreciation and amortization	(212,781,769)	(203,352,496)	(9,429,273)	4.64%
Net capital assets	<u>\$ 198,870,436</u>	<u>\$ 164,297,714</u>	<u>\$ 34,572,722</u>	<u>21.04%</u>

At the end of fiscal year 2024, the Authority had \$ 159,736,061 invested in capital assets, net of related debt. This amount represents an increase of 2.8% or \$4,463,521 from the prior year. A more detailed account of the capital asset activity for fiscal year 2024 can be found in Note 4, Property, Plant and Equipment.

Major capital asset events during the current fiscal year include the following:

- Renovations to the East Side Bus Tunnel commenced
- Delivery of fixed route and paratransit buses
- Completion of the in-line charging station for the R-Line
- Completion of a new fuel station for the paratransit fleet
- Completion of a new hub at CCRI's Warwick Campus
- Continued replacement of overhead garage doors

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Capital Assets (Continued)

During FY 2025, RIPTA will complete repairs to the East Side Bus Tunnel, construct a new passenger facility at the Pawtucket/Central Falls Transit Hub, receive over 50 new paratransit vehicles, and continue efforts to bring the various maintenance facilities into a state of good repair.

Economic Factors and Next Year's Budget

The Authority's mission is to provide safe, reliable and cost effective transit service with a skilled team of professionals responsive to our customers, the environment, and committed to transit excellence. To accomplish this, the Authority must continuously assess its operational functions, financial capacity and products and services provided.

The following factors were considered in setting the Authority's FY 2024 budget:

- Levels of federal funds appropriated for operating and capital purposes. A new surface transportation authorization was signed into law on November 15, 2021. The new bill is known as the Infrastructure Investment and Jobs Act (IIJA). The FY 2024 budget includes funding for mobility management, preventive maintenance, Job Access/Reverse Commute, ADA reimbursement, and rural operating assistance. The expected reimbursement levels will not be impacted by the new federal authorization as revenues are based upon expenditure levels which have seen only modest increases in recent years.
- State gasoline tax revenue available for operating purposes. For FY 2024, the yield determined by the State of RI Department of Revenue for the gasoline tax is \$4,273,680, up by 3% from the prior year. In total, RIPTA receives 9.25 of the 34-cent gasoline tax and 50% of the 1 cent underground storage tank fee annually.
- The FY 2020 Appropriations Act signed into law on July 5, 2019 made permanent the appropriations of Highway Maintenance Funds to support the no-fare program and to cover RIPTA's Debt Service. This funding covers a portion of the lost fare revenue as a result of the free fare trips and also provides permanent funding for RIPTA debt service payments.
- The FY 2025 Appropriations Act provides for \$15 million in funds to support operations for FY 2025 only.
- Revenue from state agencies to subsidize policy driven transit travel programs. This program provides partial payment for free and reduced rides for senior citizens and the disabled population. In addition to the reduced fare program, the Authority provides the transportation benefit for the state's RIte Care program.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Economic Factors and Next Year's Budget Continued

- Since FY 2013, the State of Rhode Island has paid the debt service obligation of the Authority. For FY 2020 with the Appropriation Act that was signed into law, made permanent the State Highway Maintenance Account funds to cover the debt service payment of approximately \$1.5 million. This assistance was formerly provided via General Revenues. As debt payments diminish these funds are available to support general operations.
- The Cares Act was passed in FY 2020 giving relief and economic security to a variety of industries including transportation. RIPTA received \$91,233,702 in federal transit funds. These funds allows RIPTA to seek reimbursement for cost of operations and capital expenditures. Additional funding from a second d bill was passed in December 2020 for a total of \$614,298. The American Rescue Plan Act was passed in March 2021 and provided RIPTA with an additional \$35,720,217 in relief funding.
- During the course of FY 2024 the Authority and the Amalgamated Transit Union (ATU) agreed to increase starting wages for paratransit operators and to increase wages for all other ATU employees by \$1 per hour. The contract in place with the ATU expires on 6/30/2025. The contract with LIUNA 808 is in place until 6/30/2026.
- Costs associated with fluctuating fuel prices. The Authority consumes approximately 2.3 million gallons of diesel fuel annually. RIPTA has historically entered into long-term price agreements with its fuel supplier, but current market conditions have made that untenable so RIPTA is currently paying spot prices as a result. RIPTA does expect fuel consumption to decline as additional electric buses are deployed.
- Inclusion of expenses and offsetting reimbursement of the State of Rhode Island DOT and the Rhode Island Bridge and Turnpike Authority for vehicle maintenance and repair program contracted with the Authority.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's financial activity for all those interested in the Authority's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Rhode Island Public Transit Authority, 705 Elmwood Avenue, Providence, Rhode Island, 02907.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2024

Assets

Current Assets

Cash and cash equivalents	
Operating fund	\$ 2,720,982
Paratransit capital fund	1,424,223
Accident and casualty fund	5,086,831
Capital replacement fund	<u>1,414,378</u>
Total Cash and Cash Equivalents	10,646,414

Investments	1,415,428
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Receivables	
Accounts	3,713,998
Grants	<u>30,376,817</u>
Total Receivables	34,090,815

Due from primary government	13,893,714
Inventories	1,768,525
Current portion of lease receivable	62,855
Prepaid expenses	<u>192,601</u>

Total Current Assets	62,070,352
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Noncurrent Assets

Investments	2,316,606
Lease receivable, net of current portion	163,110
Capital assets, non-depreciable	65,730,622
Capital assets, depreciable - net of depreciation	133,139,724
Health insurance deposit	<u>2,242,375</u>

Total Noncurrent Assets	<u>203,592,437</u>
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Total Assets	<u>265,662,789</u>
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Deferred Outflows of Resources

Deferred pension amounts	24,025,039
Deferred other postemployment benefit amounts	<u>6,288,368</u>

Total Deferred Outflows of Resources	<u>\$ 30,313,407</u>
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The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

Liabilities

Current Liabilities

Accounts payable and accrued expenses	\$ 35,300,186
Due to primary government	518,985
Due to primary government debt service, current portion	812,344
Accrued salaries, wages and benefits	9,457,690
Accrued compensated absences	150,612
Accrued self insured health claims	585,243
Accrued self insured claims	500,000
Subscription liability, current portion	218,112
Unearned revenue	<u>2,222,631</u>

Total Current Liabilities 49,765,803

Noncurrent Liabilities

Due to primary government debt service, net of current port	5,568,886
Accrued compensated absences	451,835
Accrued self insured claims	11,891,307
Subscription liability, net of current portion	499,144
Net pension liability	85,086,502
Total other postemployment benefit liability	<u>72,910,105</u>

Total Noncurrent Liabilities 176,407,779

Total Liabilities 226,173,582

Deferred Inflows of Resources

Deferred lease amounts	205,534
Deferred pension amounts	54,359
Deferred other postemployment benefit amounts	<u>14,051,733</u>

Total Deferred Inflows of Resources 14,311,626

Net Position

Net investment in capital assets	159,736,061
Restricted for zero emission electric buses	290,626
Unrestricted (deficit)	<u>(104,535,699)</u>

Total Net Position \$ 55,490,988

The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

Operating Revenues	
Passenger	\$ 16,825,071
Paratransit	450,375
Rental	76,258
Advertising	1,064,695
RIDE	1,999,623
Other	<u>3,184,770</u>
Total Operating Revenues	<u>23,600,792</u>
Operating Expenses	
Administration	2,548,714
Finance	5,520,312
Operations	89,945,942
Marketing	1,194,163
Human resources	1,178,409
Administrative services	2,266,143
Risk management	6,099,960
Planning and scheduling	3,512,236
Specialized transportation	1,486,521
Paratransit operations	15,587,859
Purchasing	2,121,151
Information technology	2,652,290
Centralized maintenance	2,798,190
State of Rhode Island - DOT & RITBA	355,983
Depreciation and amortization	<u>16,517,454</u>
Total Operating Expenses	<u>153,785,327</u>
Operating Loss	<u>(130,184,535)</u>
Nonoperating Revenues (Expenses)	
State of RI gas tax	43,884,283
State of RI - DEA gas tax	3,125,281
Operating grants	64,564,097
Investment income	668,313
Interest expense	<u>(311,933)</u>
Total Nonoperating Revenues (Expenses)	<u>111,930,041</u>
Loss Before Capital Contributions	(18,254,494)
Capital Contributions	<u>43,751,249</u>
Changes in Net Position	25,496,755
Net Position - Beginning of the Year	<u>29,994,233</u>
Net Position - End of the Year	<u>\$ 55,490,988</u>

The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities	
Cash received from customers	\$ 20,502,697
Cash paid to suppliers for goods and services	(31,841,980)
Cash paid to employees for services	<u>(105,418,271)</u>
Net Cash used for Operating Activities	<u>(116,757,554)</u>
Cash Flows from Noncapital Financing Activities	
State gas tax received	38,283,067
Operating grants received	<u>65,108,029</u>
Net Cash Provided by Noncapital Financing Activities	<u>103,391,096</u>
Cash Flows from Capital and Related Financing Activities	
Interest paid	(311,933)
Capital contributions	19,521,745
Acquisition and construction of capital assets	<u>(14,710,493)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>4,499,319</u>
Cash Flows from Investing Activities	
Purchases/Maturity of investments	4,754,596
Interest and dividends on investments	<u>668,313</u>
Net Cash Provided By Investing Activities	<u>5,422,909</u>
Net Decrease in Cash and Cash Equivalents	(3,444,230)
Cash and Cash Equivalents - Beginning of Year	<u>14,090,644</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 10,646,414</u></u>
Schedule of Noncash Capital and Related Financing Activities	
Principal on due to primary government	<u>\$ 810,269</u>
Interest on due to primary government	<u>\$ 311,933</u>
Capital assets acquired with accounts payable	<u><u>\$ 30,761,137</u></u>

The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

Reconciliation of Operating Loss to Net Cash Used for Operating Activities

Operating Loss	<u>\$ (130,184,535)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation and amortization	16,517,454
Changes in assets and liabilities:	
Increase in accounts receivable	(3,098,095)
Decrease in inventory	76,218
Increase in prepaid expenses	(27,468)
Increase in health insurance deposit	(228,526)
Decrease in accounts payable and accrued expenses	486,754
Decrease in due to primary government	(435,724)
Increase in accrued compensated absences	<u>136,368</u>
Total Adjustments	<u>13,426,981</u>
Net Cash Used for Operating Activities	<u><u>\$ (116,757,554)</u></u>

The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

	<u>Pension Trust</u>
Assets	
Investments, at fair value:	
Investment contract with insurance company	\$ 31,677,789
Pooled separate account investments:	
Domestic equity	64,767,584
International equity	29,377,967
Fixed income	35,155,773
Real estate	8,805,046
Index fund - domestic equity	<u>14,536,032</u>
Total Investments	<u>184,320,191</u>
Employer Contributions Receivable	<u>922,483</u>
Total Assets	<u>185,242,674</u>
Net Position Restricted for Pensions	<u><u>\$ 185,242,674</u></u>

The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Pension Trust
Additions	
Contributions:	
Employer	\$ 12,220,293
Plan Member	<u>2,206,165</u>
Total Contributions	<u>14,426,458</u>
Investment income:	
Net appreciation in fair value of investments	17,819,786
Interest and dividends	<u>3,176,181</u>
Net Investment Income	<u>20,995,967</u>
Total Additions	<u>35,422,425</u>
Deductions	
Benefits payments, including refunds of member contribution	15,755,835
Management fee	672,877
Administrative expenses	<u>207,746</u>
Total Deductions	<u>16,636,458</u>
Net Increase in Fiduciary Net Position	<u>18,785,967</u>
Net Position Restricted for Pensions - Beginning of Year	<u>166,456,707</u>
Net Position Restricted for Pensions - End of Year	<u><u>\$ 185,242,674</u></u>

The accompanying notes are an integral part of these financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the Rhode Island Public Transit Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Authority's financial statements.

The Authority implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, in fiscal year 2021. Through the application of GASB Statement No. 84, the RIPTA Employees' Pension Plan has been included as a fiduciary activity in the accompanying financial statements, although it is not a component unit of the Authority. The RIPTA Employees' Pension Plan has been reported as a Pension Trust Fund in the Fiduciary Fund financial statements.

REPORTING ENTITY

The Rhode Island Public Transit Authority is a body corporate and politic of the State of Rhode Island and Providence Plantations created by Chapter 210, Public Laws of Rhode Island, 1964, as amended. Its purpose is to take over any mass motor bus transportation system if the system has previously filed a petition to discontinue its service with the State Public Utilities Administrator, and further, if the Authority determines it is in the public interest to continue such service. The Authority has no stockholders.

On July 1, 1966, the Authority, in accordance with its purpose as stated above, acquired the property and assets of the United Transit Company (owner and operator of the public transportation system in Providence-Pawtucket Metropolitan area of the State) through the issuance of \$3,200,000 of revenue bonds designated "Rhode Island Public Transit Authority Revenue Bonds, Series 1966".

The powers of the Authority permit it to pledge its assets to the Federal government or any of its agencies.

On July 18, 1972, the Authority acquired the operating rights over intricate routes in Woonsocket for \$3,500.

On May 2, 1974 the Authority acquired the operating assets of Transit Line, Inc., which serviced the Newport-Middletown urban area, for a total purchase price of \$76,931. Federal and State grants were received for this acquisition.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

Legislation in 1977 provided that the Authority "shall be deemed an instrumentality and political subdivision of the State".

On March 9, 1979, the Authority entered into an agreement with ABC Bus Lines, Inc. and acquired certain of the company's operating assets and rights to intrastate routes. The total purchase price of \$185,000 was financed by Federal and State capital grants.

On September 7, 1979, the Authority entered into an agreement with Bonanza Bus Lines, Inc. and acquired certain of the company's operating assets and rights to intrastate routes. The total purchase price of \$175,000 was financed by Federal and State capital grants.

The Authority is a component unit of the State of Rhode Island for financial reporting purposes and as such, the financial statements of the Authority will be included in the State of Rhode Island's Annual Financial Report.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The basic financial statements of the Authority, which include the Business-Type Activity and the Fiduciary Activity financial statements, are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

RECENTLY ISSUED ACCOUNTING STANDARDS

The Authority has implemented the following new accounting pronouncement:

- GASB Statement 100 – *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 effective for the Authority's fiscal year ended June 30, 2024. The implementation had no impact on net position for the year.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING STANDARDS (CONTINUED)

The Authority will adopt the following new accounting pronouncements in future years:

- GASB Statement 101 – *Compensated Absences* is effective for the Authority’s fiscal year ended June 30, 2025.
- GASB Statement 102 – *Certain Risk Disclosures* is effective for the Authority’s fiscal year ended June 30, 2025.
- GASB Statement 103 – *Financial Reporting Model Improvements* is effective for the Authority’s fiscal year ended June 30, 2026.

The impact of these pronouncements on the Authority's financial statements has not been determined.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS

Investments are valued at fair value, except for money market funds and investment pool accounts which are reported at net asset value per share (which approximates fair value).

MATERIALS AND SUPPLIES OF INVENTORY

Inventories consist of spare parts, supplies and fuel and are stated at cost (weighted average method).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line basis using the half-year convention over the estimated useful lives of respective assets. Depreciation expense is not provided for assets under construction. Useful lives of assets are as follows:

Buildings and building improvements	15-30 years
Buses	10-12 years
Other equipment	4-20 years

Capital assets are defined by the Authority as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority's deferred outflows of resources and deferred inflows of resources relate to its pension plan, other post-employment benefit plan and leases and will be amortized as a component of pension and other post-employment benefit expense and as lease revenue in future years.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

Vacation benefits are accrued as a liability when earned by employees and reflect the current rate of pay. Sick leave is accrued based on negotiated contracts with the individual unions. Sick leave benefits are accrued based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability reflects the current rate of pay.

SELF-INSURANCE

The Authority is self-insured for workers' compensation claims and auto liability and property damage claims. Management believes that the accrual for self-insurance claims is adequate to cover the ultimate liability arising from such claims. However, the recorded liability is based upon estimates of final settlement amounts, which may be more or less than the amount ultimately paid. The Authority has established a reserve cash account for self-insurance as more fully described in Note 6.

NET POSITION

Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributed capital. Net position is classified in the following three components: net investment in capital assets; restricted; and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net position is the residual amount not included in the above categories.

The Authority considers restricted resources to have been spent when an expense is incurred for which both restricted and unrestricted net position are available.

OPERATING REVENUES AND EXPENSES

In the Business-Type Activity financial statements, the Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation of the Authority. All other revenues and expenses are reported as non-operating revenues and expenses.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FEDERAL AND STATE GRANTS

The Federal and State governments have made various capital grants available to the Authority for the acquisition of public transit facilities, vehicles and equipment. These capital grants are reported as capital contributions in the financial statements.

Federal operating assistance grants received under Federal transportation programs are reported as operating grants in the financial statements.

CONTRIBUTIONS

Plan member contributions in the Pension Trust Fund are recognized in the period in which wages, subject to required contributions, are earned. Authority contributions to the Pension Trust Fund are recognized when due and the Authority has made a formal commitment to provide the contributions.

PAYMENT OF BENEFITS

In the Pension Trust Fund, benefit payments to participants and refunds of contributions are recorded upon distribution in accordance with the terms of the Plan.

INCOME TAXES

Rhode Island Public Transit Authority is exempt from Federal and State income taxes.

ADVERTISING COSTS

It is the Authority's policy to expense advertising costs as incurred. Advertising expense for fiscal year ended June 30, 2024 was \$184,101.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - CASH DEPOSITS

The carrying amount of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2024, was \$2,891,095 and the bank balance was \$4,328,923. Of the bank balance, \$500,000 was insured by federal depository insurance, \$3,828,923 was collateralized with securities held by the pledging financial institution or its agent in the Authority's name, and \$0 was uncollateralized.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority does not have a formal deposit policy for custodial credit risk, but is governed by State Laws as described below.

In accordance with General Laws, Chapter 35-10.1, Rhode Island depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. None of the cash deposits of the Authority were required to be collateralized at June 30, 2024 pursuant to Chapter 35-10.1 of the General Laws.

The carrying value of deposits for June 30, 2024 is \$2,891,095. Investments of \$7,754,219 and \$1,100 of petty cash, relate to the statement of net position totals for June 30, 2024 as follows:

	<u>June 30,</u> <u>2024</u>
Cash deposits	\$ 2,891,095
Add: Petty cash	1,100
Add: Investments classified as cash equivalents for financial statement purposes	<u>7,754,219</u>
Cash and Cash Equivalents Per Statement of Net Position	<u><u>\$ 10,646,414</u></u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - INVESTMENTS

INVESTMENTS – BUSINESS-TYPE ACTIVITY

Investments are governed by Title 35, Chapter 10, Section 11 of the Rhode Island General Laws. This law generally allows for short-term investments, such as certificates of deposit, money market funds, obligations guaranteed by the U.S. government, etc. with the goal of seeking reasonable income while preserving capital.

At June 30, 2024, the Authority had the following treasury bills, money market and pooled investments classified as cash equivalents:

Investments	Average Maturity in Days	Standards & Poor's Rating	Fair Value
Federated Government Obligations Fund	28	AAAmmf	\$ 26,537
Ocean State Investment Pool	24	Not rated	7,295,509
U.S. Treasury Notes	Not applicable	Not applicable	<u>432,173</u>
			<u>\$ 7,754,219</u>

The Ocean State Investment Pool was established by the General Treasurer of the State of Rhode Island under a declaration of trust and Title 35, Chapter 10, Section 2 of the Rhode Island General Laws for the purpose of investing funds of the State, its agencies, or governmental subdivisions of the State. The Ocean State Investment Pool is not registered with the Securities and Exchange Commission as an investment company, but maintains a policy to operate in a manner consistent with GASB Statement No. 79 - *Certain External Investment Pools and Pool Participants*.

The money market and Ocean State Investment Pool investments have a maturity of less than one year. The fair value of the money market fund and investment pool reflects the net asset value reported by the fund or pool administrator which is a stable \$1 per unit. The underlying investments, which are short-term cash equivalent type investments, are generally carried at amortized cost which approximates fair value. There are no participant withdrawal limitations.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - INVESTMENTS (CONTINUED)

INVESTMENTS – BUSINESS-TYPE ACTIVITY (CONTINUED)

At June 30, 2024, the Authority had the following investments in its Business-Type Activity:

Custodial Credit Risk - Custodial credit risk for investments is the risk that in the failure of the counterparty, the Authority will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The Authority does not have a formal policy for custodial credit risk.

Interest Rate Risk - It is the policy of the Authority to limit the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates. The Authority does not have a formal policy relative to interest rate risk.

Credit Risk - As of June 30, 2024, the Authority's investment in Federated Government Obligations Fund was rated AAmmf by Standard & Poor's. The Authority does not have formal policy relative to credit risk.

Concentration of Credit Risk - The Authority does not have a formal policy that limits the amount that may be invested in any one issuer.

Fair Value Measurements - The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of June 30, 2024:

- U.S. Treasury notes of \$3,732,034 are valued using a market approach that considers benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications (Level 2 inputs).

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - INVESTMENTS (CONTINUED)

INVESTMENTS – FIDUCIARY ACTIVITY - PENSION TRUST FUND

The Pension Trust Fund's policy in regard to the allocation of invested assets is established and may be amended by the Joint Pension Board. It is the policy of the Joint Pension Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Trust Fund's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Joint Pension Board's adopted asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40%
International equity	15%
Fixed income	40%
Real estate/other	<u>5%</u>
	100%

At June 30, 2024, the Pension Trust Fund had the following investments:

<u>Description</u>	<u>Fair Value</u>
Investment contract with insurance Company - Guaranteed Deposit Fund	\$ 31,677,789
Pooled separate accounts:	
Domestic equity	64,767,584
International equity	29,377,967
Fixed income	35,155,773
Real estate	8,805,046
Index fund - domestic equity	<u>14,536,032</u>
	<u>\$ 184,320,191</u>

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Trust Fund does not have a formal investment policy related to custodial credit risk. The Pension Trust Fund has no investments subject to custodial credit risk as of June 30, 2024.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - INVESTMENTS (CONTINUED)

INVESTMENTS – FIDUCIARY ACTIVITY - PENSION TRUST FUND (CONTINUED)

Interest Rate Risk - The Pension Trust Fund limits its exposure to realized losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments, thereby avoiding the need to sell securities on the open market prior to maturity. The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Credit Risk - The Pension Trust Fund has no investments subject to credit risk as of June 30, 2024.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The Pension Trust Fund does not have a formal policy that limits the amount that may be invested in any one issuer. The Pension Trust Fund has no investments subject to concentration of credit risk as of June 30, 2024.

Fair Value Measurements - The Pension Trust Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2024:

- Index fund - domestic equity-quoted market prices (Level 1 inputs)
- Investment contract with insurance company - Guaranteed Deposit Fund - is valued by summing the product of each investment year's market value factor as of the measurement date by the particular contract's balance within the investment year and dividing the result by the contract's total investment year balance to arrive at a composite market value factor for the contract. The contract specific market value factor is then multiplied by the contract value to determine estimated fair value. The market value factor is based on the market value to book value relationship of the underlying securities using actuarial models (Level 3 inputs).

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - INVESTMENTS (CONTINUED)

INVESTMENTS – FIDUCIARY ACTIVITY - PENSION TRUST FUND (CONTINUED)

The valuation methods for the Pension Trust Fund's investments in pooled separate accounts measured at the net asset value (NAV) per share (or its equivalent) are as follows:

- Domestic equity funds are primarily invested in domestic equities. The fair values of the investments have been determined using the NAV per share as determined by the insurance company using the closing price of the underlying securities from the applicable exchange, NYSE, NASDAQ, etc. The redemption frequency is daily and there are no withdrawal limitations for domestic equity funds.
- International equity funds are primarily invested in international equities. The fair values of the investments have been determined using the NAV per share as determined by the insurance company using the closing price of the underlying securities from the applicable local stock exchange. A service is used to update prices for market movements between local stock exchange closing time and portfolio valuation time. The redemption frequency is daily and there are no withdrawal limitations for international equity funds.
- Fixed income funds are primarily invested in domestic fixed income securities. The fair values of the investments have been determined using the NAV per share as determined by the insurance company using inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. The redemption frequency is daily and there are no withdrawal limitations for the fixed income fund.
- Real estate funds - The fair values of the investments have been determined using the NAV per share as determined by the insurance company using independent appraisal process and conventional approaches to value. The redemption frequency is daily and there are no withdrawal limitations for the real estate fund.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at June 30, 2024:

	Balance July 1, 2023	Additions & Transfers	Removals & Transfers	Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land and land rights	\$ 2,626,129	\$ --	\$ --	\$ 2,626,129
Federal grant projects in process	<u>43,264,358</u>	<u>19,840,135</u>	<u>--</u>	<u>63,104,493</u>
Total Capital Assets, Not Being Depreciated	<u>45,890,487</u>	<u>19,840,135</u>	<u>--</u>	<u>65,730,622</u>
Capital Assets, Being Depreciated:				
Shop, garages and buildings	104,794,959	--	--	104,794,959
Revenue equipment	178,029,805	31,057,361	7,396,275	201,690,891
Service vehicles and garage equipment	7,668,356	587,520	--	8,255,876
Furniture and office and other equipment	12,698,975	630	96,299	12,603,306
Management information system	17,473,647	41,840	32,917	17,482,570
Right-to-use subscription assets	<u>1,093,981</u>	<u>--</u>	<u>--</u>	<u>1,093,981</u>
Total Capital Assets Being Depreciated	<u>321,759,723</u>	<u>31,687,351</u>	<u>7,525,491</u>	<u>345,921,583</u>
Total Capital Assets	<u>367,650,210</u>	<u>51,527,486</u>	<u>7,525,491</u>	<u>411,652,205</u>
Less Accumulated Depreciation for:				
Shop, garages and buildings	67,386,856	3,065,449	--	70,452,305
Revenue equipment	102,187,215	10,153,199	7,179,009	105,161,405
Service vehicles and garage equipment	8,222,598	1,726,590	95,306	9,853,882
Furniture and office and other equipment	10,150,733	679,912	300	10,830,345
Management information system	15,405,094	673,436	32,254	16,046,276
Right-to-use subscription assets	<u>218,778</u>	<u>218,868</u>	<u>--</u>	<u>437,646</u>
Total Accumulated Depreciation	<u>203,571,274</u>	<u>16,517,454</u>	<u>7,306,869</u>	<u>212,781,859</u>
Total Capital Assets Being Depreciated, Net	<u>118,188,449</u>	<u>15,169,897</u>	<u>218,622</u>	<u>133,139,724</u>
Capital Assets, Net	<u>\$ 164,078,936</u>	<u>\$ 35,010,032</u>	<u>\$ 218,622</u>	<u>\$198,870,346</u>

Depreciation and amortization expense for the fiscal year ended June 30, 2024 was \$16,517,454.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 - CAPITAL REPLACEMENT FUNDS

The Authority established a capital replacement account for the purpose of meeting capital match requirements of its capital program.

The activity in the capital replacement account for fiscal year ended June 30, 2024 was as follows:

Balance - Beginning of Year	\$ 4,578,544
Capital replacement deposits	436,755
Local match and other payments	(389,730)
Investment income	<u>187,050</u>
Balance - End of Year	<u>\$ 4,812,619</u>
Classified as cash and cash equivalents	\$ 1,414,378
Classified as investments	<u>3,398,241</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 4,812,619</u>

NOTE 6 - SELF-INSURANCE

AUTOMOBILE LIABILITY AND WORKERS' COMPENSATION

The Authority established an accident and casualty account as of July 1, 1977 for the purpose of paying all insurance claims and related losses and expenses. This reserve account is augmented annually by depositing interest income earned on investments and insurance settlements into the accident and casualty account. The activity in the accident and casualty account for fiscal years ended June 30, 2024 and 2023 was as follows:

	<u>2024</u>	<u>2023</u>
Balance - Beginning of Year	\$ 5,054,889	\$ 2,458,320
Transfer (to) from operating	(150,000)	2,562,064
Interest earnings on investments	<u>181,942</u>	<u>34,505</u>
Balance - End of Year	<u>\$ 5,086,831</u>	<u>\$ 5,054,889</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - SELF-INSURANCE (CONTINUED)

AUTOMOBILE LIABILITY AND WORKERS' COMPENSATION (CONTINUED)

Assets at June 30, 2024 and 2023 in the accident and casualty account amounted to \$5,086,831 and \$5,054,889, respectively and is classified as cash and cash equivalents.

It is the intention of the Authority to build the accident and casualty account to not less than \$5,000,000 in the event of a large claim or catastrophe. The Authority, with the concurrence of the Urban Mass Transportation Administration (UMTA) authorized at its meeting on August 25, 1980, the placement of \$250,000 of the accident and casualty account in a special reserve for Workers' Compensation claims exclusively, to satisfy a requirement of the Rhode Island Department of Labor for an appropriate "bond in kind" for self-insurance under the Workers' Compensation Act. During fiscal year 1990, the State increased the special reserve requirement to \$800,000. For fiscal year 1991, the State revoked the asset special reserve requirement. The Authority transferred \$400,000 from the Workers' Compensation account to the operating account during fiscal year 1991 as they were no longer required to maintain a reserve.

At June 30, 2024 and 2023 the Authority obtained an independent evaluation of its self-insurance reserve for losses. The reserve for losses reflects the actuarial determined amount at the 75% confidence level. The activity in the liability for self-insured claims for fiscal years ended June 30, 2024 and 2023 was as follows:

	2024	2023
Amounts of claims liabilities, beginning of year	\$ 11,129,000	\$ 9,510,000
Incurred claims and change in estimate	5,094,810	5,095,263
Payments on claims	<u>(3,832,503)</u>	<u>(3,476,263)</u>
Amounts of Claims Liabilities - End of Year	<u>\$ 12,391,307</u>	<u>\$ 11,129,000</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - SELF-INSURANCE (CONTINUED)

HEALTH CARE

During fiscal year June 30, 2005, the Authority changed to a self-insured program administered by the State of Rhode Island. The unpaid claims liability at June 30, 2022 is recorded as accrued self-insured health claims in the Statement of Net Position. The Authority's incurred but not reported claims as of June 30, 2024 and 2023 were as follows:

	2024	2023
Unpaid claims, beginning of year	\$ 758,712	\$ 640,855
Incurred claims and change in estimate	17,415,519	13,343,371
Payments on claims	(17,588,988)	(13,225,514)
Unpaid Claims - End of Year	\$ 585,243	\$ 758,712

The Authority has a stop loss policy for combined hospital, medical and prescription drug claims that exceed \$400,000.

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities – The following is a summary of changes in long-term obligations during the fiscal year:

	July 1, 2023	Additions	Removals	June 30, 2024	Amounts Due Within One Year
Due to primary government - debt service \$	7,191,499	\$ --	\$ 810,269	\$ 6,381,230	\$ 812,344
Accrued compensated absences	466,079	618,667	482,299	602,447	150,612
Net pension liability	89,932,513	--	4,846,011	85,086,502	--
Total other post employment benefit liability	63,839,219	9,070,886	--	72,910,105	--
Accrued self-insurance claims	11,129,000	5,094,810	3,832,503	12,391,307	500,000
Total	\$ 172,558,310	\$ 14,784,363	\$ 9,971,082	\$ 177,371,591	\$ 1,462,956

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Debt Service to Maturity - The debt service requirements at June 30, 2024 for the above due to primary government were as follows:

Fiscal Year Ended June 30,	Principal
2025	\$ 812,344
2026	835,011
2027	944,277
2028	668,358
2029	691,858
2030-2034	2,425,566
2035	3,816
	<u>\$ 6,381,230</u>

The due to primary government relates to general obligation debt issued by the State of Rhode Island a portion of which was used to fund Authority capital projects. The Authority is required to repay the State the applicable debt service on the debt.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

CLAIMS AND LEGAL ACTIONS

During the ordinary course of its operations, the Authority is a party to various claims, legal actions and complaints. The Authority is self-insured as discussed in Note 6 and reserves amounts for potential claims.

Contract Commitments

The Authority is committed under various contracts in the amount of \$56,415,989 at June 30, 2024.

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description - The Authority's Post-Employment Benefit Plan is a single-employer defined benefit post-retirement health and life insurance program that is administered through the Authority's insurance carriers and healthcare reimbursement account administrator. The Authority provides lifetime health care benefits to substantially all retired employees and their spouses. The Authority also provides life insurance benefits to retired employees who purchase life insurance for at least one year prior to retirement. Benefits are provided through a group insurance policy that covers both active and Pre-65 retired

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

employees. Post-65 retired employee healthcare coverage benefits are provided through contributions to healthcare reimbursement accounts. Benefit terms, changes in benefit terms, and financing requirements are established by the Authority and are subject to the collective bargaining process. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate audit report.

Benefits Provided - For employees retiring on or before January 1, 2009, the Authority contributes the full health care premium for the retired plan member and their spouse. For employees retiring after January 1, 2009 and prior to January 1, 2014, covered spouses pay a spousal healthcare contribution for coverage until age 65 and surviving spouses contribute 50% of the health care premium.

The following contribution requirements for spouses apply to 618 employees hired December 31, 2013 and prior, and 618A employees hired January 1, 2014 and prior. Spouses of 618 and 618A employees must contribute the following percentage of the health care premium based on year of retirement: 2014 - 16%; 2015 - 17%; and 2016, 2017, 2018 and 2019 - 18%. Spouses of 618A employees who retire in January 2020 must also contribute 18% of the health care premium. Effective for 618 employees who retire January 1, 2020 or later, spouses of Flex employees must contribute 15% of the health care premium and spouses of other 618 employees must contribute 20% of the health care premium. Effective for 618A employees who retire February 1, 2020 or later, spouses must contribute 20% of the health care premium. Spouses of 618 employees hired after December 31, 2013 and spouses of 618A employees hired after January 1, 2014 must contribute 50% of the health care premium upon the employee's retirement. Spouses of 808 and non-represented employees hired prior to July 1, 2014 that retire must contribute the same percentage of the health care premium as active employees.

Spouses of 808 and non-represented employees hired between July 1, 2014 and June 30, 2018 must contribute 50% of the health care premium upon the employee's retirement. Spouses of 808 and non-represented employees hired on or after July 1, 2018 must contribute 100% of the health care premium upon the employee's retirement.

Effective January 1, 2016, post-65 healthcare coverage for retirees and covered spouses is provided through monthly contributions to healthcare reimbursement accounts (\$225 per month for retirees, spouses receive a reduced percentage based on year of retirement, and surviving spouses receive 50% of the retiree contribution amount). The Authority contributes the full premium for life insurance for the retired plan member.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

Employees Covered by Benefit Terms - As of July 1, 2023 the plan membership data is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	487
Active employees	<u>790</u>
	<u><u>1,277</u></u>

Total OPEB Liability

The Authority's total OPEB liability of \$72,910,105 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions - The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Salary Increases	3%
Inflation	3%
Discount Rate	4.29%
Healthcare Cost Trend Rates	6.5% in 2024 graded down by the Getzen model to an ultimate rate of 4.04%
Mortality – Healthy and Disabled	2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2021 mortality improvement scale

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

The following changes in actuarial assumptions were made since the prior valuation:

- Discount rate was changed to 4.29% from 4.13%.
- Healthcare Cost Trend Rate downgrade was changed from 4.14 per year to 4.04%.

	Total OPEB Liability
Balance as of June 30, 2023	<u>\$ 63,839,219</u>
Changes for the Year:	
Service cost	2,895,660
Interest on the total OPEB liability	2,990,229
Changes in benefit terms	(178,433)
Differences between expected and actual experience	5,261,387
Changes in assumptions	(750,390)
Benefit payments	<u>(1,147,567)</u>
Net Changes	<u>9,070,886</u>
 Balance as of June 30, 2024	 <u><u>\$ 72,910,105</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29%) and 1-percentage-point higher (5.29%) than the current discount rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
Total OPEB Liability	<u>\$ 79,883,159</u>	<u>\$ 72,910,105</u>	<u>\$ 66,949,509</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates -

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (5.50% per year graded down by the Getzen model to an ultimate rate of 3.04%) and 1-percentage-point higher (7.50% per year graded down by the Getzen model to an ultimate rate of 5.04%) than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
	(5.50% Decreasing to 3.04%)	(6.50% Decreasing to 4.04%)	(7.50% Decreasing to 5.04%)
Total OPEB Liability	<u>\$ 65,901,121</u>	<u>\$ 72,910,105</u>	<u>\$ 81,324,869</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$2,614,588. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,312,877	\$ (6,881,133)
Changes in assumptions	1,975,491	(7,170,600)
Total	<u>\$ 6,288,368</u>	<u>\$ (14,051,733)</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2025	\$ (2,994,855)
2026	(2,306,882)
2027	(2,078,306)
2028	(531,085)
2029	<u>147,763</u>
Total	<u>\$ (7,763,365)</u>

NOTE 10 - STATE OF RHODE ISLAND GAS TAX

State statute directs the Authority to generate sufficient revenues to pay all costs of operating and maintaining the transit system during each fiscal year. Beginning July 1, 1992, the Authority was not given a fixed appropriation from the State, but was allocated the revenue generated from a three-cent dedicated gas tax. Beginning fiscal year 2011, the Authority has been allocated nine and one quarter cents of dedicated gas tax and a half cent of gas tax from the Underground Storage Tank Fund. For fiscal year ended June 30, 2024, the Authority received \$43,884,283 from the dedicated gas tax as operating assistance in support of the transit system. The Authority anticipates receiving approximately \$43,415,132 in fiscal year ended June 30, 2025 from the State.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 - FEDERAL APPROPRIATIONS

On July 6, 2012, President Obama signed Moving Ahead for Progress in the 21st Century (MAP-21) into law effective October 1, 2012, authorizing Federal transportation programs through Federal fiscal year 2014. Funding under MAP-21 was extended through September 2015. This act maintained the provision allowing for the use of capital funds for preventative maintenance activities and the use of capital funds to cover the costs of providing ADA service, up to a maximum of 10 percent of the annual Section 5307 apportionment. A new transportation funding act, the FAST act, was signed into law on December 4, 2015, and funds surface transportation for Federal fiscal years 2016 through 2021. The act continues allowing the use of capital funds for preventative maintenance activities and increases the amount that can be used for ADA services.

For fiscal year 2024, the Authority used \$17,730,536 for preventative maintenance expenses.

NOTE 12 - ELDERLY BUS SERVICE

Beginning July 1, 1994, the Authority entered into an agreement with the Department of Elderly Affairs, Rhode Island Department of Transportation and the Governor's Commission on the Handicapped. The agreement provides for the Rhode Island Public Transit Authority to receive funds to cover the cost of the fixed route elderly bus service provided in accordance with Rhode Island General Law 39-18-4(7), and to fund paratransit services. The funding source for the above revenue is a portion of the one-cent gasoline tax dedicated to the Department of Human Services. For the fiscal year ended June 30, 2024, the Authority recorded \$3,125,281 of contract revenue from this agreement. For fiscal year 2025, the Authority anticipates receiving \$3,244,156 under this agreement.

NOTE 13 - DUE FROM/TO PRIMARY GOVERNMENT

At June 30, 2024, the Rhode Island Public Transit Authority is owed \$13,893,714 from the State of Rhode Island.

At June 30, 2024, the Rhode Island Public Transit Authority owes \$6,900,215 to the State of Rhode Island related to payments for debt service and other payables.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 14 - NET POSITION

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position amount at June 30, 2024 was as follows:

Business-Type Activity	
Net investment in capital assets	\$ 159,736,061
Restricted for zero emission electric buses	290,626
Unrestricted	<u>(104,535,699)</u>
Total Net Position	<u>\$ 55,490,988</u>
Fiduciary Activity - Pension Trust Fund	
Restricted for pensions	<u>\$ 185,242,674</u>

As of June 30, 2024, the Authority has restricted net position of \$290,626 in its Business-Type Activity. These funds are restricted for zero emission electric buses and associated administrative costs in accordance with an agreement with the Rhode Island Department of Environmental Management.

NOTE 15 - DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Authority implemented the Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan*. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result deferred compensation investments and the respective liability have been removed from the Authority's basic financial statements.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS

A. RIPTA Employees' Pension Plan

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description - The RIPTA Employees' Pension Plan is a single-employer defined benefit pension plan. The Bargaining Unit plan was established effective January 1, 1974 and the Salaried Unit Plan was established effective July 1, 1946. Effective January 1, 2002, the Authority consolidated its Bargaining Unit and Salaried Unit single-employer defined benefit pension plans into the Rhode Island Public Transit Authority Employees' Pension Plan (the "Plan"). The Plan was most recently amended effective June 2023. Employees of the Authority who work more than 1,000 hours per year are eligible to participate in the Plan immediately upon employment. There are no age or minimum service requirements. Plan benefits and other provisions are established by the Plan document. Any changes to the Plan are subject to the collective bargaining process.

The Plan is administered by the Authority's Joint Pension Board (the "Board"). The Board consists of 6 regular members and 3 alternate members. The Authority appoints 3 regular members and does not have standing alternate members, but may appoint substitute members on a temporary basis if necessary. One regular member and one alternate member each are appointed by the Amalgamated Transit Union ("ATU"), Division 618, the ATU Division 618A and the Laborers' International Union, Local 808. The Board has overall responsibility for the operation and administration of the Plan. The Board is responsible for establishing benefits and contributions, and approving all Plan amendments. The Board also determines the appropriateness of the Plan's investment offerings and monitors investment performance. The Plan issues publicly available financial statements, including required GASB Number 67 information for the financial statement for the year ended June 30, 2023, which can be obtained from: RIPTA, Finance Department, 705 Elmwood Avenue, Providence, RI 02907.

Plan Membership - At June 30, 2023, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	642
Inactive plan members entitled to but not yet receiving benefits	70
Active plan members	<u>803</u>
	<u>1,515</u>

Contributions - The Authority's funding policy is to fund 100% of the actuarially determined contribution as required by its ATU Division 618 collective bargaining agreement. The actuarially determined contribution is calculated as the normal cost plus an amortization of the unfunded actuarial accrued liability. Changes in plan provisions and actuarial assumptions give rise to changes in the unfunded liability.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

Participants must make mandatory contributions until the earlier of the participant's normal retirement date or termination of service as follows:

- 618 participants – 4% of base compensation
- Other than 618 participants – 4% of base compensation

Vesting - Plan participants are eligible for their Plan benefit after terminating employment with vested rights. Vesting in a participant's accrued benefits is based on years of service in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 10 years	0%
10 years and thereafter	100%

Participants are vested immediately in their mandatory employee contributions. If a participant terminates employment for reasons other than retirement, death or disability prior to the completion of 10 years of service, the participant is entitled to a refund of the mandatory employee contributions without interest.

Benefits Provided - Distributions are subject to the applicable provisions of the Plan document. *Normal Retirement* - Eligible employees, as defined in the Plan agreement, are entitled to monthly pension benefits beginning at normal retirement age. Normal retirement age is as follows:

- 618 participants - hired prior to January 1, 2020 - age 62, or if later, the participant's completion of 5 years of service; hired January 1, 2020 or after - between age 62 and 65 or if later, the participant's completion of 5 years of service
- Other than 618 participants - age 62, or if later, the participant's completion of 5 years of service

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

Effective July 1, 2019, 618 participants are entitled to a monthly pension equal to 2.05% of average compensation for each year of service. Effective July 2, 2022 all participants other than 618 shall be entitled to a monthly pension equal to 2.05% of average compensation for all years of service. Average compensation shall mean the basic compensation a participant averaged over the last 60 consecutive months worked prior to termination of service, retirement or termination of the Plan. A participant's right to his or her benefit is non-forfeitable upon reaching normal retirement age.

Late Retirement - Participants who remain employed after their normal retirement date are eligible for a late retirement benefit equal to the greater of (a) the benefit calculated under the Plan formula at the late retirement date, or (b) the benefit calculated at normal retirement date multiplied by the Plan's late retirement factor. Beginning April 1 of the calendar year following the year a participant attains age 70.5, an active participant's benefit will be increased actuarially each year, and the participant will earn benefit accruals under the Plan formula. 618 employees hired on or after January 1, 2023 receive no late retirement factor benefit increases.

Early Retirement - 618 participants who have attained age 55 with 10 years of service may receive an early retirement benefit which equals the accrued benefit reduced by 5/9% for each full month by which the starting date of the benefits precedes the participant's normal retirement date. Other than 618 participants who have attained age 52 with 10 years of service may receive an early retirement benefit which equals the accrued benefit reduced actuarially for payment prior to normal retirement date.

The Plan also provides disability and death benefits in accordance with the provisions of the Plan document.

The normal form of benefit payment is a life annuity payable monthly. Alternatively, a participant may choose from the following options: ten-year certain option, contingent annuitant option, post-retirement spouse benefit, and social security option (for other than 618 participants only).

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2023.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method – actuarially determined contribution	Frozen Entry Age Cost Method
Actuarial cost method – GASB 67 & 68	Entry Age Normal Cost Method
Investment return	6.75%, net of expenses, including inflation
Inflation	3.00%
Salary increases	3.00% per annum
Withdrawal rate	618 participants - Sarason Table W-70; other than 618 participants - Sarason Table T-1
Disability rate	618 participants - two times Railroad Retirement Rates; other than 618 participants - Railroad Retirement Rates
Assumed retirement age	Later of age 62 or the completion of 10 years of service
Expenses	Prior year's actual expenses, rounded to nearest \$100

Mortality rates were based on the Pri-2012 Blue Collar Tables with Scale MP-2021 generational improvements (Male/Female).

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

Changes in benefit terms included the following:

- All pensioners as of July 1, 2022 will receive an additional \$15 a month benefit, surviving spouses \$5.
- Effective July 1, 2022, the employee contribution rate for employees other than 618 employees increased from 3% to 4%.
- Effective July 2, 2022, the benefit rate for employees other than 618 employees increased from 1.6% before January 1, 1987 and 2.0% after January 1, 1987 to 2.05% for all years of service.
- 618 employees hired on or after January 1, 2023 receive no late retirement factor benefit increases.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocated	Long-Term Expected Real Rate of Return
Domestic equity	40.00%	8.06%
International equity	15.00%	7.60%
Fixed income	40.00%	4.58%
Real estate/other	5.00%	8.00%
Cash	<u>0.00%</u>	3.00%
	<u>100.00%</u>	

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the Plan member contributions will be made at the current contribution rate and that the Authority contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance June 30, 2022	\$ 242,605,993	\$ 152,673,480	\$ 89,932,513
Changes for the year:			
Service	4,717,611	--	4,717,611
Interest on total pension liability	16,049,823	--	16,049,823
Differences between expected and actual experience	392,148	--	392,148
Changes of assumptions	--	--	--
Changes in benefit terms	1,347,003	--	1,347,003
Contributions - employer	--	11,718,550	(11,718,550)
Contributions - employee	--	2,086,851	(2,086,851)
Net investment income	--	13,725,184	(13,725,184)
Benefit payments	(13,569,369)	(13,569,369)	--
Administrative expenses	--	(177,989)	177,989
Net changes	8,937,216	13,783,227	(4,846,011)
Balance as of June 30, 2023	\$ 251,543,209	\$ 166,456,707	\$ 85,086,502

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Authority, calculated using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1- percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount rate 6.75%	1% Increase 7.75%
Authority's Net Pension Liability	\$ <u>109,687,563</u>	\$ <u>85,086,502</u>	\$ <u>63,968,546</u>

Plan Fiduciary Net Position - Detailed information about the Plan's fiduciary net position is available in the separately issued financial statements. For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the Plan's fiduciary net position has been determined on the same basis as that used by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The Authority's contributions made subsequent to the measurement date of the net pension liability, June 30, 2023, of \$11,297,810 are included in the accompanying financial statements as a deferred outflow of resources at June 30, 2024.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2024, the Authority recognized pension expense of \$14,998,405. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,295,513	\$ --
Subsequent contributions	11,297,810	--
Changes of assumptions	915,243	(54,359)
Net difference between projected and actual earnings on Plan investments	<u>9,516,473</u>	<u>--</u>
Total	\$ <u>24,025,039</u>	\$ <u>(54,359)</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

A. RIPTA Employees' Pension Plan (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

The subsequent contributions will be expensed in the next year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30,

2024	\$	3,990,909
2025		2,067,764
2026		6,811,218
2027		(252,154)
2028		<u>55,133</u>
	\$	<u>12,672,870</u>

B. Laborers' International Union of North America National Pension Fund

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description - All employees who are members of the Local 808 union participate in the Laborers' International Union of North America National Pension Fund, a cost sharing multiple- employer defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is not a state or local government pension plan, provides defined benefit pensions to employees of state or local governmental employers and employees of employers that are not state or local governments and has no predominant state or local government employer. As a result, the Plan is accounted for and reported in accordance with GASB Statement No. 78, *Pensions Provided through Certain Multiple - Employer Defined Benefit Pension Plans*. The Plan is administered by the Fund's Board of Trustees. Eligibility and benefit provisions are defined in the Plan document adopted by the Board of Trustees.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 16 - PENSION PLANS (CONTINUED)

B. Laborers' International Union of North America National Pension Fund (Continued)

GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)

All employees who are members of the Local 808 union are eligible to participate in the Plan, as well as some non-represented special class employees (47 employees as of June 30, 2024). An employee is eligible to receive pension benefits if they have attained age 62, have five or more years of pension credit and have earned at least one of the years of pension credit during the period that his or her employer is contributing to the Plan. The amount of regular pension benefits payable to an employee is determined by the highest contribution rate at which he or she earned pension credit and years of pension credits earned (up to a maximum of 30 years of pension credits). The regular monthly benefit is payable for each year of pension credit at each contribution rate accepted by the plan up to \$2.50 per hour. The Plan also provides death and disability benefits. Information regarding the Plan can be obtained from the Fund Office maintained by the Board of Trustees at the following address: Laborers' International Union of North America National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC 20006-1765 or on the internet at www.Inipf.com.

Funding Policy - The contribution requirements of the Authority and employees are established by contract and may be amended by union negotiation. The current union contract expires on June 30, 2026. Employees are required to contribute \$1.49 per hour up to a maximum of 40 hours per week to the Plan. The Authority is not required to contribute to the Plan.

The Multiemployer Pension Plan Amendments Act of 1980 impose certain liabilities upon employers associated with multiemployer pension plans who withdraw from such a plan or upon termination of said plan. The Authority has no plans to withdraw or partially withdraw from the plan.

NOTE 17 - 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 purchases commercial insurance for property damage and general liability and is self-insured for automobile liability and workers' compensation claims. Settlement of claims related to property damage and general liability claims have not exceeded the insurance coverage in any of the past three fiscal years. A detailed description of the self-insured risks is described in Notes 1 and 6.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 18 - LEASES

The Authority is reporting Leases receivable of \$225,965 at June 30, 2023. For 2024, the Authority reported lease revenue of \$59,930 and interest revenue of \$7,904 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
First Church of God	\$ 22,224	\$ 7,565	\$ 813
Verizon	58,822	22,880	2,120
T-Mobile	144,919	29,485	4,971
	\$225,965	\$ 59,930	\$ 7,904

First Church of God - On November 1, 2021, the Authority entered into a five-year lease agreement with First Church of God, for the lease of towers. Based on this agreement, the Authority is receiving monthly payments through November 2026. There are no renewal options included in this lease agreement.

Verizon - On June 11, 2016, the Authority entered into a five-year lease agreement with Verizon, for the lease of towers. The lease had an option to extend for five-years and the option was exercised in 2021. Based on this agreement, the Authority is receiving monthly payments through July 2026. There are no renewal options included in this lease agreement.

T-Mobile - On March 15, 2023, the Authority entered into a five-year lease agreement with T-Mobile, for the lease of towers. The lease has extension options that management has determined it is not reasonably possible that the lease will be extended. Based on this agreement, the Authority is receiving monthly payments through March 2028.

Future payments to the Authority under these arrangements is as follows:

Fiscal Year Ended June 30,	Principal	Interest
2025	\$ 62,855	\$ 6,093
2026	65,902	4,111
2027	38,421	2,024
2028	58,787	1,594
	\$ 225,965	\$ 13,822

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 19 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The Authority has entered into various SBITAs with terms expiring in 2024, however management has estimated that options to extend will be reasonably executed for at least four years resulting in terms expiring in 2027. At June 30, 2024, the Authority has recognized a right-to-use asset of \$656,335 and a subscription liability of \$717,256. Future payments to amortize the subscription liability are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2025	\$ 218,112	\$ 52,409
2026	238,450	33,271
2027	260,694	17,372
	<u>\$ 717,256</u>	<u>\$ 103,052</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 20 - UNCERTAINTIES

The CARES Act was passed in FY 2020 giving relief and economic security to a variety of industries including transportation. RIPTA was awarded \$91,233,702 in federal transit funds. These funds allow RIPTA to seek reimbursement for cost of operations on or after January 20, 2020, including drivers' salary, fuel and items having a useful life of less than one year and capital expenditures. Additional funding from a second Cares Act bill was passed in December 2020 totaling \$614,298. The American Rescue Plan (ARPA) passed in March 2021, in which the Authority will receive is \$34,810,528, and must be disbursed by September 30, 2029, and is available for payroll and operation expenses.

NOTE 21 - CONCENTRATION RISK

The State of RI gas tax revenue of \$43,884,283 and Federal operating grants and contributed capital revenue of \$108,315,346 represented 24% and 60%, respectively, of total revenues for the year ended June 30, 2024.

**REQUIRED
SUPPLEMENTARY INFORMATION**

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS LAST SEVEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 2,895,660	\$ 2,769,329	\$ 4,001,661	\$ 3,534,478	\$ 3,943,384	\$ 3,946,809	\$ 3,942,229
Interest	2,990,229	2,530,348	1,595,232	1,781,673	1,910,644	2,217,813	2,082,514
Changes of benefit terms	(178,433)	--	--	--	(2,175,731)	--	--
Differences between expected and actual experience	5,261,387	(6,165,278)	(150,160)	(3,222,911)	(5,970,438)	(2,568,201)	(723,233)
Changes of assumptions or other inputs	(750,390)	875,234	(12,604,851)	3,003,658	638,798	1,542,951	955,174
Benefit payments	(1,147,567)	(836,047)	(2,047,441)	(2,510,806)	(2,153,026)	(2,166,657)	(2,294,610)
Net change in total OPEB liability	9,070,886	(826,414)	(9,205,559)	2,586,092	(3,806,369)	2,972,715	3,962,074
Total OPEB liability - beginning	63,839,219	64,665,633	73,871,192	71,285,100	75,091,469	72,118,754	68,156,680
Total OPEB liability - ending	<u>\$ 72,910,105</u>	<u>\$ 63,839,219</u>	<u>\$ 64,665,633</u>	<u>\$ 73,871,192</u>	<u>\$ 71,285,100</u>	<u>\$ 75,091,469</u>	<u>\$ 72,118,754</u>
Covered-employee payroll	\$ 48,823,515	\$ 49,175,669	\$ 47,556,290	\$ 46,884,502	\$ 45,569,577	\$ 43,756,853	\$ 42,062,418
Total OPEB liability as a percentage of covered-employee payroll	149.33%	129.82%	135.98%	157.56%	156.43%	171.61%	171.46%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits from the OPEB plan.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION

RIPTA EMPLOYEES' PENSION PLAN

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

Measurement Period	2024 June 30, 2023	2023 June 30, 2022	2022 June 30, 2021	2021 June 30, 2020	2020 June 30, 2019	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
Total Pension Liability										
Service cost	\$ 4,717,611	\$ 4,448,315	\$ 4,302,505	\$ 4,225,361	\$ 3,870,210	\$ 3,652,504	\$ 3,492,118	\$ 2,990,663	\$ 3,020,828	\$ 2,985,852
Interest	16,049,823	15,575,094	14,951,185	14,341,746	13,941,951	13,352,018	12,556,376	12,297,798	11,495,887	10,237,348
Changes of benefit terms	1,347,003	669,733	434,074	652,248	416,297	3,461,380	577,583	933,025	500,075	1,139,692
Differences between expected and actual experience	392,148	1,965,855	--	2,234,952	511,488	1,337,037	1,592,692	2,977,141	139,770	1,236,853
Changes of assumptions or other inputs	--	573,453	--	(197,131)	4,898,083	(710,335)	(1,198,799)	4,215,850	1,675,802	7,557,472
Benefit payments, including refunds of member contributions	(13,569,369)	(13,017,677)	(12,420,505)	(11,220,119)	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Net change in total pension liability	8,937,216	10,214,773	7,267,259	10,037,057	13,380,331	11,409,583	8,312,524	15,603,843	9,923,013	16,818,943
Total Pension liability - beginning	242,605,993	232,391,220	225,123,961	215,086,904	201,706,573	190,296,990	181,984,466	166,380,623	156,457,610	139,638,667
Total Pension liability - ending	\$ 251,543,209	\$ 242,605,993	\$ 232,391,220	\$ 225,123,961	\$ 215,086,904	\$ 201,706,573	\$ 190,296,990	\$ 181,984,466	\$ 166,380,623	\$ 156,457,610
Plan fiduciary net position:										
Contributions - employer	\$ 11,718,550	\$ 6,487,398	\$ 9,736,036	\$ 8,722,771	\$ 7,519,341	\$ 7,514,778	\$ 8,648,057	\$ 8,125,339	\$ 7,379,362	\$ 7,328,560
Contributions - employee	2,086,851	1,999,604	1,898,200	1,888,540	1,787,290	1,665,934	1,196,070	1,213,686	1,160,646	1,118,215
Net investment income	13,725,184	(23,062,111)	34,551,809	3,883,832	6,753,240	9,324,350	11,578,566	635,766	4,952,537	12,971,007
Benefit payments, including refunds of member contributions	(13,569,369)	(13,017,677)	(12,420,505)	(11,220,119)	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Administrative expense	(177,989)	(70,526)	(39,409)	(36,260)	(41,425)	(36,529)	(61,125)	(172,801)	(77,916)	(52,497)
Net change in plan fiduciary net position	13,783,227	(27,663,312)	33,726,131	3,238,764	5,760,748	8,785,512	12,654,122	1,991,356	6,505,280	15,027,011
Plan fiduciary net position - beginning	152,673,480	180,336,792	146,610,661	143,371,897	137,611,149	128,825,637	116,171,515	114,180,159	107,674,879	92,647,868
Plan fiduciary net position - ending	\$ 166,456,707	\$ 152,673,480	\$ 180,336,792	\$ 146,610,661	\$ 143,371,897	\$ 137,611,149	\$ 128,825,637	\$ 116,171,515	\$ 114,180,159	\$ 107,674,879
Authority's net pension liability - ending	\$ 85,086,502	\$ 89,932,513	\$ 52,054,428	\$ 78,513,300	\$ 71,715,007	\$ 64,095,424	\$ 61,471,353	\$ 65,812,951	\$ 52,200,464	\$ 48,782,731
Plan fiduciary net position as a percentage of the total pension liability	66.17%	62.93%	77.60%	65.12%	66.66%	68.22%	67.70%	63.84%	68.63%	68.82%
Covered payroll	\$ 42,810,981	\$ 42,322,506	\$ 41,091,532	\$ 40,349,413	\$ 39,258,303	\$ 37,506,189	\$ 35,598,943	\$ 35,018,425	\$ 34,636,021	\$ 35,558,671
Net pension liability as a percentage of covered payroll	198.75%	212.49%	126.68%	194.58%	182.67%	170.89%	172.68%	187.94%	150.71%	137.19%

See notes to required supplementary information

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION – RIPTA EMPLOYEES’ PENSION PLAN

SCHEDULE OF AUTHORITY CONTRIBUTIONS

LAST TEN FISCAL YEARS

Measurement Period	2024 June 30, 2024	2023 June 30, 2023	2022 June 30, 2022	2021 June 30, 2021	2020 June 30, 2020	2019 June 30, 2019	2018 June 30, 2018	2017 June 30, 2017	2016 June 30, 2016	2015 June 30, 2015
Total Pension Liability										
Actuarial determined contribution	\$ 11,297,810	\$ 11,718,550	\$ 6,487,398	\$ 9,736,036	\$ 8,772,771	\$ 7,519,341	\$ 7,514,778	\$ 8,648,057	\$ 8,125,339	\$ 7,379,362
Contributions in related to the actuarially determined contribution	11,297,810	11,718,550	6,487,398	9,736,036	8,772,771	7,519,341	7,514,778	8,648,057	8,125,339	7,379,362
Contribution deficiency (excess)	--	--	--	--	--	--	--	--	--	--
Covered payroll	\$ 43,035,264	\$ 42,810,981	\$ 42,322,506	\$ 41,091,532	\$ 40,349,413	\$ 39,258,303	\$ 37,506,189	\$ 35,598,943	\$ 35,018,425	\$ 34,636,021
Net pension liability as a percentage of covered payroll	26.25%	27.37%	15.33%	23.69%	21.74%	19.15%	20.04%	24.29%	23.20%	21.31%

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

NOTE 1 – RIPTA EMPLOYEE’S PENSION PLAN

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available. The actuarial methods and assumptions used to calculate the total pension liability are described in Note 16 to the financial statements. The net pension liability amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

Changes in Benefit Terms:

- All pensioners as of July 1, 2022 will receive an additional \$15 a month benefit, surviving spouses \$5.
- Effective July 1, 2022, the employee contribution rate for employees other than 618 employees increased from 3% to 4%.
- Effective July 2, 2022, the benefit rate for employees other than 618 employees increased from 1.6% before January 1, 1987 and 2.0% after January 1, 1987 to 2.05% for all years of service.
- 618 employees hired on or after January 1, 2023 receive no Late Retirement Factor benefit increases.

Actuarially Determined Contributions:

The following actuarial methods and assumptions were used to determine contribution amounts reported in that schedule:

- Actuarial cost method – frozen Entry Age Actuarial Cost Method
- Amortization method – Level dollar, closed
- Remaining amortization period – 30 years
- Asset valuation method – Assets are equal to the value reported by insurance companies; guaranteed deposit accounts are valued at contract value; separate accounts are valued at fair value; plus due and accrued contributions
- Inflation – 3%
- Investment return – 6.75%, net of expenses, including inflation
- Salary increases – 3% per annum
- Retirement age – later of age 62 or the completion of 10 years of service
- Mortality – Pri-2012 Blue collar with MP-2021 generational improvements (Male/Female)

NOTE 2 – RIPTA EMPLOYEE’S POST EMPLOYMENT BENEFIT PLAN

The schedule is intended to present ten years of data. Additional years of data will be presented as they become available. The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements. The OPEB liability amounts presented for each fiscal year were determined as of the June 30 fiscal year end.

SUPPLEMENTARY INFORMATION

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

ATTACHMENT B – SCHEDULE OF NET POSITION

JUNE 30, 2024

	<i><u>Attachment B</u></i>
Assets	
Current Assets	
Cash and cash equivalents	\$ 10,646,414
Investments	1,415,428
Net receivables	34,090,815
Due from primary government	13,893,714
Inventories	1,768,525
Other assets	<u>255,456</u>
Total Current Assets	<u>62,070,352</u>
Noncurrent Assets	
Investments	2,316,606
Capital assets, non-depreciable	65,730,622
Capital assets, depreciable - net of depreciation	133,139,724
Other assets	<u>2,405,485</u>
Total Noncurrent Assets	<u>203,592,437</u>
Total Assets	<u>265,662,789</u>
Deferred Outflows of Resources	
Deferred pension amounts	24,025,039
Deferred other postemployment benefit amounts	<u>6,288,368</u>
Total Deferred Outflows of Resources	<u>30,313,407</u>

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

ATTACHMENT B – SCHEDULE OF NET POSITION (CONTINUED)

JUNE 30, 2024

Liabilities

Current Liabilities

Accounts payable	35,300,186
Due to primary government	1,331,329
Accrued expenses	10,542,933
Compensation absences	150,612
Unearned revenue	2,222,631
Other current liabilities	<u>218,112</u>

Total Current Liabilities 49,765,803

Noncurrent Liabilities

Due to primary government	5,568,886
Net pension liability	85,086,502
Net other post employment benefit liability	72,910,105
Compensated absences	451,835
Other liabilities	<u>12,390,451</u>

Total Noncurrent Liabilities 176,407,779

Total Liabilities 226,173,582

Deferred Inflows of Resources

Deferred lease	205,534
Deferred pension amounts	54,359
Deferred other post employment benefit amounts	<u>14,051,733</u>

Total Deferred Inflows of Resources 14,311,626

Net Position

Net investment in capital assets	159,736,061
Restricted - other	290,626
Unrestricted (deficit)	<u>(104,535,699)</u>

Total Net Position \$ 55,490,988

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

ATTACHMENT C – SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	<u><i>Attachment C</i></u>
Expenses	<u>\$ 154,097,260</u>
Program revenues:	
Charges for services	20,416,022
Operating grants and contributions	111,573,661
Capital grants and contributions	<u>43,751,249</u>
Total program revenues	<u>175,740,932</u>
Net (expenses) revenues	<u>21,643,672</u>
General revenues:	
Interest and investment earnings	668,313
Miscellaneous revenue	<u>3,184,770</u>
Total general revenues	<u>3,853,083</u>
Change in net position	<u>43,751,249</u>
Changes in Net Position	25,496,755
Total net position - beginning	<u>29,994,233</u>
Total net position - ending	<u><u>\$ 55,490,988</u></u>

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
ATTACHMENT E – SCHEDULE OF CHANGES IN LONG – TERM LIABILITIES

JUNE 30, 2024

	Beginning Balance	Additions	Removals	Ending Balance	Amounts		<i>Attachment E</i>
					Due Within One Year	Amounts Due thereafter	
Bonds payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	
Bonds payable - direct payment	--	--	--	--	--	--	
Net unamortized premium/discount	--	--	--	--	--	--	
Bond payable	--	--	--	--	--	--	
Notes payable	--	--	--	--	--	--	
Notes payable - direct borrowings	--	--	--	--	--	--	
Loans payable	--	--	--	--	--	--	
Obligations under capital leases	--	--	--	--	--	--	
Net pension liability	89,932,513	--	4,846,011	85,086,502	--	--	
Net other post employment benefit liability	63,839,219	9,070,886	--	72,910,105	--	--	
Due to primary government	7,191,499	--	810,269	6,381,230	812,344	5,568,886	
Due to component units	--	--	--	--	--	--	
Due to other governments and agencies	--	--	--	--	--	--	
Unearned revenue	--	--	--	--	--	--	
Compensated absences	466,079	618,667	482,299	602,447	150,612	451,835	
Arbitrage rebate	--	--	--	--	--	--	
Pollution remediation	--	--	--	--	--	--	
Funds held for others	--	--	--	--	--	--	
Accrued self insured claims	11,129,000	5,094,810	3,832,503	12,391,307	500,000	11,891,307	
Total other liabilities	172,558,310	14,784,363	9,971,082	177,371,591	1,462,956	17,912,028	
	<u>\$ 172,558,310</u>	<u>\$ 14,784,363</u>	<u>\$ 9,971,082</u>	<u>\$ 177,371,591</u>	<u>\$ 1,462,956</u>	<u>\$ 17,912,028</u>	

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF TRAVEL AND ENTERTAINMENT EXPENSES

YEAR ENDED JUNE 30, 2024

Travelers Name	Destination	Purpose	Total
Ariel Mercedes	Livermore, CA	Gillig Bus Inspection	\$ 450.00
Ariel Mercedes	Livermore, CA	Gillig Bus Inspection	2,750.41
Ariel Mercedes	Livermore, CA	Gillig Bus Inspection	150.00
Ariel Mercedes	Livermore, CA	Gillig Bus Inspection	24.90
Ariel Mercedes	Livermore, CA	Gillig Bus Inspection	570.80
C Fulmer	Orlando, FL	APTA Conference	300.00
C Fulmer	Orlando, FL	APTA Conference	815.65
Christy Raposo	Fort Worth	Future of Communications Conference	186.70
Christy Raposo	Austin, TX	Future of Communications Conference	200.00
Christy Raposo	Austin, TX	Future of Communications Conference	61.14
James Canty	Atlanta, GA	NTI Training	275.00
James Canty	Atlanta, GA	NTI Training	1,104.85
James Canty	Atlanta, GA	NTI Training	176.00
James Canty	Fort Worth, TX	NTI Training	977.10
Joelle Kanter	Waterbury CT	CCAPA	388.33
Joelle Kanter	Myrtle Beach, SC	RTAP Conf	756.36
Joelle Kanter	Myrtle Beach, SC	National RTAP Conference	150.00
Joelle Kanter	Myrtle Beach, SC	National RTAP Conference	131.28
Joelle Kanter	Myrtle Beach, SC	National RTAP Conference	235.69
John Chadwick	Orlando, FL	APTA Transform Convention	96.00
John Chadwick	Orlando, FL	APTA Transform Convention	1,681.21
John Chadwick	Pittsburgh, PA	NTI Training	250.00
John Chadwick	Pittsburgh, PA	NTI Training	737.95
John Chadwick	Pittsburgh, PA	NTI Training	138.58
John Chadwick	Orlando, FL	NTI Training	250.00
John Chadwick	Orlando, FL	APTA Transform Convention	789.75
Karlin Levesque	Livermore, CA	Gillig Bus Inspection	650.00
Karlin Levesque	Livermore, CA	Gillig Bus Inspection	586.30
Karlin Levesque	Livermore, CA	Gillig Bus Inspection	3,629.92
Karlin Levesque	Livermore, CA	Gillig Bus Inspection	40.74
L Hanson/Veronica Str	Kansas City, MO	NTI Training	476.81
L Hanson/Veronica Str	Kansas City, MO	NTI Training	90.00
L Hanson/Veronica Str	Kansas City, MO	NTI Training	2,777.08
Lisa Hanson	Atlanta, GA	NTI Training	275.00
Lisa Hanson	Atlanta, GA	NTI Training	143.92
Lisa Hanson	Atlanta, GA	NTI Training	507.54
Lisa Hanson	Atlanta, GA	NTI Training	724.65
Lisa Hanson	Kansas City	NTI Training	651.96
Lisa Hanson	Atlanta, GA	NTI Training	394.96
Lisa Hanson	Kansas City, MO	NTI Training	275.00
M Alexander	Chicago, IL	NTI Training	300.00
M Alexander	Chicago, IL	NTI Training	2,369.42
M Alexander	Chicago, IL	NTI Training	47.50
Marc Ebuna	Anaheim, CA	APTA Conference	225.00
Marc Ebuna	Anaheim, CA	APTA Conference	1,711.67
Marc Ebuna	Anaheim, CA	APTA Conference	802.14
Matt Salisbury	Anaheim, CA	APTA Conference	250.00
Matt Salisbury	Anaheim, CA	APTA Conference	1,113.89
Matt Salisbury	Anaheim, CA	APTA Conference	1,786.43
Michael Ianella	Pittsburgh, PA	NTI Training	300.00

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF TRAVEL AND ENTERTAINMENT EXPENSES (CONTINUED)

YEAR ENDED JUNE 30, 2024

Travelers Name	Destination	Purpose	Total
Michael Ianella	Pittsburgh, PA	NTI Training	\$ 880.25
Michael Ianella	Pittsburgh, PA	NTI Training	416.85
Nathan Watchous	Jacksonville , FL	ABBG	68.00
Nathan Watchous	Jacksonville , FL	ABBG	1,317.36
Nathan Watchous	Jacksonville, FL	ABBG annual conf	200.00
Peter Giniatt	San Diego, CA	Zero Emission Bus Conference	1,657.96
Peter Giniatt	San Diego, CA	Zero Emission Bus Conference	293.39
Peter Giniatt	San Diego, CA	Zero Emission Bus Conference	806.94
Peter Michaud	Seattle, WA	ACT International Conference	250.00
Peter Michaud	Seattle, WA	ACT International Conference	1,634.02
Sarah Ingle	Jacksonville, FL	ABBG	684.90
Sarah Ingle	Jacksonville, FL	ABBG	575.46
Sarah Ingle	Jacksonville, FL	ABBG	162.75
Sheryl Gomes	Phoenix, AZ	NTI Training	300.00
Sheryl Gomes	Phoenix, AZ	NTI Training	1,694.20
Sheryl Gomes	Phoenix, AZ	NTI Training	515.06
Sheryl Gomes	Cleveland, OH	NTI Training	300.00
Sheryl Gomes	Cleveland, OH	NTI Training	521.20
Sheryl Gomes	Cleveland, OH	NTI Training	382.17
Sheryl Gomes	Cleveland, OH	NTI Training	3,225.40
Veronica Stravinskly	Atlanta, GA	NTI Training	394.96
Veronica Stravinskly	Kansas City, MO	NTI Training	651.96
Veronica Stravinsky	Kansas City, MO	NTI training	275.00
Zach Agush	Orlando, FL	APTA Conference	70.41
Zach Agush	Orlando, FL	APTA Conference	1,671.21
Zach Agush	Orlando, FL	APTA Conference	70.41
Zach Agush	Orlando, FL	APTA Conference	200.00
Zach Agush	Orlando, FL	APTA Conference	526.50
			<u>\$ 53,523.99</u>

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
SCHEDULE OF CHANGES OF TANGIBLE PROPERTY

JUNE 30, 2024

	Beginning Balance	Additions & Transfers	Reductions & Transfers	Ending Balance	Beginning Balance	Additions & Transfers	Reductions & Transfers	Ending Balance	Net Book Value
Land and land rights	\$ 2,626,129	\$ --	\$ --	\$ 2,626,129	\$ --	\$ --	\$ --	\$ --	\$ 2,626,129
Shops, garages and office buildings	103,202,185	--	--	103,202,185	66,334,294	3,065,449	--	69,399,743	33,802,442
Tunnels	1,592,774	--	--	1,592,774	1,055,220	1,329	--	1,056,549	536,225
Communication system	10,173,719	--	--	10,173,719	10,089,984	24,877	--	10,114,861	58,858
Revenue equipment - buses	135,224,724	22,790,462	7,396,275	150,618,911	73,347,473	8,576,807	7,179,009	74,745,271	75,873,640
Revenue equipment - electric buses	10,724,600	7,507,857	--	18,232,457	1,402,987	1,576,392	--	2,979,379	15,253,078
Trolleys	6,931,795	--	--	6,931,795	6,931,795	--	--	6,931,795	--
Fare boxes	4,006,215	--	--	4,006,215	4,006,215	--	--	4,006,215	--
Service cars and equipment	3,351,167	587,520	--	3,938,687	3,184,170	229,259	--	3,413,429	525,258
Shops and garage equipment	4,317,189	--	--	4,317,189	3,719,241	159,156	--	3,878,397	438,792
Furniture and office equipment	1,429,315	--	993	1,428,322	1,409,153	10,113	300	1,418,966	9,356
Miscellaneous equipment	9,083,925	630	--	9,084,555	7,194,345	513,515	--	7,707,860	1,376,695
Management information system	17,473,647	41,840	32,917	17,482,570	15,405,094	673,436	32,254	16,046,276	1,436,294
Security equipment	2,185,735	--	95,306	2,090,429	1,480,463	130,078	--	1,610,541	479,888
Paratransit vans	10,968,752	759,042	--	11,727,794	7,792,062	1,338,175	95,306	9,034,931	2,692,863
Right-of-use subscription assets	1,093,981	--	--	1,093,981	218,778	218,868	--	437,646	656,335
Total capital assets	\$ 324,385,852	\$ 31,687,351	\$ 7,525,491	\$ 348,547,712	\$ 203,352,496	\$ 16,517,454	\$ 7,306,869	\$ 212,781,859	\$ 135,765,853
Federal grant projects in process	43,264,358	19,840,135	--	63,104,493	--	--	--	--	63,104,493
Total tangible property	\$ 367,650,210	\$ 51,527,486	\$ 7,525,491	\$ 411,652,205	\$ 203,352,496	\$ 16,517,454	\$ 7,306,869	\$ 212,781,859	\$ 198,870,346

See independent auditors' report on supplementary information.
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RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2024

Administration:

Salaries	\$ 1,321,774
Fringes	665,598
Legal	138,038
Supplies	33,950
Other services	369,744
Travel	19,610
Total administration	<u>2,548,714</u>

Finance:

Salaries	\$ 648,414
Fringes	305,323
Office expense/supplies	378,802
Utilities	1,909,416
Other services	75,351
Retiree health	2,172,375
Travel	30,631
Total finance	<u>5,520,312</u>

Operations:

Wages - drivers	\$ 36,520,790
Wages - other	14,871,883
Fringe benefits	25,873,846
Other services	320,921
Supplies	4,853
Fuel	5,312,718
Antifreeze and lubricants	78,491
Vehicle/Building Parts	5,972,918
Ticket/passes	21,905
Maintenance agreement	372,866
Tires and tubes	594,751
Total operations	<u>89,945,942</u>

Marketing:

Salaries	\$ 236,724
Fringes	116,569
Advertising	70,385
Services	611,885
Supplies	150,987
Printing	7,175
Travel	438
Total marketing	<u>1,194,163</u>

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2024

<i>Human resources:</i>	
Salaries	\$ 670,163
Fringes	290,973
Supplies	126,671
Miscellaneous	90,602
<i>Total human resources</i>	<u>1,178,409</u>
<i>Administrative Services:</i>	
Salaries	\$ 1,144,305
Fringes	689,825
Supplies	55,208
Travel	2,762
Maintenance Agreement	400
Professional Services	373,643
<i>Total administrative services</i>	<u>2,266,143</u>
<i>Risk management:</i>	
Salaries	\$ 91,859
Fringes	39,196
Office expense/supplies	2,593
Insurance	1,626,243
Settlements	4,238,134
Workers' compensation medical	229,570
Workers' compensation	(391,597)
Legal	259,576
Miscellaneous	4,386
<i>Total risk management</i>	<u>6,099,960</u>
<i>Planning and Scheduling:</i>	
Salaries	\$ 1,571,958
Fringes	787,362
Professional services	834,622
Travel	13,033
Vanpool Purchased Services	235,344
Office expense/supplies	69,917
<i>Total planning and scheduling</i>	<u>3,512,236</u>

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2024

Specialized transportation:

Salaries	\$ 848,922
Fringe	554,617
Utilities	82,982
<i>Total specialized transportation</i>	<u>1,486,521</u>

Paratransit operations:

Salaries	\$ 5,983,510
Fuel	212,426
Fringe	6,796,473
Supplies	5,951
Casualty and Liability Costs	665,852
Tax ride providers	1,859,446
Travel	50,375
Miscellaneous	13,826
<i>Total paratransit</i>	<u>15,587,859</u>

Purchasing:

Salaries	\$ 1,206,242
Fringe	602,130
Supplies	8,392
Travel	22
Maintenance Agreements	101,923
Other services	202,442
<i>Total purchasing</i>	<u>2,121,151</u>

MIS:

Salaries	\$ 1,004,673
Fringes	555,468
Services	638,843
Maintenance agreements	362,546
Supplies	87,550
Travel	3,210
<i>Total MIS</i>	<u>2,652,290</u>

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2024

Centralized Maintenance:

Salaries	\$ 1,266,040
Fringes	704,761
Services	26,251
Taxes/Registration	8,549
Lubricants	4,012
Repair parts	<u>788,577</u>
<i>Total Centralized Maintenance</i>	<u>2,798,190</u>

State of Rhode Island - DOT:

Salaries	\$ 189,435
Fringes	95,566
Repair parts	44,762
Insurance	<u>26,220</u>
<i>Total State of Rhode Island - DOT</i>	<u>355,983</u>

Depreciation:

Shops, garages and office buildings	\$ 3,065,449
Communication system	24,877
Revenue equipment	8,576,807
Electric bus	1,576,392
Service cars and equipment	229,259
Shop and garage equipment	159,156
Furniture and office equipment	10,113
Trolleys	-
Miscellaneous equipment	513,515
Tunnel improvements	1,329
MIS equipment	673,436
Security equipment	130,078
Paratransit vans	1,338,175
Right-of-use subscription assets	<u>218,868</u>
<i>Total depreciation</i>	<u>16,517,454</u>

TOTAL OPERATING EXPENSES **\$ 153,785,327**

See independent auditors' report on supplementary information.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2024

	Fund 01	Fund 02	Total
Operating Revenues			
Passenger	\$ 16,825,071	\$ --	\$ 16,825,071
Paratransit	--	450,375	450,375
Rental	76,258	--	76,258
Advertising	1,064,695	--	1,064,695
RIDE	--	1,999,623	1,999,623
Other	3,184,770	--	3,184,770
	<u>21,150,794</u>	<u>2,449,998</u>	<u>23,600,792</u>
Total Operating Revenues			
Operating Expenses			
Administration	2,548,714	--	2,548,714
Finance	5,520,312	--	5,520,312
Operations	89,945,942	--	89,945,942
Marketing	1,194,163	--	1,194,163
Human resources	1,178,409	--	1,178,409
Administrative services	2,266,143	--	2,266,143
Risk management	6,099,960	--	6,099,960
Planning and scheduling	3,512,236	--	3,512,236
Specialized transportation	1,486,521	--	1,486,521
Paratransit operations	--	15,587,859	15,587,859
Purchasing	2,121,151	--	2,121,151
Information technology	2,652,290	--	2,652,290
Centralized maintenance	2,798,190	--	2,798,190
State of Rhode Island - DOT & RITBA	355,983	--	355,983
Depreciation	16,517,454	--	16,517,454
	<u>138,197,468</u>	<u>15,587,859</u>	<u>153,785,327</u>
Total Operating Expenses			
Operating loss	(117,046,674)	(13,137,861)	(130,184,535)
Nonoperating revenues (expenses)			
State of RI gas tax	43,884,283	--	43,884,283
State of RI - DEA gas tax	3,125,281	--	3,125,281
Operating grants	64,564,097	--	64,564,097
Investment income	668,313	--	668,313
Interest expense	(311,933)	--	(311,933)
	<u>111,930,041</u>	<u>--</u>	<u>111,930,041</u>
Total nonoperating revenues (expenses)			
Income (Loss) before capital contribution	(5,116,633)	(13,137,861)	(18,254,494)
Capital contributions	43,751,249	--	43,751,249
Changes in Net Position	<u>\$ 38,634,616</u>	<u>\$ (13,137,861)</u>	<u>\$ 25,496,755</u>

See independent auditors' report on supplementary information.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
Indirect Programs:				
<i>Federal Transit Cluster</i>				
Capital Investment Grants	20.500	RI-04-0010	\$ --	\$ 686,547
			--	686,547
Formula Grants	20.507	RI-2017-001	--	7,407
Formula Grants	20.507	RI-2017-007	--	--
Formula Grants	20.507	RI-2018-002	--	832,359
Formula Grants	20.507	RI-2018-006	--	72,105
Formula Grants	20.507	RI-2019-005	--	(2,048)
Formula Grants	20.507	RI-2019-009	--	319,002
Formula Grants	20.507	RI-2020-001	--	18,386
Formula Grants	20.507	RI-2020-003	--	5,097,287
Formula Grants	20.507	RI-2020-012	--	75,534
COVID-19 - Formula Grants	20.507	RI-2021-001	--	5,097,367
Formula Grants	20.507	RI-2021-003	--	54,349
COVID-19 - Formula Grants	20.507	RI-2022-001	--	990,000
COVID-19 - Formula Grants	20.507	RI-2022-005	--	19,427,340
Formula Grants	20.507	RI-2022-006	--	2,745,581
Formula Grants	20.507	RI-2022-008	--	233,884
Formula Grants	20.507	RI-90-X062	--	15,159
Formula Grants	20.507	RI-90-X064	--	267,236
Formula Grants	20.507	RI-2021-009	--	14,644,178
Formula Grants	20.507	RI-2023-002	--	23,167,310
Formula Grants	20.507	RI-2023-006	--	3,010,864
Formula Grants	20.507	RI-2024-003	--	1,152,450
			--	77,225,750
State of Good Repair Grants Program	20.525	RI-2021-005	--	45,626
			--	45,626
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2019-006	--	388,534
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2021-004	--	2,888,441
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2021-006	--	4,964,599
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2021-007	--	2,915,819
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2022-002	--	190,848
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2023-004	--	1,089,721
Bus and Bus Facilities Formula & Discretionary Programs	20.526	RI-2024-001	--	3,472
			--	12,441,434
<i>Total Federal Transit Cluster</i>			--	90,399,357
<i>Transit Services Cluster</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	RI-2023-003	--	46,116
<i>Total Transit Services Cluster</i>			--	46,116
Formula Grants for Rural Areas	20.509	RI-2022-004	--	2,795
			--	2,795
Public Transportation Emergency Relief Program	20.527	RI-44-X002	--	1,980
			--	1,980
National Infrastructure Investments	20.933	RI-2023-005	--	59,161
			--	59,161
Total U.S. Department of Transportation			--	90,509,409
Total Schedule of Expenditures of Federal Awards			\$ --	\$ 90,509,409

See notes to the schedule of expenditures of federal awards.

STATISTICAL SECTION

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
CAPITAL ASSETS – LAST TEN YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	Restated 2021	2022	2023	2024
Shops, garages, and office buildings	\$ 102,574,379	\$ 102,617,799	\$ 102,736,447	\$ 102,919,686	\$103,061,768	\$103,081,819	\$103,119,769	\$103,202,185	\$103,202,185	\$103,202,185
Tunnels	1,572,845	1,592,774	1,592,774	1,592,774	1,592,774	1,592,774	1,592,774	1,592,774	1,592,774	1,592,774
Communication system	9,833,939	9,879,043	10,102,806	10,144,556	10,173,719	10,173,719	10,173,719	10,173,719	10,173,719	10,173,719
Revenue equipment-buses	87,310,100	97,026,222	102,842,291	101,473,744	100,540,667	114,883,147	122,780,482	114,060,809	135,224,724	150,618,911
Revenue equipment- electric buses	-	-	-	-	-	-	3,431,252	4,503,803	10,724,600	18,232,457
Trolleys	6,931,795	6,931,795	6,931,795	6,931,795	6,931,795	6,931,795	6,931,795	6,931,795	6,931,795	6,931,795
Fare boxes	4,008,100	4,008,100	4,006,215	4,006,215	4,006,215	4,006,215	4,006,215	4,006,215	4,006,215	4,006,215
Service cars and equipment	2,670,965	2,806,758	2,914,020	3,119,069	3,274,509	3,183,761	3,183,761	3,426,437	3,351,167	3,938,687
Shops and garage equipment	2,447,064	2,503,026	3,705,940	3,751,113	3,730,053	3,730,053	3,934,057	4,160,813	4,317,189	4,317,189
Furniture and office equipment	1,541,323	1,547,393	1,505,375	1,492,270	1,567,543	1,565,288	1,534,822	1,423,740	1,429,315	1,428,322
Miscellaneous equipment	5,893,303	8,885,885	8,757,315	8,803,914	9,204,763	9,218,182	9,064,445	9,074,635	9,083,925	9,084,555
Management information systems	7,645,051	7,723,562	13,181,994	13,530,539	14,098,319	15,712,086	16,791,401	16,755,222	17,473,647	17,482,570
Security Equipment	451,909	2,549,672	2,667,109	2,667,109	3,402,412	3,415,602	3,402,892	3,402,892	2,185,735	2,090,429
Leased Paratransit vans	9,623,660	11,175,152	9,295,522	8,544,552	8,322,925	9,795,812	9,116,519	8,144,003	10,968,752	11,727,794
Right-of-use subscription assets	-	-	-	-	-	-	-	-	1,093,981	1,093,981
Total capital assets being depreciated	242,504,433	259,247,181	270,239,603	268,977,336	269,907,462	287,290,253	299,063,903	290,859,042	\$321,759,723	\$345,921,583
Accumulated depreciation	(112,223,266)	(127,479,824)	(133,476,532)	(149,800,258)	(165,563,483)	(177,906,535)	(188,546,591)	(195,763,014)	(203,352,496)	(212,781,859)
Total capital assets being depreciated, net	130,281,167	131,767,357	136,763,071	119,177,078	104,343,979	109,383,718	110,517,312	95,096,028	118,407,227	133,139,724
Land	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,626,129	2,626,129	\$2,626,129	\$2,626,129
Federal grant projects in process	14,236,340	10,445,775	1,572,686	4,442,471	13,167,728	19,930,322	26,548,703	31,099,295	\$43,264,358	\$63,104,493
Total Invested in Capital Assets	\$ 146,663,431	\$ 144,359,056	\$ 140,481,681	\$ 125,765,473	\$ 119,657,631	\$ 131,459,964	\$ 139,692,144	\$ 128,821,452	\$ 164,297,714	\$ 198,870,346

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
CONDENSED SUMMARY OF NET POSITION – LAST TEN YEARS
(UNAUDITED)

	(1) 2015	2016	2017	(2) 2018	2019	2020	Revised 2021	(3) 2022	(4) 2023	2024
ASSETS:										
Capital Assets	\$ 146,663,431	\$ 144,359,056	\$ 140,481,681	\$ 125,765,373	\$ 119,657,631	\$ 131,459,964	\$ 139,692,144	\$ 128,821,455	\$ 164,297,714	\$ 198,870,346
Other Assets	18,575,871	17,953,980	20,987,335	27,424,305	33,157,090	33,058,653	37,150,773	36,424,230	39,361,716	66,792,443
Total Assets	165,239,302	162,313,036	161,469,016	153,189,678	152,814,721	164,518,617	176,842,917	165,242,685	203,659,430	265,662,789
Deferred outflow of resources										
Deferred pension amounts	14,904,214	16,445,594	27,033,223	20,473,796	17,705,942	20,634,479	22,487,173	15,593,880	47,494,639	24,025,039
Deferred other post employment benefits amount	-	-	-	806,647	1,956,236	2,099,481	4,150,130	3,197,122	2,981,668	6,288,368
Total deferred outflow of resources	14,904,214	16,445,594	27,033,223	21,280,443	19,662,178	22,733,960	26,637,303	18,791,002	50,476,307	30,313,407
LIABILITIES:										
Current Liabilities	13,391,812	13,699,287	18,498,396	25,074,554	29,925,123	29,215,796	18,421,294	18,854,601	18,715,444	49,765,803
Long-term Liabilities	122,614,165	132,376,378	148,414,133	157,071,303	161,575,525	166,315,009	170,314,968	133,181,326	171,825,473	176,407,779
Total Liabilities	136,005,977	146,075,665	166,912,529	182,142,857	191,500,648	195,530,805	188,736,262	152,035,927	190,540,917	226,173,582
Deferred inflows of resources										
Deferred lease amounts	-	-	-	-	-	-	-	137,071	274,336	205,534
Deferred pension amounts	5,096,214	4,266,339	516,768	1,384,369	1,637,044	1,179,384	903,239	20,271,878	14,977,353	54,359
Deferred other post employment benefits amount	-	-	-	610,773	2,658,992	7,154,331	8,411,295	17,159,884	18,348,898	14,051,733
Total deferred inflows of resources	5,096,214	4,266,339	516,768	1,995,142	4,296,036	8,333,715	9,314,534	37,568,833	33,600,587	14,311,626
NET POSITION:										
Restricted	-	-	-	-	2,667,167	4,880,314	4,054,674	3,231,085	9,279,150	159,736,061
Unrestricted Net Position(Deficit)	(93,584,150)	(102,295,430)	(106,411,740)	(123,372,351)	(134,467,583)	(142,857,221)	(126,322,012)	(129,598,577)	(134,557,457)	290,626
Investment in Capital Assets	132,625,475	130,712,056	127,484,682	113,704,473	108,480,631	121,364,964	127,696,762	120,796,419	155,272,540	(104,535,699)
Total Net Position	\$ 39,041,325	\$ 28,416,626	\$ 21,072,942	\$ (9,667,878)	\$ (23,319,785)	\$ (16,611,943)	\$ 5,429,424	\$ (5,571,073)	\$ 29,994,233	\$ 55,490,988

Source: RIPTA Annual Audited Financial Statements

Note:

- (1) - RIPTA implemented GASB Statements Nos. 68 and 71 in fiscal year 2015.
- (2) - RIPTA implemented GASB 75 in fiscal year 2018
- (3) - RIPTA implemented GASB 87 in fiscal year 2022
- (4) - RIPTA implemented GASB 96 in fiscal year 2023

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
CHANGES IN NET POSITION – LAST TEN YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues:										
Passenger Revenues	\$ 19,076,441	\$ 18,289,032	\$ 19,795,824	\$ 19,723,997	\$ 18,477,718	\$ 15,447,234	\$ 9,724,164	\$ 13,502,973	\$ 14,408,024	\$ 16,825,071
Other Revenues	5,511,767	4,402,949	3,629,662	3,524,921	6,339,359	6,948,811	8,609,457	4,370,361	12,350,871	6,775,721
Total Operating Revenues	24,588,208	22,691,981	23,425,486	23,248,918	24,817,077	22,396,045	18,333,621	17,873,334	26,758,895	23,600,792
Operating Expenses	102,863,774	104,190,753	108,678,976	113,760,957	117,540,767	121,250,282	115,279,540	111,469,444	133,012,238	137,267,873
Depreciation Expense/Amortization	15,587,461	16,299,930	18,041,344	18,489,888	17,194,709	17,342,500	18,041,998	16,768,448	15,378,581	16,517,454
Operating Loss	(93,863,027)	(97,798,702)	(103,294,834)	(109,001,977)	(109,918,399)	(116,196,737)	(114,987,917)	(110,364,558)	(121,631,924)	(130,184,535)
Non-operating Revenues (Expenses):										
Transfer from State	42,960,321	44,068,106	42,560,051	43,731,401	47,498,853	40,272,927	39,681,075	41,786,019	42,180,446	43,884,283
Grants	20,410,146	28,493,367	33,001,483	36,534,138	35,508,410	51,639,731	71,626,536	49,568,171	71,788,851	64,564,097
Investment Income	44,129	18,033	(2,568)	12,997	177,829	187,677	(1,138)	(108,896)	255,755	668,313
Contract Revenue	3,466,651	3,540,723	3,497,504	3,548,198	3,843,772	3,280,543	3,223,620	3,393,405	3,104,933	3,125,281
Other Non-operating Revenue	-	353,956	111,000	-	-	-	-	-	-	-
Loss on disposal of assets	(2,672)	(238)	(823,819)	(138)	(113)	(156,516)	-	-	-	-
Forgiveness of Debt	1,035,898	37,000	539,000	-	-	-	-	-	-	-
Interest Expense	-	-	-	(546,725)	(537,500)	(491,775)	(422,791)	(402,469)	(348,827)	(311,933)
Total Non-operating Revenues (Expenses)	67,914,473	76,510,947	78,882,651	83,279,871	86,491,251	94,732,587	114,107,302	94,236,230	116,981,158	111,930,041
Net Loss	(25,948,554)	(21,287,755)	(24,412,183)	(25,722,056)	(23,427,148)	(21,464,150)	(880,615)	(16,128,328)	(4,650,766)	(18,254,494)
Capital Contribution	3,381,020	13,136,348	14,595,207	3,453,334	9,775,141	28,171,992	19,919,636	6,102,807	40,216,072	43,751,249
Change in Net Position	\$ (22,567,534)	\$ (8,151,407)	\$ (9,816,976)	\$ (22,268,722)	\$ (13,652,007)	\$ 6,707,842	\$ 19,039,021	\$ (10,025,521)	\$ 35,565,306	\$ 25,496,755

Source: RIPTA Annual Audited Financial Statements

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
EXPENSES BY FUNCTION – LAST TEN YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	Restated 2021	2022	2023	2024
Operating Expenses										
Administration	\$ 1,209,899	\$ 1,149,167	\$ 1,558,473	\$ 2,264,339	\$ 2,799,237	\$ 1,760,850	\$ 1,926,250	\$ 2,155,623	\$ 2,821,694	\$ 2,548,714
Finance	4,755,930	5,568,007	8,339,077	9,427,830	5,601,198	6,448,011	6,156,826	6,312,255	8,184,087	5,520,312
Operations	68,978,501	71,289,003	71,737,547	71,688,314	76,077,749	77,949,126	81,660,177	74,907,580	85,727,553	89,945,942
Marketing	666,310	799,351	634,211	723,379	853,614	1,655,782	1,493,858	1,538,418	1,629,110	1,194,163
Human Resources	566,928	658,430	771,079	1,197,464	1,424,648	1,032,720	1,264,826	925,979	951,212	1,178,409
Administrative Services	1,311,504	1,527,983	1,819,654	2,154,885	2,654,071	1,697,789	1,865,579	1,533,709	1,878,583	2,266,143
Risk Management	5,330,045	4,259,693	4,104,665	5,416,527	5,077,213	7,891,002	1,198,524	4,092,762	6,084,690	6,099,960
Planning & Scheduling	1,706,164	1,995,991	2,502,750	2,899,135	2,670,281	2,046,251	2,811,393	3,021,710	3,255,502	3,512,236
Specialized Transportation	1,333,228	1,092,621	1,372,162	1,760,656	2,057,796	1,214,963	1,429,199	1,462,464	1,407,596	1,486,521
Paratransit Operations	8,966,234	8,303,185	8,770,659	8,589,823	9,586,345	11,129,141	8,796,762	9,564,465	13,734,431	15,587,859
Purchasing	1,567,070	1,642,969	1,719,532	1,816,357	2,117,947	1,509,650	1,752,568	1,593,414	1,897,974	2,121,151
Flex	-	-	-	-	-	-	-	-	-	-
MIS	1,149,734	1,282,531	1,780,480	2,221,627	2,534,358	3,154,634	2,575,121	2,197,220	2,714,150	2,652,290
RIDE	2,476,886	2,014,829	1,291,505	1,378,720	1,643,831	1,322,075	33,508	-	-	-
Centralized Transportation	2,091,705	1,918,155	1,814,095	1,752,245	1,984,264	1,935,697	1,872,234	1,824,396	2,396,693	2,798,190
**State of RI-DOT & RIBTA	753,636	688,838	463,087	469,656	458,215	502,591	442,715	339,449	328,963	355,983
Depreciation	15,587,461	16,299,930	18,041,344	18,489,888	17,194,709	17,342,500	18,041,998	16,768,448	15,378,581	16,517,454
Operating Expenses	118,451,235	120,490,683	126,720,320	132,250,845	134,735,476	138,592,782	133,321,538	128,237,892	148,390,819	153,785,327
Non-operating Expenses										
Debt Service	-	-	-	546,725	537,500	491,775	422,791	402,469	348,827	311,933
	-	-	-	546,725	537,500	491,775	422,791	402,469	348,827	311,933
Total Expenses	\$ 118,451,235	\$ 120,490,683	\$ 126,720,320	\$ 132,797,570	\$ 135,272,976	\$ 139,084,557	\$ 133,744,329	\$ 128,640,361	\$ 148,739,646	\$ 154,097,260

Source: RIPTA Annual Audited Financial Statements
RI Bridge and Turnpike Authority added FY 2017

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

REVENUES BY SOURCE – LAST TEN YEARS (UNAUDITED)

Operating Revenues	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Passenger Fares	\$ 19,076,441	\$ 18,289,032	\$ 19,795,824	\$ 19,723,997	\$ 18,477,718	\$ 15,447,234	\$ 9,724,164	\$ 13,502,973	\$ 14,408,024	\$ 16,825,071
Paratransit	1,140,886	1,082,260	1,130,267	404,749	412,368	358,858	263,599	366,124	447,161	450,375
Rental	174,423	165,879	150,691	124,166	112,181	113,470	114,861	115,021	102,171	76,258
Advertising	676,607	517,792	521,717	555,301	525,000	630,906	788,172	835,503	850,312	1,064,695
RIDE	2,282,146	1,372,101	759,454	1,338,646	1,392,115	1,299,569	244,007	595,940	823,670	1,999,623
Other	1,237,705	1,264,917	1,067,533	1,102,059	3,897,695	4,546,008	7,198,818	2,457,773	10,127,557	3,184,770
Total operating revenues	24,588,208	22,691,981	23,425,486	23,248,918	24,817,077	22,396,045	18,333,621	17,873,334	26,758,895	23,600,792
Non-operating Revenues										
Transfers From State	42,960,321	44,068,106	42,560,051	43,731,401	47,498,853	40,272,927	39,681,075	41,786,019	42,325,508	43,884,283
Federal and State Grants	20,410,146	28,493,367	33,001,483	36,534,138	35,508,410	51,639,731	71,626,536	49,568,171	71,788,851	64,564,097
Investment Income (Loss)	44,129	18,033	(2,568)	12,997	177,829	187,677	(1,138)	(108,896)	255,755	668,313
Contract Revenue	3,466,651	3,540,723	3,497,504	3,548,198	3,843,772	3,280,543	3,223,620	3,393,405	3,104,933	3,125,281
Debt Forgiveness	1,035,898	37,000	539,000	-	-	-	-	-	-	-
Other non-operating revenue	-	353,956	111,000	-	-	-	-	-	-	-
Loss on disposal of Assets	(2,672)	(238)	(823,819)	(138)	(113)	(156,516)	-	-	-	-
Total non-operating revenues	67,914,473	76,510,947	78,882,651	83,826,596	87,028,751	95,224,362	114,530,093	94,638,699	117,475,047	112,241,974
Total Revenues	\$ 92,502,681	\$ 99,202,928	\$ 102,308,137	\$ 107,075,514	\$ 111,845,828	\$ 117,620,407	\$ 132,863,714	\$ 112,512,033	\$ 144,233,942	\$ 135,842,766

Source: RIPTA Annual Audited Financial Statements

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

RATIOS OF OUTSTANDING DEBT BY TYPE – LAST TEN YEARS (UNAUDITED)

Year	Due To		Population(1)	Personal Income(2)	Percentage of Personal Income	Debt per Capita
	Primary Govt					
2015	12,990,000		1,056,420	52,905	0.0232%	12.30
2016	13,647,000		1,056,426	54,486	0.0237%	12.92
2017	12,997,000		1,059,639	54,575	0.0225%	12.27
2018	12,061,000		1,057,315	57,648	0.0198%	11.41
2019	11,177,000		1,059,361	59,898	0.0176%	10.55
2020	10,095,000		1,057,125	64,313	0.0148%	9.55
2021	8,993,036		1,095,610	67,865	0.0121%	8.21
2022	8,025,036		1,093,734	74,489	0.0099%	7.34
2023	7,950,183		1,095,962	91,370	0.0079%	7.25
2024	6,900,215		N/A	N/A	N/A	N/A

(1) Source United States Census Bureau

(2) Source Rhode Island Department of Commerce

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
DEMOGRAPHIC AND ECONOMIC INFORMATION – LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Population(1)	Personal Income(4)	Per Capita Income(4)	Labor Force(2)	School Enrollment(3)	Unemployment Rate(2)
2015	1,056,420	52,905	50,080	554,699	142,014	5.95%
2016	1,056,426	54,486	51,576	523,100	142,142	5.50%
2017	1,059,639	54,575	51,503	533,300	142,949	4.20%
2018	1,057,315	57,648	54,523	536,800	143,436	4.30%
2019	1,059,361	59,899	56,542	554,515	143,557	3.60%
2020	1,057,125	64,313	60,837	513,000	139,184	10.90%
2021	1,095,610	67,865	61,942	538,500	138,566	6.20%
2022	1,093,734	74,489	N/A	572,107	137,452	3.20%
2023	1,095,962	81,370	N/A	570,309	136,154	2.80%
2024	N/A	N/A	N/A	592,109	N/A	4.50%

(1) Source United States Census Bureau (American Community Survey)

(2) Source Rhode Island Department of Labor and Training

(3) Source Rhode Island Department of Education

(4) Source Rhode Island Department of Commerce

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
FARE STRUCTURE – LAST TEN YEARS
(UNAUDITED)

Fare Products	2015	*2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash										
Cash-Full Fare	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Cash-Half Fare	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Passes										
Monthly Passes	\$ 62.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00
1 Day Pass	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
7 Day Pass	\$ 23.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
10 Ride Pass	\$ -	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
15 Ride Pass	\$ 26.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RIPTIKS										
RIPTIKS(Book of 10)	\$ 20.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transfers										
Cash-Transfer	\$ 0.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Cash Half Fare Transfer	\$ 0.25	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Reloadable Card										
Wave Card										

* All Price Increases went into affect as of March 1, 2016
The wave card is a reloadable smart card or and app on your phone, where passengers can load anywhere from \$5.00 to \$250.00 on a card to use on RIPTA fixed route buses.

RHODE ISLAND AND PUBLIC TRANSIT AUTHORITY
TRANSIT SERVICE AND OPERATIONAL STATISTICS – LAST TEN YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	Restated 2021	2022	2023	2024
PASSENGERS(RIDERSHIP)										
BUS	18,074,137	17,813,105	16,239,062	16,339,054	16,029,388	13,085,755	7,712,509	9,367,431	11,040,120	12,754,910
DEMAND RESPONSE	402,751	373,629	332,759	360,436	332,010	268,730	177,925	233,049	249,690	288,464
	<u>18,476,888</u>	<u>18,186,734</u>	<u>16,571,821</u>	<u>16,699,490</u>	<u>16,361,398</u>	<u>13,354,485</u>	<u>7,890,434</u>	<u>9,600,480</u>	<u>11,289,810</u>	<u>13,043,374</u>
REVENUE MILES										
BUS	8,483,016	8,546,906	8,555,359	8,872,782	8,922,598	9,233,869	9,366,604	9,627,384	9,507,638	9,216,272
DEMAND RESPONSE	3,164,569	2,975,367	2,772,570	2,768,659	2,424,533	2,119,177	1,834,505	2,238,938	2,398,891	2,971,485
	<u>11,647,585</u>	<u>11,522,273</u>	<u>11,327,929</u>	<u>11,641,441</u>	<u>11,347,131</u>	<u>11,353,046</u>	<u>11,201,109</u>	<u>11,866,322</u>	<u>11,906,529</u>	<u>12,187,757</u>
REVENUE HOURS										
BUS	658,848	673,409	672,788	678,861	671,155	697,552	721,992	741,612	610,737	538,620
DEMAND RESPONSE	220,473	179,245	167,075	162,988	150,720	132,659	109,776	128,104	135,992	141,397
	<u>879,321</u>	<u>852,654</u>	<u>839,863</u>	<u>841,849</u>	<u>821,875</u>	<u>830,211</u>	<u>831,768</u>	<u>869,716</u>	<u>746,729</u>	<u>680,017</u>
PASSENGER PER REVENUE MILE										
BUS	2.13	2.08	1.90	1.84	1.80	1.42	0.82	0.97	1.16	1.38
DEMAND RESPONSE	0.13	0.13	0.12	0.13	0.14	0.13	0.10	0.10	0.10	0.10
	<u>1.59</u>	<u>1.58</u>	<u>1.46</u>	<u>1.43</u>	<u>1.44</u>	<u>1.18</u>	<u>0.70</u>	<u>0.81</u>	<u>0.95</u>	<u>1.07</u>
PASSENGER PER REVENUE HOUR										
BUS	27.43	26.45	24.14	24.07	23.88	18.76	10.68	12.63	18.08	23.68
DEMAND RESPONSE	1.83	2.08	1.99	2.21	2.20	2.03	1.62	1.82	1.84	2.04
	<u>21.01</u>	<u>21.33</u>	<u>19.73</u>	<u>19.84</u>	<u>19.91</u>	<u>16.09</u>	<u>9.49</u>	<u>11.04</u>	<u>15.12</u>	<u>19.18</u>
Operating Expenses**	<u>\$ 102,863,774</u>	<u>\$ 104,190,753</u>	<u>\$ 108,678,976</u>	<u>\$ 113,760,957</u>	<u>\$ 117,540,767</u>	<u>\$ 121,250,282</u>	<u>\$ 115,279,540</u>	<u>\$ 111,469,444</u>	<u>\$ 133,012,238</u>	<u>\$ 137,267,873</u>
Operating expenses per mile	\$ 8.83	\$ 9.04	\$ 9.59	\$ 9.77	\$ 10.36	\$ 10.68	\$ 10.29	\$ 9.39	\$ 11.17	\$ 11.08
Operating expenses per hour	\$ 116.98	\$ 122.20	\$ 129.40	\$ 135.13	\$ 143.02	\$ 146.05	\$ 138.60	\$ 128.17	\$ 178.13	\$ 198.67
Operating expenses per passenger	\$ 5.57	\$ 5.73	\$ 6.56	\$ 6.81	\$ 7.18	\$ 9.08	\$ 14.61	\$ 11.61	\$ 11.78	\$ 10.35
Peak Fleet Request										
BUS	196	195	194	201	196	203	203	199	192	177
DEMAND RESPONSE	101	104	91	90	80	80	85	76	76	63
Total Active Fleet										
BUS	230	249	243	237	232	247	254	254	233	233
DEMAND RESPONSE	122	126	96	94	92	102	98	102	68	68
Number of Employees										
BUS	641	638	655	665	666	683	693	688	680	683
DEMAND RESPONSE	153	138	132	137	141	121	111	121	120	111

** Operating expenses does not include depreciation, interest expense and non operating expenses.

Source: National Transit Database

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

TOP TEN RHODE ISLAND EMPLOYERS (UNAUDITED)

		2024			2015		
Rank	Name of Company	Employees	% of Total Employment	Rank	Name of Company	Employees	% of Total Employment
1	Lifespan Corp	14,293	14.90%	1	Rhode Island	13,900	20.74%
2	Rhode Island	13,834	14.42%	2	Lifespan	11,559	17.30%
3	CVS Health Corp	8,600	8.97%	3	Care New England	6,350	12.04%
4	Care New England Health System	6,178	6.44%	4	CVS Caremark, Corp	7,000	10.45%
5	Providence	5,357	5.59%	5	Providence	5,815	8.69%
6	General Dynamics Electric Boat	5,200	5.42%	6	Royal Bank of Scotland(Citizens Bank)	5,250	7.84%
7	Brown University	5,166	5.39%	7	Brown University	4,326	6.46%
8	Citizens Financial Group	4,300	4.48%	8	Stop & Shop Supermarkets	3,880	5.80%
9	Naval Undersea Warfare Center	3,576	3.73%	9	Fidelity Investments	3,750	5.60%
10	Fidelity Investments	3,200	3.34%	10	Electric Boat	3,400	5.08%

Source: 2015 Providence Business News

Source: 2024 Providence Business News

**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***

To the Board of Directors
Rhode Island Public Transit Authority

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Rhode Island Public Transit Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Rhode Island Public Transit Authority's basic financial statements, and have issued our report thereon dated October 1, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rhode Island Public Transit Authority's internal control over financial reporting (internal control) as a basis for designing 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 Rhode Island Public Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rhode Island Public 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We

identified deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rhode Island Public 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Rhode Island Public Transit Authority Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Rhode Island Public Transit Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Rhode Island Public Transit Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Marcum LLP

Providence, RI
October 1, 2024

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2024

CURRENT YEAR FINDINGS:

SIGNIFICANT DEFICIENCIES

2024-001 FARE REVENUES

Criteria

The Rhode Island Public Transit Authority should reconcile the daily farebox report and GFI Software daily summary report, as well as deposits to the related documentation.

Condition

During our current year testing of fare revenue policies and procedures, we noted all the days selected had variances (some immaterial and some more than 1% of revenue) between the daily farebox report and GFI daily summary report. We also noted immaterial variances between deposits and the related documentation and discrepancies in the coin deposits to the bank.

Cause

The Authority's internal control did not have adequate policies or procedures in place to ensure the reconciliation of records timely and reviewing reporting from GFI system in comparison to deposits to correct these variances going forward.

Effect

Daily reconciliations with the farebox reports and the GFI daily summary are consistently showing variances which, if not corrected going forward, could result in material variances.

Prior Year Finding

Yes

Recommendation

We recommend that the Authority enhance internal control policies and procedures to correct this process going forward.

View of Responsible Officials and Planned Corrective Actions

The variance is related to challenges with the existing technology used for cash collection. This system has exceeded its useful life and the Authority is actively exploring alternate options for cash collection and vaulting. More accurate information is one of the key objectives of this effort.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2023

PRIOR YEAR FINDINGS:

SIGNIFICANT DEFICIENCIES

2023-001 FARE REVENUES

Condition

During our prior year testing of fare revenue policies and procedures, we noted all the days selected had variances (some immaterial and some more than 1% of revenue) between the daily farebox report and GFI daily summary report. We also noted immaterial variances between deposits and the related documentation and discrepancies in the coin deposits to the bank in the prior year.

Current Status

Repeated 2024-001

2023-002 CASH RECONCILIATIONS

Condition

In the prior year, during the performance of our audit procedures on the Authority's cash reconciliations, we noted that the operating cash account had a continuing variance between the reconciliation and the general ledger for all of fiscal year 2023.

Current Status

Remediated