

C omprehensive Annual Financial Report FOR THE FISCAL YEAR ENDED JUNE 30, 2020



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)**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ending June 30, 2020

Prepared by: Department of Finance
Christopher Durand, Acting Executive Director of Finance and Budget
Paul DiIorio, Director of Accounting

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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***RHODE ISLAND PUBLIC TRANSIT AUTHORITY
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***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020***

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INTRODUCTORY SECTION



October 6, 2020

To the Chairman and the Members of the Board of Directors

Rhode Island Public Transit Authority:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the RI Public Transit Authority (RIPTA) for the fiscal year ended June 30, 2020. 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, 2020.

RIPTA's Finance Department staff following guidelines set forth by the Governmental Accounting Standards Board (GASB) prepared the Comprehensive Annual Financial Report (CAFR). 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 Bacon & Company CPAs, LLC have issued an unmodified opinion and RIPTA's financial statements for the fiscal year ended June 30, 2020, 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 in the Financial Section of this Report.

Organization and Management

RIPTA is a non-profit public corporation created by the State of Rhode Island and Providence Plantations 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.

An eight member Board of Directors establishes RIPTA policy, providing strategic direction and exercising fiscal oversight. Seven 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 in an ex-officio role.

Economic Environment

The RI Department of Labor and Training is reporting that the state's unemployment rate is up 8.8 percent from last June's figure of 3.6 percent to 12.4 percent. The national rate was 11.7 percent.

Information from the May 2020 Rhode Island Revenue Estimating Conference, the Department of Labor and Training reports as of March 2020, which began to show the first impacts from the pandemic, where payroll lost over 5,000 jobs and the unemployment rate increased from 3.4 percent in February to 4.6 percent in March. They also noted that though the middle of April, unemployment claims had surged past 100,000.

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 September 2019, the RIPTA Board of Directors approved an operating budget with a projected surplus of \$53,508 (excluding any funding of Other Post-Employment Benefits beyond Pay-As-You-Go). This budget is currently being revised in light of the financial impact of the COVID-19 pandemic. The Authority is funded primarily by state gasoline tax revenue, passenger revenues, and federal funds. As a result of the pandemic gas tax revenue and passenger revenue are expected to be substantially down from prior years. Management continues to review all estimated expenditure activity to determine only those expenditures that are of a critical nature. During the legislative session of 2014, a transportation infrastructure fund was established. In FY 2021, proceeds will approximate \$4.6 million and FY 2022 \$4.8 million will be received from the new revenue source. In addition, Highway State Maintenance Fund Revenues we will continue to receive \$5.0 million for Senior/Disabled fares and provide payment for the debt service in 2021 and future years.

Major Capital Initiatives

RIPTA's FY 2021 Capital Budget includes \$48.5 million in capital expenditures. As the state continues to determine funding availability for capital projects in light of significant budget shortfalls, the capital budget process has been delayed. The capital budget should be brought before the board for consideration in the September 2020 Board of Directors meeting. Expenditures on these projects are necessary to maintain the integrity of RIPTA's infrastructure, and to take advantage of technological advances.

The largest project is the ongoing replacement of fixed route buses and paratransit vehicles. During fiscal year 2021, RIPTA will replace 24 fixed route buses, 10 Flex vehicles, and 25 paratransit vehicles at an estimated cost of \$18.9 million. Furthermore, RIPTA is undertaking significant improvements to the Chafee Heavy Maintenance facility at an approximate cost of \$6.6 million. Work will also be wrapping up on the Downtown Transit Connector and Pawtucket/Central Falls bus hub at an estimated cost of \$11.1 million.

Other major initiatives include the construction of bus facilities at CCRI's Knight/Warwick Campus, and URI's Kingston campus as the result of a recent FTA discretionary award, and the delivery of 17 electric buses in FY 2022.

Funding of the CIP

In FY 2021, RIPTA plans to fund the capital program with \$35.2 million in Federal Transit Administration funds, and match to these projects will come from \$5.2 million in various RIPTA sources, \$5.4 million in local sources, and \$2.7 million in state sources.

Awards

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for the Excellence in Financial Reporting to RIPTA for its 2019 annual report. This was the eighth 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 comprehensive annual 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 comprehensive annual 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 comprehensive annual 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,

Scott Avedisian
Chief Executive Officer

Paul Dilorio
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Rhode Island Public Transit Authority

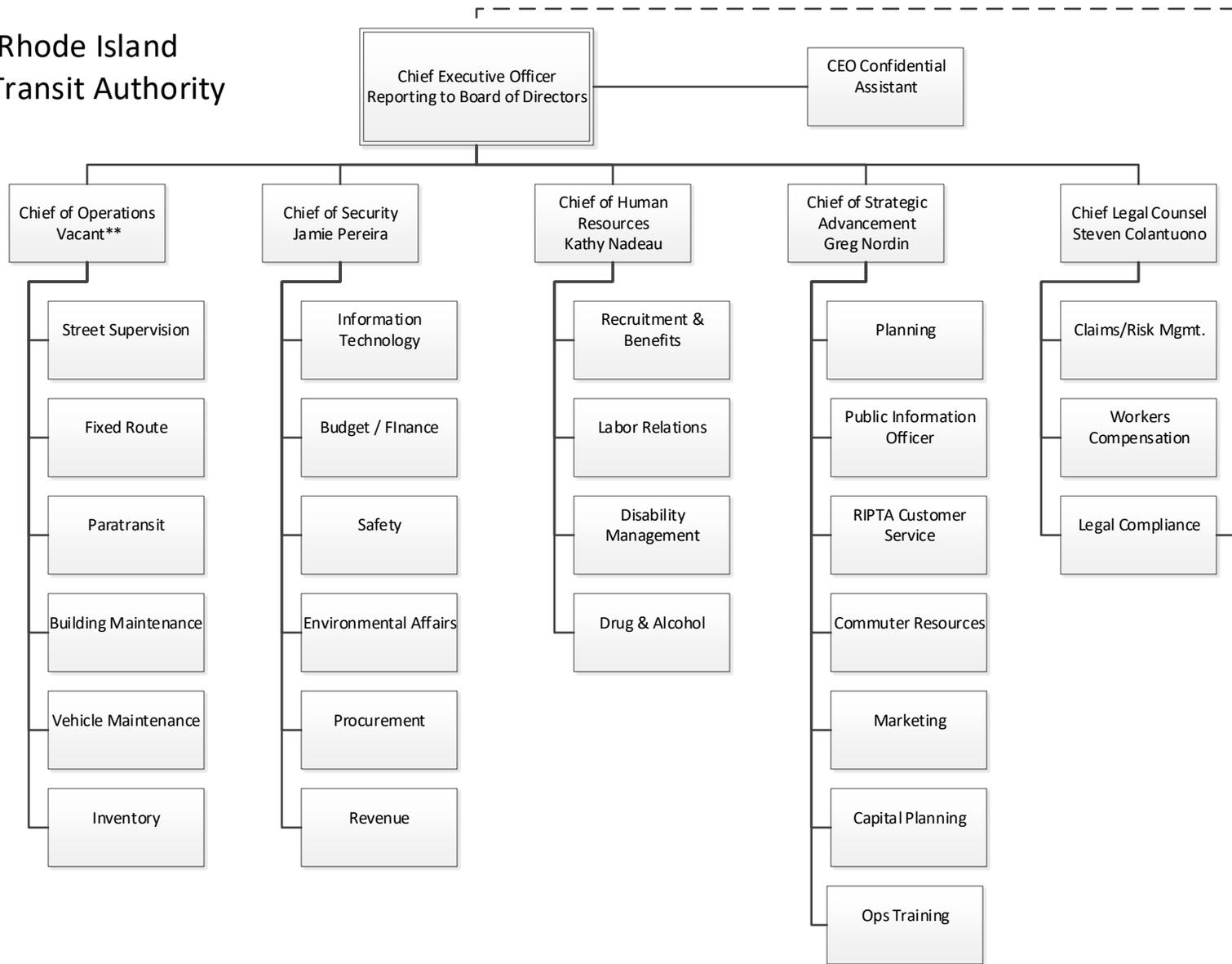
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

The Rhode Island Public Transit Authority



** The Chief of Operations (CoO) position is currently vacant, and all departments under the CoO temporarily report to the Chief of Security

2020 05 26

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

***Principal Officials
June 30, 2020***

Chief Executive Officer

Scott Avedisian

Finance Department

Christopher Durand, Acting Executive Director of Finance and Budget
Paul DiIorio, Director of Accounting

Board of Directors

Normand Benoit – Chairman

Peter Alviti

Joshua H. Brumberger

Robert Kells

Maureen Martin

Stephanie Ogidan Preston

José Rosario

Michelle Wilcox

FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
(401) 586-6565 • Fax (401) 826-1710

Independent Auditor's Report

To the Board of Directors
Rhode Island Public Transit Authority
Providence, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the Rhode Island Public Transit Authority (the Authority), a component unit of the State of Rhode Island and Providence Plantations, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and supplementary pension and OPEB information on pages 11 through 16 and pages 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of net position, the schedule of activities, the schedule of changes in long-term liabilities, the schedule of tangible property, the schedule of operating expenses, the combining schedule of revenues, expenses and changes in net position, the schedule of travel and entertainment, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of net position, the schedule of activities, the schedule of changes in long-term liabilities, the schedule of tangible property, the schedule of operating expenses, the combining schedule of revenues, expenses and changes in net position, the schedule of travel and entertainment, and the schedule of expenditures of federal awards 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 schedule of net position, the schedule of activities, the schedule of changes in long-term liabilities, the schedule of tangible property, the schedule of operating expenses, the combining schedule of revenues, expenses and changes in net position, the schedule of travel and entertainment, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2020 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the Authority's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
October 6, 2020

RHODE ISLAND PUBLIC TRANSIT AUTHORITY **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2020. 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 and Providence Plantations (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 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 *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

Financial Highlights

- The Authority's operating, non-operating and State of RI gas tax revenues increased by 5.3 % or \$5.9 million during FY 2020 compared to FY 2019.
- Operating and non-operating expenses increased by 2.9% or \$4.0 million during FY 2020 as compared to FY 2019.
- Capital contributions increased \$18.4 million or 188.2% from the previous year. This increase was due to the Downtown Transit Connector (DTC), INIT Fare technology upgrade, and Hastus transportation management software projects.
- Capital assets increased by \$11.8 million or 9.9% from FY 2019.
- The Authority's total net position increased by \$6.7 million or 28.8 % from FY 2019.

Net Position

The following schedule presents the condensed Statement of Net Position for the fiscal years ended June 30, 2020 and 2019.

	<u>June 30,</u> 2020	<u>June 30,</u> 2019
Assets:		
Current assets	\$ 27,092,844	\$ 30,226,460
Capital assets (net)	131,459,964	119,657,631
Other non-current assets	5,965,809	2,930,630
TOTAL ASSETS	<u>164,518,617</u>	<u>152,814,721</u>
Deferred outflows of resources:		
Deferred pension amounts	20,634,479	17,705,942
Deferred other postemployment benefit amounts	2,099,481	1,956,236
	<u>22,733,960</u>	<u>19,662,178</u>
Liabilities:		
Current liabilities	29,215,796	29,925,123
Non-current liabilities	166,315,009	161,575,525
TOTAL LIABILITIES	<u>195,530,805</u>	<u>191,500,648</u>
Deferred inflows of resources:		
Deferred pension amounts	1,179,384	1,637,044
Deferred other postemployment benefit amounts	7,154,331	2,658,992
	<u>8,333,715</u>	<u>4,296,036</u>
Net position		
Restricted	4,880,314	2,667,167
Unrestricted net position (deficit)	(142,857,221)	(134,467,583)
Net Investment in capital assets	121,364,964	108,480,631
TOTAL NET POSITION	<u>\$ (16,611,943)</u>	<u>\$ (23,319,785)</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

The majority of the Authority's assets (80%) 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 while non-current liabilities include self-insured claims, a liability of \$71.3 million associated with implementing GASB #75, Other Post-employment, a liability of \$71.7 million associated with implementing GASB #68 and a Due to Primary Government of \$11.9 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 2020 can be found in Note 6, Long – Term Liabilities.

Authority Operations

The following schedule presents the condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2020 and 2019.

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Operating Revenue		
Ritecare program revenue	\$ 2,639,450	\$ 2,676,850
Passenger revenue	12,807,784	15,800,868
Rlde program revenue	1,299,569	1,392,115
Other operating revenues	5,649,242	4,947,244
Non-operating Revenue		
Grant revenue	51,639,731	35,508,410
State of RI - DEA gas tax	3,280,543	3,843,772
Other non-operating revenue	187,677	177,829
State of RI gas tax	40,272,927	47,498,853
Total Revenues	<u>117,776,923</u>	<u>111,845,941</u>
Operating Expenses		
Management and general	(29,733,727)	(29,434,194)
Operations and maintenance	(91,516,555)	(88,106,573)
Depreciation	(17,342,500)	(17,194,709)
Non-operating Expenses		
Debt service	(491,775)	(537,500)
Other non-operating expenses	(156,516)	(113)
Total Expenses	<u>(139,241,073)</u>	<u>(135,273,089)</u>
Net Income (Loss) before Capital Contributions	(21,464,150)	(23,427,148)
Capital Contributions	<u>28,171,992</u>	<u>9,775,141</u>
Change in Net Position	6,707,842	(13,652,007)
Total Net Position- Beginning	<u>(23,319,785)</u>	<u>(9,667,778)</u>
Total Net Position- Ending	<u>\$ (16,611,943)</u>	<u>\$ (23,319,785)</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Authority's operating revenue, non-operating revenue, State of RI gas tax and capital contributions total \$145,948,915. The revenue reported as operating revenue, non-operating revenue and State of RI gas tax increased 5.3% or \$5,930,982 over the prior year. This increase was the result of an increase in grant revenues. The Authority's operating and non-operating expenses total \$139,241,073. This reflects a increase of 2.9% or \$3,967,984 over the prior year. The increase was in operations and maintenance expenses.

Capital Assets

The following schedule summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2020 and 2019.

	2020	2019
Land, shops, garages and buildings	\$ 106,820,517	\$ 106,800,466
Revenue equipment	145,790,688	129,975,321
Service vehicles and garage equipment	6,913,814	7,004,562
Furniture and fixtures	10,783,470	10,772,306
Management information systems	15,712,086	14,098,319
Security Equipment	3,415,602	3,402,412
Federal grant projects in process	19,930,322	13,167,728
	<u>309,366,499</u>	<u>285,221,114</u>
Less accumulated depreciation	<u>(177,906,535)</u>	<u>(165,563,483)</u>
Net capital assets	<u>\$131,459,964</u>	<u>\$119,657,631</u>

At the end of fiscal year 2020, the Authority had \$131,459,964 invested in capital assets. This amount represents a increase of 9.9% or \$11,802,333 million from the prior year. A more detailed account of the capital asset activity for fiscal year 2020 can be found in Note 3, Property, Plant and Equipment.

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

- Continuation of the Downtown Transit Connector Project
- Continuation of the Fare Technology Upgrade
- Continuation of transportation software upgrade
- Continuation of the Fuel and Fluid Management System
- Purchase of 33 fixed Route buses and 25 Paratransit buses

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

During FY 2021, the RIPTA will replace 24 Fixed Route Buses, 10 Flex Vehicles, 25 Paratransit Vehicles and improvements to the Chafee Heavy Maintenance Facility.

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 2021 budget:

- Level of federal funds appropriated for operating and capital purposes. The current transportation authorization law, the FAST Act, was signed into law on December 4, 2015 and is set to expire on September 30, 2020. A new transportation authorization bill has been introduced into the U.S. House of representatives, but no movement has occurred yet. This bill was structured in a way where it could be broken into several pieces, one of which may be an extension for FY 2021. The FY 2021 budget includes funding for mobility management reimbursement, preventive maintenance, Jobs Access/Reverse Commute and rural operating assistance with small variations from FY 2020 federal revenues. The budget also includes funding for ADA reimbursement. The FAST act now allows the Authority to double its ADA reimbursement, providing significant flexibility in balancing the budget. Much of these operating reimbursements will be completed using FAST Act funding.
- State gasoline tax revenue available for operating purposes. For FY 2021, the yield determined by the State of RI Department of Revenue for the gasoline tax is \$3,974,888, down from the previous year. In total RIPTA receives 9.25 of the 34 cent gasoline tax and .5 of the 1 cent UST fee annually. As employers promote remote work to slow the spread of the coronavirus, these revenues have fallen and present a significant impact to RIPTA's operating budget.
- 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.
- 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, a program which was reduced significantly during FY 2015, but has seen modest increases since.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

- ❑ 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.
- ❑ 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.
- ❑ The contract with the Amalgamated Transit Union has been renewed through 6/30/2022. The Authority also has renewed the contract with LIU 808 through 6/30/2022. Employee wages and associated fringe benefits (less employee contributions) make up approximately 70% of the Authority's annual budget.
- ❑ Costs associated with fuel prices. The Authority consumes approximately 2.3 million gallons of fuel annually. With deployment of zero-emission electric buses in FY 2020 and new buses with better fuel mileage, the amount of fuel is expected to decline.
- ❑ 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, 2020

Assets

Current assets

Cash and cash equivalents:

Operating fund	\$ 4,779,531
Paratransit capital fund	4,953,299
Accident and casualty fund	521,638
Capital replacement fund	2,541,889
Total cash and cash equivalents	<u>12,796,357</u>

Investments	<u>1,034,903</u>
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Receivables:

Accounts	1,106,622
Grants	4,125,460
Total receivables	<u>5,232,082</u>

Due from primary government	5,107,708
Inventories, net allowance of \$14,116	2,003,631
Prepaid expenses	918,163
<i>Total current assets</i>	<u>27,092,844</u>

Non-current assets

Investments	4,978,190
Prepaid expenses	987,619
Capital assets, non-depreciable	22,076,246
Capital assets, depreciable - net of depreciation	109,383,718
<i>Total non-current assets</i>	<u>137,425,773</u>

<i>Total assets</i>	<u>164,518,617</u>
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Deferred outflows of resources

Deferred pension amounts	20,634,479
Deferred other postemployment benefit amounts	2,099,481
<i>Total deferred outflows of resources</i>	<u>22,733,960</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Statement of Net Position (Continued)

June 30, 2020

Liabilities

Current liabilities

Accounts payable	5,432,878
Due to primary government	2,889,961
Accrued salaries, wages and benefits	6,860,519
Accrued employer pension contribution	10,504,433
Accrued compensated absences	63,834
Accrued self insured health claims	991,551
Accrued self insured claims	2,175,000
Unearned revenue	297,620
<i>Total current liabilities</i>	<u>29,215,796</u>

Non-current liabilities

Due to primary government	9,012,000
Accrued compensated absences	171,686
Accrued self insured claims	14,131,216
Net pension liability	71,715,007
Total other postemployment benefit liability	71,285,100
<i>Total non-current liabilities</i>	<u>166,315,009</u>

Total liabilities

195,530,805

Deferred inflows of resources

Deferred pension amounts	1,179,384
Deferred other postemployment benefit amounts	7,154,331
<i>Total deferred inflows of resources</i>	<u>8,333,715</u>

Net position

Net investment in capital assets	121,364,964
Restricted	4,880,314
Unrestricted (deficit)	(142,857,221)
<i>Total net position (deficit)</i>	<u>\$ (16,611,943)</u>

The notes to the financial statements are an integral part of this statement.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

<i>Operating revenues</i>	
Passenger	\$ 15,447,234
Paratransit	358,858
Rental	113,470
Advertising	630,906
RIDE	1,299,569
Other	4,546,008
<i>Total operating revenues</i>	<u>22,396,045</u>
<i>Operating expenses</i>	
Administration	1,760,850
Finance	6,448,011
Operations	77,949,126
Marketing	1,655,782
Human resources	1,032,720
Administrative services	1,697,789
Risk management	7,891,002
Planning and scheduling	2,046,251
Specialized transportation	1,214,963
Paratransit operations	11,129,141
Purchasing	1,509,650
Information technology	3,154,634
RIDE	1,322,075
Centralized maintenance	1,935,697
State of Rhode Island - DOT & RITBA	502,591
Depreciation	17,342,500
<i>Total operating expenses</i>	<u>138,592,782</u>
<i>Operating loss</i>	<u>(116,196,737)</u>
<i>Nonoperating revenues (expenses)</i>	
State of RI gas tax	40,272,927
State of RI - DEA gas tax	3,280,543
Operating grants	51,639,731
Investment income	187,677
Interest expense	(491,775)
Loss on disposal of capital assets	(156,516)
<i>Total nonoperating revenues (expenses)</i>	<u>94,732,587</u>
<i>Loss before capital contributions</i>	(21,464,150)
<i>Capital contributions</i>	<u>28,171,992</u>
<i>Change in net position</i>	6,707,842
<i>Total net position - beginning of year (deficit)</i>	<u>(23,319,785)</u>
<i>Total net position - end of year (deficit)</i>	<u>\$ (16,611,943)</u>

The notes to the financial statements are an integral part of this statement.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

*Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020*

<i>Cash flows from operating activities</i>	
Cash received from customers	\$ 19,311,980
Cash paid to suppliers for goods and services	(33,801,430)
Cash paid to employees for services	(82,597,420)
Other receipts	2,919,000
	<hr/>
<i>Net cash used for operating activities</i>	(94,167,870)
<i>Cash flows from noncapital financing activities</i>	
State gas tax received	44,078,425
Operating grants received	52,789,030
	<hr/>
<i>Net cash provided by noncapital financing activities</i>	96,867,455
<i>Cash flows from capital and related financing activities</i>	
Capital contributions received	28,820,526
Acquisition and construction of capital assets	(29,887,835)
	<hr/>
<i>Net cash used for capital and related financing activities</i>	(1,067,309)
<i>Cash flows from investing activities</i>	
Purchase of investments	(6,013,093)
Maturity of investments	4,611,666
Interest and dividends on investments	187,677
	<hr/>
<i>Net cash used for investing activities</i>	(1,213,750)
<i>Net increase in cash and cash equivalents</i>	418,526
<i>Cash and cash equivalents at beginning of year</i>	12,377,831
	<hr/>
<i>Cash and cash equivalents at end of year</i>	\$ 12,796,357
	<hr/>
<i>Schedule of non-cash noncapital financing activities:</i>	
Operating grants	\$ 1,573,775
<i>Schedule of non-cash capital and related financing activities:</i>	
Principal on due to primary government	(1,082,000)
Interest on due to primary government	(491,775)

(Continued)

The notes to the financial statements are an integral part of this statement.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

*Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2020*

***Reconciliation of operating loss to net cash
used for operating activities:***

<i>Operating loss</i>	<u>\$ (116,196,737)</u>
<i>Adjustments to reconcile operating loss to net cash used for operating activities</i>	
Depreciation and amortization	17,342,500
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(92,221)
(Increase) decrease in due from primary government	(72,844)
(Increase) decrease in inventory	67,237
(Increase) decrease in prepaid expenses	(1,736,128)
Increase (decrease) in accounts payable and accrued expenses	(705,170)
Increase (decrease) in accrued self insured claims	2,583,780
Increase (decrease) in accrued compensated absences	(137,398)
Increase (decrease) in net pension liability	7,619,583
Increase (decrease) in total other postemployment benefit liability	(3,806,369)
(Increase) decrease in deferred outflows of resources	(3,071,782)
Increase (decrease) in deferred inflows of resources	4,037,679
<i>Total adjustments</i>	<u>22,028,867</u>
 <i>Net cash used for operating activities</i>	 <u><u>\$ (94,167,870)</u></u>

The notes to the financial statements are an integral part of this statement.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Rhode Island Public Transit Authority (the 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.

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.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

Basis of Presentation and Accounting

The basic financial statements of the Authority are maintained in accordance with the principles of proprietary fund accounting utilizing the accrual basis of accounting. Under this method, 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 pronouncements:

- GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective for the Authority’s fiscal year ending June 30, 2020.

The adoption of GASB Statement No. 95 did not have an impact on the Authority’s financial position or results of operations.

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

- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Authority’s fiscal year ending June 30, 2021.
- GASB Statement No. 87 – *Leases*, effective for the Authority’s fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Authority’s fiscal year ending June 30, 2022.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for the Authority’s fiscal year ending June 30, 2021.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Authority’s fiscal year ending June 30, 2023.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Authority’s fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which are effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, effective for the Authority’s fiscal year ending June 30, 2021, except for paragraphs 11b, 13 and 14 which are effective for the Authority’s fiscal year ending June 30, 2022.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Authority’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Authority’s fiscal year ending June 30, 2023.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Authority’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which are effective upon issuance.

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

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 Statement of Revenues, Expenses and Changes in Net Position.

Federal operating assistance grants received under Federal transportation programs are reported as operating grants in the Statement of Revenues, Expenses and Changes in Net Position.

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 position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

inflows of resources represent an acquisition of net position 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 and other post employment benefit plan and will be amortized as a component of pension and other post employment benefit expense in future years.

Operating Revenues and Expenses

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.

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.

Income Taxes

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

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 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 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.

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

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

ultimately paid. The Authority has established a reserve cash account for self-insurance as more fully described in Note 5.

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.

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.

Advertising Costs

It is the Authority's policy to expense advertising costs as incurred. Advertising expense for fiscal year ended June 30, 2020 was \$233,537.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

The carrying amount of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2020, was \$5,652,964 and the bank balance was \$7,422,537. Of the bank balance, \$1,159,085 was insured by federal depository insurance, \$6,263,452 was collateralized with securities held by the pledging financial institution or its agent in the Authority's name, and \$0 was uncollateralized.

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, 2020 pursuant to Chapter 35-10.1 of the General Laws.

The carrying value of deposits for June 30, 2020 is \$5,652,964. Investments of \$7,142,293 and \$1,100 of petty cash, relate to the statement of net position totals for June 30, 2020 as follows:

Cash deposits	\$5,652,964
Add: Petty cash	1,100
Add: Investments classified as cash equivalents for financial statement purposes	7,142,293
<i>Cash and cash equivalents per statement of net position</i>	<u>\$12,796,357</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

Investments

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, 2020, the Authority had the following money market and pooled investments classified as cash equivalents:

<u><i>Investments</i></u>	<u><i>Average Maturity in Days</i></u>	<u><i>Standards & Poor's Rating</i></u>	<u><i>Fair Value</i></u>
Federated Government Obligations Fund	40	AAAm	\$24,255
Fidelity Institutional Money Market Treasury Portfolio- Class III	51	AAAm	2,411,994
Ocean State Investment Pool	50	Not rated	4,706,044
			<u>\$7,142,293</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*.

All the money market and pooled investments have a maturity of less than one year. The fair value of the money market funds 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.

At June 30, 2020, the Authority had the following investments:

<u><i>Investments</i></u>	<u><i>Maturity</i></u>	<u><i>Standard & Poor's Rating</i></u>	<u><i>Fair Value</i></u>
U.S. Treasury Notes	09/30/2020-04/30/2023	Not applicable	\$6,013,093
			<u>\$6,013,093</u>

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit or investment policy for custodial credit risk.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

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, 2020, the Authority's investments in Federated Government Obligations Fund and Fidelity Institutional Money Market Treasury Portfolio – Class III were rated AAAM by Standard & Poor's. The Authority does not have a 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, 2020:

- U.S. Treasury notes of \$6,013,093 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
June 30, 2020

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at June 30, 2020:

	<u>Balance June 30, 2019</u>	<u>Additions & Transfers</u>	<u>Removals & Transfers</u>	<u>Balance June 30, 2020</u>
<i>Capital assets, not being depreciated:</i>				
Land and land rights	\$ 2,145,924	\$ -	\$ -	\$ 2,145,924
Federal grant projects in process	13,167,728	8,543,478	1,780,884	19,930,322
Total capital assets, not being depreciated	<u>15,313,652</u>	<u>8,543,478</u>	<u>1,780,884</u>	<u>22,076,246</u>
<i>Capital assets, being depreciated:</i>				
Shop, garages and buildings	104,654,542	20,051	-	104,674,593
Revenue equipment	129,975,321	20,724,336	4,908,969	145,790,688
Service vehicles and garage equipment	7,004,562	-	90,748	6,913,814
Furniture and office and other equipment	14,174,718	26,609	2,255	14,199,072
Management information system	14,098,319	1,767,759	153,992	15,712,086
Total capital assets being depreciated	<u>269,907,462</u>	<u>22,538,755</u>	<u>5,155,964</u>	<u>287,290,253</u>
<i>Total capital assets</i>	<u>285,221,114</u>	<u>31,082,233</u>	<u>6,936,848</u>	<u>309,366,499</u>
<i>Less accumulated depreciation for:</i>				
Shop, garages and buildings	54,218,534	3,454,393	-	57,672,927
Revenue equipment	88,184,731	9,817,530	4,752,453	93,249,808
Service vehicles and garage equipment	5,675,729	383,829	90,748	5,968,810
Furniture and office and other equipment	9,011,886	1,265,157	2,255	10,274,788
Management information system	8,472,603	2,421,591	153,992	10,740,202
<i>Total accumulated depreciation</i>	<u>165,563,483</u>	<u>17,342,500</u>	<u>4,999,448</u>	<u>177,906,535</u>
<i>Total capital assets being depreciated, net</i>	<u>104,343,979</u>	<u>5,196,255</u>	<u>156,516</u>	<u>109,383,718</u>
<i>Capital assets, net</i>	<u>\$ 119,657,631</u>	<u>\$ 13,739,733</u>	<u>\$ 1,937,400</u>	<u>\$ 131,459,964</u>

Depreciation expense for the fiscal year ended June 30, 2020 was \$17,342,500.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

NOTE 4 - 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, 2020 was as follows:

<i>Balance at beginning of year</i>	\$5,045,265
Capital replacement deposits	762,264
Local match payments	(550,319)
Investment income	118,427
<i>Balance at end of year</i>	\$5,375,637
Classified as cash and cash equivalents	\$2,541,889
Classified as investments	2,833,748
<i>Total cash, cash equivalents and investments</i>	\$5,375,637

NOTE 5 - 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. Beginning in FY 2014, a transfer of funds from the operating account to the accident and casualty account will occur until the fund reaches \$5,000,000. The activity in the accident and casualty account for fiscal years ended June 30, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
<i>Balance at beginning of year</i>	\$585,013	\$764,194
Insurance settlements	-	-
Transfer from operating	1,773,000	460,000
Disbursements	(1,840,000)	(650,000)
Interest earnings on investments	3,625	10,819
<i>Balance at end of year</i>	\$521,638	\$585,013

Assets at June 30, 2020 and 2019 in the accident and casualty account amounted to \$521,638 and \$585,013, respectively. For fiscal years 2020 and 2019, \$521,638 and \$585,013, respectively, are 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

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

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, 2020 and 2019, 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 year ended June 30, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Amount of claims liabilities, beginning of year	\$13,780,338	\$13,728,866
Incurred claims	7,990,755	4,449,918
Payments on claims	<u>(5,464,877)</u>	<u>(4,398,446)</u>
Amount of claims liabilities, end of year	<u><u>\$16,306,216</u></u>	<u><u>\$13,780,338</u></u>

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, 2020 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, 2020 and June 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$933,649	\$1,470,582
Incurred claims	15,169,510	17,422,760
Payments on claims	<u>(15,111,608)</u>	<u>(17,959,693)</u>
Unpaid claims, end of year	<u><u>\$991,551</u></u>	<u><u>\$933,649</u></u>

In fiscal year 2019, the Authority acquired a stop loss policy for combined hospital, medical and prescription drug claims that exceed \$400,000.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Financial Statements
June 30, 2020

NOTE 6 - LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Due to primary government	\$ 11,177,000	\$ -	\$ 1,082,000	\$ 10,095,000	\$ 1,083,000
Accrued compensated absences	372,918	109,714	247,112	235,520	63,834
Net pension liability	64,095,424	7,619,583	-	71,715,007	-
Total other post employment benefit liability	75,091,469	-	3,806,369	71,285,100	-
Accrued self-insurance claims	13,780,338	2,525,878	-	16,306,216	2,175,000
Total	<u>\$ 164,517,149</u>	<u>\$ 10,255,175</u>	<u>\$ 5,135,481</u>	<u>\$ 169,636,843</u>	<u>\$ 3,321,834</u>

Debt Service to Maturity - The debt service requirements at June 30, 2020 for the above due to primary government were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,083,000	\$ 441,755
2022	968,000	394,275
2023	869,000	351,040
2024	796,000	314,070
2025	811,000	278,360
2026-2030	3,863,000	827,820
2031-2034	1,705,000	95,667
	<u>\$ 10,095,000</u>	<u>\$ 2,702,987</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.

Line of Credit – The Authority also has an unused line of credit at June 30, 2020. The Authority entered into a \$15,000,000 revolving loan agreement on May 15, 2020 for general operating purposes. The total of all advances shall not exceed the principal amount of \$15,000,000. Each advance shall be due and payable on demand, but if not sooner demanded, on May 14, 2021. The loan shall bear interest at the Taxable Index Floating Rate for an interest period and is due and payable monthly in arrears. Under the agreement, the Authority may not incur any indebtedness, including capital leases, in excess of \$5,000,000. The loan is secured by a pledge of revenues.

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NOTE 7 - 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 5 and reserves amounts for potential claims.

Contract Commitments

The Authority is committed under various contracts in the amount of \$16,642,449 at June 30, 2020.

In fiscal year 2021, the 618, 618A and Local 808 bargaining units will receive a 2% salary increase.

Operating Lease

On September 13, 2018, the Authority entered into an operating lease for three electric buses and related equipment. The term of the lease is 36 months and one payment of \$2,456,277 is due upon acceptance of the electric buses and related equipment. The electric buses and related equipment were accepted on August 30, 2019. As of June 30, 2020, the Authority has recorded a prepaid expense related to the operating lease of \$1,773,978 that will be amortized to rental expense as follows:

<u>Year Ending June 30,</u>	
2021	\$818,759
2022	818,759
2023	136,460
	<u>\$1,773,978</u>

Rental expense for the operating lease for the year ended June 30, 2020 was \$682,299.

NOTE 8 – 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. Health care benefits were paid for 632 retirees and spouses during fiscal year ended June 30, 2020 and life insurance benefits were paid for 398 retirees during fiscal year ended June 30, 2020. Benefits are provided through a group insurance policy that covers both active and Pre-65 retired employees. Post-65 retired employee

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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 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.

Employees Covered by Benefit Terms - As of July 1, 2019 the plan membership data is as follows:

Inactive employees or beneficiaries	
currently receiving benefit payments	632
Active employees	797
	<u>1,429</u>

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Total OPEB Liability

The Authority's total OPEB liability of \$71,285,100 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 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	2.66%
Healthcare Cost Trend Rates	5.5% in 2019 graded down by the Getzen model to an ultimate rate of 4.04% in 2075
Mortality – Healthy and Disabled	2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2019 mortality improvement scale

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

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

- Discount rate was changed to 2.66% from 2.79%.
- Mortality was changed to 2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2019 mortality improvement scale from 2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2018 mortality improvement scale.
- Healthcare Cost Trend rates were changed to 5.5% in 2019 graded down by the Getzen Model to an ultimate rate of 4.04% in 2075 from 5.5% in 2018 graded down by the Getzen Model to an ultimate rate of 3.84% in 2075.

The following changes in benefit terms were made since the prior valuation:

- Contribution percentage for spouses increased to 20% for 618 employees (15% for 618 Flex employees) retiring on or after January 1, 2020 and 618A employees retiring on or after February 1, 2020.
- Contribution percentage for spouses of 808 and non-represented employees hired prior to July 1, 2014 are the same as the percentage required for active employees. Contribution percentage for spouses increased to 50% for 808 and non-represented employees hired from July 1, 2014 to June 30, 2018 and 100% for 808 and non-represented employees hired on or after July 1, 2018.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
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Changes in Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2019	\$75,091,469
Changes for the year:	
Service cost	3,943,384
Interest on the total OPEB liability	1,910,644
Changes in benefit terms	(2,175,731)
Differences between expected and actual experience	(5,970,438)
Changes in assumptions	638,798
Benefit payments	(2,153,026)
Other changes	-
Net changes	(3,806,369)
Balance as of June 30, 2020	\$71,285,100

Sensitivity of the Net 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 (1.66%) and 1-percentage-point higher (3.66%) than the current discount rate:

	1% Decrease <u>(1.66%)</u>	Current Discount Rate <u>(2.66%)</u>	1% Increase <u>(3.66%)</u>
Total OPEB Liability	\$78,553,726	\$71,285,100	\$65,068,451

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 (4.5% per year graded down by the Getzen model to an ultimate rate of 3.04%) and 1-percentage-point higher (6.5% per year graded down by the Getzen model to an ultimate rate of 5.04%) than the current healthcare cost trend rates:

	1% Decrease <u>(4.5% decreasing to 3.04%)</u>	Current Healthcare Cost Trend Rates <u>(5.5% decreasing to 4.04%)</u>	1% Increase <u>(6.5% decreasing to 5.04%)</u>
Total OPEB Liability	\$63,330,174	\$71,285,100	\$80,889,764

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

For the year ended June 30, 2020, the Authority recognized OPEB expense of \$2,698,751. At June 30, 2020, 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	\$ -	\$7,154,331
Changes in assumptions	2,099,481	-
Total	\$2,099,481	\$7,154,331

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

Year ended June 30:

2021	\$(979,546)
2022	(979,546)
2023	(979,546)
2024	(1,000,073)
2025	(902,055)
Thereafter	(214,084)

NOTE 9 – 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 ending June 30, 2020, the Authority received \$40,272,927 from the dedicated gas tax as operating assistance in support of the transit system. The Authority anticipates receiving approximately \$45,448,670 in fiscal year ended June 30, 2021 from the State.

NOTE 10 – 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

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funding act, the FAST act, was signed into law on December 4, 2015, and funds surface transportation for Federal fiscal years 2016 through 2020. 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 2020, the Authority used \$17,120,699 for preventative maintenance expenses.

NOTE 11 - 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, 2020, the Authority recorded \$3,280,543 of contract revenue from this agreement. For fiscal year 2021, the Authority anticipates receiving \$3,682,508 under this agreement.

NOTE 12 - DUE FROM/TO PRIMARY GOVERNMENT

At June 30, 2020, the Rhode Island Public Transit Authority is owed \$5,107,708 from the State of Rhode Island.

At June 30, 2020, the Rhode Island Public Transit Authority owes \$11,901,961 to the State of Rhode Island related to payments for debt service and other payables.

NOTE 13 - 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, 2020 was as follows:

<i>Net investment in capital assets</i>	\$121,364,964
<i>Restricted</i>	4,880,314
<i>Unrestricted (deficit)</i>	(142,857,221)
<i>Total net position (deficit)</i>	<u><u>\$(16,611,943)</u></u>

As of June 30, 2020, the Authority has restricted net position of \$4,880,314. 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.

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NOTE 14 - 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.

NOTE 15 - PENSION PLANS

A. RIPTA Employees' 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 January 16, 2019. 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 3 members 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 a publicly available financial report that can be obtained from: RIPTA, Finance Department, 705 Elmwood Avenue, Providence, RI 02907.

Plan Membership

At July 1, 2019, Plan membership consisted of the following:

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Inactive plan members or beneficiaries currently receiving benefits	578
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	811
	1,455

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.

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 – 3% 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 (62, or if later, the participant’s completion of 5 years of service) as follows: a monthly pension equal to 1.6% of average compensation for each year of service prior to January 1, 1987, plus 2% of average compensation for each year of service after December 31, 1986. Effective July 1, 2016, 618 participants are entitled to a monthly pension equal to 1.8% of average compensation for each year of service prior to January 1, 1987

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plus 2.05% of average compensation for each year of service after December 31, 1986. 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 January 1, 2020, the normal retirement age will be between the ages of 62 and 65 for all new hires. 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.

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 by .50% for each of the first 60 months and by .25% for each of the next 60 months by which the starting date of the benefits precedes the participant's normal retirement age.

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).

Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2019.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation performed as of June 30, 2019, 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

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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-2019 generational improvements (Male/Female).

Changes in actuarial assumptions included the following:

- The investment rate of return was changed to 6.75% from 7.00%.
- The mortality tables were changed to the Pri-2012 Blue Collar with MP-2019 generational improvements from the RP-2014 Blue Collar with MP-2018 generational improvements from 2006.

Changes in benefit terms included the following:

- 618 retirees received an additional \$15 a month benefit and 618 surviving spouses \$7.50 on July 1, 2018.

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	40.00%	8.06%
International equity	15.00%	7.80%
Fixed income	40.00%	4.44%
Real estate/other	5.00%	8.00%
Cash	0.00%	2.75%
Total	100.00%	

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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. The prior valuation used a discount rate of 7.00%.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance 7/1/2018	\$201,706,573	\$137,611,149	\$64,095,424
Changes for the year:			
Service cost	3,870,210	-	3,870,210
Interest on total pension liability	13,941,951	-	13,941,951
Differences between expected and actual experience	511,488	-	511,488
Changes of assumptions	4,898,083	-	4,898,083
Changes in benefit terms	416,297	-	416,297
Contributions – employer	-	7,519,341	(7,519,341)
Contributions – employee	-	1,787,290	(1,787,290)
Net investment income	-	6,753,240	(6,753,240)
Benefit payments	(10,257,698)	(10,257,698)	-
Administrative expense	-	(41,425)	41,425
Net changes	13,380,331	5,760,748	7,619,583
Balance 6/30/2019	\$215,086,904	\$143,371,897	\$71,715,007

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:

	<u>1% Decrease</u> <u>5.75%</u>	<u>Current Discount Rate</u> <u>6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
Authority's Net Pension Liability	\$94,475,056	\$71,715,007	\$52,319,599

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

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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.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the Authority recognized pension expense of \$12,955,108. At June 30, 2020, 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	\$3,154,624	\$163,785
Changes of assumptions	6,440,262	1,015,599
Net difference between projected and actual earnings on Plan investments	2,316,822	-
Total	<u>\$11,911,708</u>	<u>\$1,179,384</u>

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

<u>Fiscal Year Ending June 30,</u>	
2021	\$5,171,853
2022	1,743,978
2023	1,622,487
2024	1,601,505
2025	592,501
Thereafter	-

The Authority’s contributions made subsequent to the measurement date of the net pension liability, June 30, 2019, of \$8,722,771 are included in the accompanying financial statements as a deferred outflow of resources at June 30, 2020.

Payable to the Plan

At June 30, 2020, the Authority reported a payable of \$10,504,433 for the outstanding amount of contributions to the Plan required for the years ended June 30, 2019 and 2020.

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

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 Plan document adopted by the Board of Trustees.

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 (55 employees as of June 30, 2020). 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.lnipf.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, 2022. Employees are required to contribute \$1.46 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 16 - 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-

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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 5.

NOTE 17 – UNCERTAINTIES

The United States and State of Rhode Island declared a State of Emergency in March 2020 due to the global Coronavirus Disease (COVID-19) pandemic. In the weeks and months following the declaration, precautionary measures to slow the spread of the virus were ordered that have affected the Authority's operations resulting in decreased ridership and fares, decreased State gas tax revenues and increased operating costs for cleaning and additional buses in fiscal year 2020. The length of time these measures will be in place and the extent of any future financial impact to the Authority are unknown at this time.

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.

NOTE 18 – CONCENTRATION RISK

The State of RI gas tax revenue of \$40,272,927 and Federal operating grants revenue of \$41,954,933 represented 34% and 36%, respectively, of total revenues for the year ended June 30, 2020.

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 (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 3,943,384	\$ 3,946,809	\$ 3,942,229
Interest	1,910,644	2,217,813	2,082,514
Changes of benefit terms	(2,175,731)	-	-
Differences between expected and actual experience	(5,970,438)	(2,568,201)	(723,233)
Changes of assumptions or other inputs	638,798	1,542,951	955,174
Benefits payments	<u>(2,153,026)</u>	<u>(2,166,657)</u>	<u>(2,294,610)</u>
Net change in total OPEB liability	(3,806,369)	2,972,715	3,962,074
Total OPEB liability - beginning	<u>75,091,469</u>	<u>72,118,754</u>	<u>68,156,680</u>
Total OPEB liability - ending	<u><u>\$ 71,285,100</u></u>	<u><u>\$ 75,091,469</u></u>	<u><u>\$ 72,118,754</u></u>
Covered payroll	\$ 45,569,577	\$ 43,756,853	\$ 42,062,418
Total OPEB liability as a percentage of covered payroll	156.43%	171.61%	171.46%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay for OPEB.

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Required Supplementary Information
RIPTA Employees' Pension Plan
Schedule of Changes in the Net Pension Liability and Related Ratios (1)(2)
"Unaudited"

<i>Fiscal Year</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability:						
Service cost	\$ 3,870,210	\$ 3,652,504	\$ 3,492,118	\$ 2,990,663	\$ 3,020,828	\$ 2,985,852
Interest	13,941,951	13,352,018	12,556,376	12,297,798	11,495,887	10,237,348
Changes of benefit terms	416,297	3,461,380	577,583	933,025	500,075	1,139,692
Differences between expected and actual experience	511,488	1,337,037	1,592,692	2,977,141	139,770	1,236,853
Changes of assumptions	4,898,083	(710,335)	(1,198,799)	4,215,850	1,675,802	7,557,472
Benefits payments, including refunds of member contributions	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Net change in total pension liability	13,380,331	11,409,583	8,312,524	15,603,843	9,923,013	16,818,943
Total pension liability - beginning	201,706,573	190,296,990	181,984,466	166,380,623	156,457,610	139,638,667
Total pension liability - ending (a)	\$ 215,086,904	\$ 201,706,573	\$ 190,296,990	\$ 181,984,466	\$ 166,380,623	\$ 156,457,610
Plan fiduciary net position:						
Contributions - employer	\$ 7,519,341	\$ 7,514,778	\$ 8,648,057	\$ 8,125,339	\$ 7,379,362	\$ 7,328,560
Contributions - employee	1,787,290	1,665,934	1,196,070	1,213,686	1,160,646	1,118,215
Net investment income	6,753,240	9,324,350	11,578,566	635,766	4,952,537	12,971,007
Benefits payments, including refunds of member contributions	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Administrative expense	(41,425)	(36,529)	(61,125)	(172,801)	(77,916)	(52,497)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	5,760,748	8,785,512	12,654,122	1,991,356	6,505,280	15,027,011
Plan fiduciary net position - beginning	137,611,149	128,825,637	116,171,515	114,180,159	107,674,879	92,647,868
Plan fiduciary net position - ending (b)	\$ 143,371,897	\$ 137,611,149	\$ 128,825,637	\$ 116,171,515	\$ 114,180,159	\$ 107,674,879
Authority's net pension liability - ending (a) - (b)	\$ 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						
	66.66%	68.22%	67.70%	63.84%	68.63%	68.82%
Covered payroll	\$ 43,756,853	\$ 42,062,418	\$ 39,869,000	\$ 40,456,200	\$ 38,688,200	\$ 37,273,833
Net pension liability as a percentage of covered payroll	163.89%	152.38%	154.18%	162.68%	134.93%	130.88%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

(2) Prior to 2016, separate investment accounts were held for the portion of the plan covering 618 employees and other than 618 employees. As such, separate financial statements and required supplementary information were prepared. The Plan assets were combined in 2016 and the required supplementary information has been restated to report the combined total for the Plan for 2016 and 2015.

The notes to the required supplementary information are an integral part of this schedule.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Required Supplementary Information - RIPTA Employees' Pension Plan
Schedule of Authority Contributions (1) (2)
Last Ten Fiscal Years
"Unaudited"

<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 8,722,771	\$ 7,519,341	\$ 7,514,778	\$ 8,644,772	\$ 8,125,339	\$ 7,379,362	\$ 7,328,560	\$ 7,787,480	\$ 7,670,118	\$ 7,296,451
Contributions in relation to the actuarially determined contribution	8,722,771	7,519,341	7,514,778	8,648,057	8,125,339	7,379,362	7,328,560	7,787,480	7,670,118	7,339,827
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,285)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43,376)</u>
Covered payroll	\$ 45,569,577	\$ 43,756,853	\$ 42,062,418	\$ 39,869,000	\$ 40,456,200	\$ 38,688,200	\$ 37,273,833	N/A	N/A	N/A
Contributions as a percentage of covered payroll	19.14%	17.18%	17.87%	21.69%	20.08%	19.07%	19.66%	N/A	N/A	N/A

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

(2) Prior to 2016, separate investment accounts were held for the portion of the plan covering 618 employees and other than 618 employees. As such, separate financial statements and required supplementary information were prepared. The Plan assets were combined in 2016 and the required supplementary information has been restated to report the combined total for the Plan.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Notes to Required Supplementary Information
June 30, 2020

Note 1 – RIPTA Employees’ 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 15 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 of Assumptions Used to Calculate the Total Pension Liability:

- The investment return was changed to 6.75% from 7.00%.
- The mortality tables were changed to the Pri-2012 Blue Collar with MP-2019 generational improvements from the RP-2014 Blue Collar with MP-2018 generational improvements from 2006.

Changes of Benefit Terms:

- 618 retirees received an additional \$15 a month benefit and 618 surviving spouses \$7.50 effective July 1, 2018.

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 - 2.50%
- Investment return – 6.75%, net of expenses, including inflation (previously 7.00%)
- Salary increases - 3.00% per annum
- Retirement age - Later of age 62 or the completion of 10 years of service
- Morality – Pri-2012 Blue Collar with MP-2019 generational improvements (Male/Female) (previously RP-2014 Blue Collar with MP-2018 generational improvements from 2006 - Male/Female)

SUPPLEMENTARY INFORMATION

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Net Position

June 30, 2020

Attachment B

Assets

Current Assets:

Cash and cash equivalents	\$ 12,796,357
Investments	1,034,903
Receivables (net)	5,232,082
Due from primary government	5,107,708
Due from other governments	-
Inventories	2,003,631
Other assets	918,163
Total current assets	<u>27,092,844</u>

Noncurrent Assets:

Investments	4,978,190
Capital assets - nondepreciable	22,076,246
Capital assets - depreciable (net)	109,383,718
Other assets	987,619
Total noncurrent assets	<u>137,425,773</u>

Total assets 164,518,617

Deferred outflows of resources

Deferred pension amounts	20,634,479
Deferred other post employment benefit amounts	<u>2,099,481</u>
Total deferred outflows of resources	<u>22,733,960</u>

Liabilities

Current liabilities:

Accounts payable	5,432,878
Due to primary government	2,889,961
Accrued expenses	20,531,503
Compensated absences	63,834
Unearned revenue	297,620
Other current liabilities	-
Total current liabilities	<u>29,215,796</u>

Noncurrent liabilities:

Due to primary government	9,012,000
Net pension liability	71,715,007
Net other post employment benefit liability	71,285,100
Compensated absences	171,686
Other liabilities	14,131,216
Total noncurrent liabilities	<u>166,315,009</u>

Total liabilities 195,530,805

Deferred inflows of resources

Deferred pension amounts	1,179,384
Deferred other post employment benefit amounts	<u>7,154,331</u>
Total deferred inflows of resources	<u>8,333,715</u>

Net position

Net investment in capital assets	121,364,964
Restricted - other	4,880,314
Unrestricted (deficit)	(142,857,221)
Total net position	<u>\$ (16,611,943)</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Schedule of Activities
For the Fiscal Year Ended June 30, 2020

Attachment C

Expenses	<u>\$ 139,241,073</u>
 Program revenues:	
Charges for services	22,396,045
Operating grants and contributions	95,193,201
Capital grants and contributions	<u>28,171,992</u>
Total program revenues	<u>145,761,238</u>
Net (Expenses) Revenues	<u>6,520,165</u>
 General revenues:	
Interest and investment earnings	187,677
Miscellaneous revenue	-
Total general revenues	<u>187,677</u>
Change in net position	6,707,842
Total net position - beginning	<u>(23,319,785)</u>
Total net position - ending	<u><u>\$ (16,611,943)</u></u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Schedule of Changes in Long Term Liabilities
For the Fiscal Year Ended June 30, 2020

Attachment E

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due Thereafter</u>
Bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable - direct payment	-	-	-	-	-	-
Net unamortized premium/discount	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Notes payable - direct borrowings	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-	-
Net pension liability	64,095,424	7,619,583	-	71,715,007	-	71,715,007
Net other post employment benefit liability	75,091,469	-	3,806,369	71,285,100	-	71,285,100
Due to primary government	11,177,000	-	1,082,000	10,095,000	1,083,000	9,012,000
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	372,918	109,714	247,112	235,520	63,834	171,686
Arbitrage rebate	-	-	-	-	-	-
Pollution remediation	-	-	-	-	-	-
Funds held for others	-	-	-	-	-	-
Accrued self insured claims	13,780,338	2,525,878	-	16,306,216	2,175,000	14,131,216
Total other liabilities	<u>164,517,149</u>	<u>10,255,175</u>	<u>5,135,481</u>	<u>169,636,843</u>	<u>3,321,834</u>	<u>166,315,009</u>
	<u>\$ 164,517,149</u>	<u>\$ 10,255,175</u>	<u>\$ 5,135,481</u>	<u>\$ 169,636,843</u>	<u>\$ 3,321,834</u>	<u>\$ 166,315,009</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Changes of Tangible Property

For the Fiscal Year Ended June 30, 2020

	<i>Tangible Property</i>			<i>Accumulated Depreciation</i>				<i>Net Book Value</i>	
	<i>Balance</i> <i>6/30/2019</i>	<i>Additions</i> <i>& Transfers</i>	<i>Reductions</i> <i>& Transfers</i>	<i>Balance</i> <i>6/30/2020</i>	<i>Balance</i> <i>6/30/2019</i>	<i>Additions</i> <i>& Transfers</i>	<i>Reductions</i> <i>& Transfers</i>		<i>Balance</i> <i>6/30/2020</i>
Land and land rights	\$ 2,145,924	\$ -	\$ -	\$ 2,145,924	\$ -	\$ -	\$ -	\$ -	\$ 2,145,924
Shops, garages and office buildings	103,061,768	20,051	-	103,081,819	53,168,629	3,453,064	-	56,621,693	46,460,126
Tunnels	1,592,774	-	-	1,592,774	1,049,905	1,329	-	1,051,234	541,540
Communication system	10,173,719	-	-	10,173,719	9,926,825	53,646	-	9,980,471	193,248
Revenue equipment - buses	100,540,667	18,477,711	4,135,231	114,883,147	62,066,943	8,287,716	3,978,716	66,375,943	48,507,204
Trolleys	6,931,795	-	-	6,931,795	4,910,020	577,650	-	5,487,670	1,444,125
Fare boxes	4,006,215	-	-	4,006,215	3,844,661	161,554	-	4,006,215	-
Service cars and equipment	3,274,509	-	90,748	3,183,761	2,910,648	152,761	90,748	2,972,661	211,100
Shops and garage equipment	3,730,053	-	-	3,730,053	2,765,081	231,068	-	2,996,149	733,904
Furniture and office equipment	1,567,543	-	2,255	1,565,288	1,466,681	28,020	2,255	1,492,446	72,842
Miscellaneous equipment	9,204,763	13,419	-	9,218,182	5,569,234	653,444	-	6,222,678	2,995,504
Management information system	14,098,319	1,767,759	153,992	15,712,086	8,472,603	2,421,591	153,992	10,740,202	4,971,884
Security equipment	3,402,412	13,190	-	3,415,602	1,975,971	583,693	-	2,559,664	855,938
Paratransit vans	8,322,925	2,246,625	773,738	9,795,812	7,436,282	736,964	773,737	7,399,509	2,396,303
Total capital assets	272,053,386	22,538,755	5,155,964	289,436,177	165,563,483	17,342,500	4,999,448	177,906,535	111,529,642
Federal grant projects in process	13,167,728	8,543,478	1,780,884	19,930,322	-	-	-	-	19,930,322
Total tangible property	\$ 285,221,114	\$ 31,082,233	\$ 6,936,848	\$ 309,366,499	\$ 165,563,483	\$ 17,342,500	\$ 4,999,448	\$ 177,906,535	\$ 131,459,964

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

*Schedule of Operating Expenses
For the Fiscal Year Ended June 30, 2020*

Administration

Salaries	\$ 986,754
Fringe benefits	431,238
Legal	59,113
Supplies	9,586
Other services	259,122
Travel and training	15,037
Total administration	<u>1,760,850</u>

Finance

Salaries	656,884
Fringe benefits	464,790
Fringe benefits - retiree health	2,140,043
Office expense/supplies	65,759
Utilities	1,687,541
Other services	183,213
Travel and training	16,527
Operating lease - electric buses	682,299
Special projects	550,955
Total finance	<u>6,448,011</u>

Operations

Wages - drivers	31,815,501
Wages - other	12,717,209
Fringe benefits	20,887,061
Other services	93,208
Maintenance/service agreements	171,810
Supplies	528,836
Travel and training	14,066
Uniforms	189,160
Hazardous waste disposal	86,291
Fuel	4,619,499
Antifreeze and lubricants	273,568
Vehicle and other parts	5,852,607
Tires and tubes	652,560
Tickets and passes	47,750
Total operations	<u>77,949,126</u>

Marketing

Salaries	228,586
Fringe benefits	94,793
Advertising	232,757
Services	296,298
Supplies	752,609
Printing	48,230
Travel and training	2,509
Total marketing	<u>1,655,782</u>

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Operating Expenses (Continued)

For the Fiscal Year Ended June 30, 2020

<i>Human resources</i>	
Salaries	575,142
Fringe benefits	276,503
Supplies	4,033
Other services	159,078
Travel and training	17,964
<i>Total human resources</i>	<u>1,032,720</u>
<i>Administrative services</i>	
Salaries	1,053,227
Fringe benefits	595,303
Supplies	15,670
Other services	29,390
Travel and training	350
Uniforms	3,849
<i>Total administrative services</i>	<u>1,697,789</u>
<i>Risk management</i>	
Salaries	83,411
Fringe benefits	46,446
Office expense/supplies	1,848
Other services	22,469
Insurance	808,499
Settlements and judgements	5,578,128
Workers' compensation medical	37,747
Workers' compensation - other	915,362
Legal	397,092
<i>Total risk management</i>	<u>7,891,002</u>
<i>Planning and scheduling</i>	
Salaries	1,157,314
Fringe benefits	531,511
Advertising	737
Other services	337,092
Travel and training	15,173
Office expense/supplies	4,424
<i>Total planning and scheduling</i>	<u>2,046,251</u>
<i>Specialized transportation</i>	
Salaries	748,007
Fringe benefits	408,340
Utilities	58,616
<i>Total specialized transportation</i>	<u>1,214,963</u>

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Operating Expenses (Continued)

For the Fiscal Year Ended June 30, 2020

Paratransit operations

Salaries	4,720,051
Fringe benefits	4,886,107
Fuel	492,476
Self insurance	933,791
Supplies	10,759
Uniforms	36,234
Travel and training	23,810
Other services	25,913
<i>Total paratransit operations</i>	<u>11,129,141</u>

Purchasing

Salaries	1,008,516
Fringe benefits	472,565
Supplies	11,453
Travel and training	225
Uniforms	1,038
Other services	15,853
<i>Total purchasing</i>	<u>1,509,650</u>

Information technology

Salaries	852,566
Fringe benefits	442,625
Travel and training	3,780
Services	49,816
Supplies	66,407
Maintenance agreements	1,739,440
<i>Total information technology</i>	<u>3,154,634</u>

RIDE

Taxi RIDE providers	<u>1,322,075</u>
<i>Total RIDE</i>	<u>1,322,075</u>

Centralized maintenance

Salaries	956,283
Fringe benefits	421,364
Services	36,921
Lubricants	25,191
Tires and tubes	21,164
Supplies	2,053
Repair parts	472,721
<i>Total centralized maintenance</i>	<u>1,935,697</u>

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Operating Expenses (Continued)

For the Fiscal Year Ended June 30, 2020

State of Rhode Island - DOT & RITBA

Salaries	225,293
Fringe benefits	134,676
Repair parts	100,398
Insurance	42,224
<i>Total State of Rhode Island - DOT & RITBA</i>	<u>502,591</u>

Depreciation 17,342,500

Total operating expenses \$ 138,592,782

RHODE ISLAND PUBLIC TRANSIT AUTHORITY
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Fund 01</u>	<u>Fund 02</u>	<u>Fund 04</u>	<u>Total</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Operating revenues						
Passenger	\$ 15,447,234	\$ -	\$ -	\$ 15,447,234	\$ -	\$ 15,447,234
Paratransit	908,580	5,516,352	-	6,424,932	(6,066,074)	358,858
Rental	113,470	-	-	113,470	-	113,470
Advertising	630,906	-	-	630,906	-	630,906
RIDE	-	1,299,569	4,997,087	6,296,656	(4,997,087)	1,299,569
Other	4,546,008	-	-	4,546,008	-	4,546,008
Total operating revenues	<u>21,646,198</u>	<u>6,815,921</u>	<u>4,997,087</u>	<u>33,459,206</u>	<u>(11,063,161)</u>	<u>22,396,045</u>
Operating expenses						
Administration	1,760,850	-	-	1,760,850	-	1,760,850
Finance	6,448,011	-	-	6,448,011	-	6,448,011
Operations	77,949,126	-	-	77,949,126	-	77,949,126
Marketing	1,655,782	-	-	1,655,782	-	1,655,782
Human resources	1,032,720	-	-	1,032,720	-	1,032,720
Administrative services	1,697,789	-	-	1,697,789	-	1,697,789
Risk management	7,891,002	-	-	7,891,002	-	7,891,002
Planning and scheduling	2,046,251	-	-	2,046,251	-	2,046,251
Specialized transportation	7,120,630	-	-	7,120,630	(5,905,667)	1,214,963
Paratransit operations	-	11,129,141	-	11,129,141	-	11,129,141
Purchasing	1,509,650	-	-	1,509,650	-	1,509,650
Informational technology	3,154,634	-	-	3,154,634	-	3,154,634
RIDE	-	-	6,479,569	6,479,569	(5,157,494)	1,322,075
Centralized maintenance	1,935,697	-	-	1,935,697	-	1,935,697
State of Rhode Island - DOT & RITBA	502,591	-	-	502,591	-	502,591
Depreciation	17,342,500	-	-	17,342,500	-	17,342,500
Total operating expenses	<u>132,047,233</u>	<u>11,129,141</u>	<u>6,479,569</u>	<u>149,655,943</u>	<u>(11,063,161)</u>	<u>138,592,782</u>
Operating loss	<u>(110,401,035)</u>	<u>(4,313,220)</u>	<u>(1,482,482)</u>	<u>(116,196,737)</u>	<u>-</u>	<u>(116,196,737)</u>
Nonoperating revenues (expenses)						
State of RI gas tax	40,272,927	-	-	40,272,927	-	40,272,927
State of RI - DEA gas tax	3,280,543	-	-	3,280,543	-	3,280,543
Operating grants	51,639,731	-	-	51,639,731	-	51,639,731
Investment income	187,677	-	-	187,677	-	187,677
Interest expense	(491,775)	-	-	(491,775)	-	(491,775)
Loss on disposal of capital assets	(156,516)	-	-	(156,516)	-	(156,516)
Total nonoperating revenues (expenses)	<u>94,732,587</u>	<u>-</u>	<u>-</u>	<u>94,732,587</u>	<u>-</u>	<u>94,732,587</u>
Loss before capital contributions	<u>(15,668,448)</u>	<u>(4,313,220)</u>	<u>(1,482,482)</u>	<u>(21,464,150)</u>	<u>-</u>	<u>(21,464,150)</u>
Capital contributions	<u>28,171,992</u>	<u>-</u>	<u>-</u>	<u>28,171,992</u>	<u>-</u>	<u>28,171,992</u>
Change in net position	<u>\$ 12,503,544</u>	<u>\$ (4,313,220)</u>	<u>\$ (1,482,482)</u>	<u>\$ 6,707,842</u>	<u>\$ -</u>	<u>\$ 6,707,842</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

*Schedule of Travel and Entertainment
For the Fiscal Year Ended June 30, 2020*

<u>Traveler's Name</u>	<u>Destination</u>	<u>Purpose</u>	<u>Amount</u>
Thomas Cabral	Livermore, CA	Gillig- new bus production	\$ 950.00
Joe Monti	Elkhart, IN	Prime Time Specialty Vehicles	200.00
Joe Monti	Elkhart, IN	Prime Time Specialty Vehicles	836.64
Thomas Cabral	Livermore, CA	Gillig- new bus production	3,514.54
Joe Monti	Elkhart, IN	Prime Time Specialty Vehicles	94.00
Z Agush	Boston MA	Sustainability & Multimodal Planning	1,350.00
G Nordin	Boston MA	Sustainability & Multimodal Planning	1,350.00
G Harris	Boston MA	Sustainability & Multimodal Planning	1,350.00
L Picchione	Boston MA	Sustainability & Multimodal Planning	1,350.00
A Pettine	Boston, MA	Sustainability & Multimodal Planning	1,350.00
Thomas Cabral	Livermore, CA	Gillig- new bus production	300.00
Thomas Cabral	Livermore, CA	Gillig- new bus production	600.00
Thomas Cabral	Livermore, CA	Gillig - new bus production	850.00
Elaine Roffo	Montreal, Canada	Hastus factory acceptance	250.00
Gary Jarvis	Montreal, Canada	Hastus factory acceptance	250.00
Edward Brown	Montreal, Canada	Hastus factory acceptance	250.00
Edward King	Montreal, Canada	Hastus factory acceptance	250.00
William King	Montreal, Canada	Hastus factory acceptance	250.00
Paul Harrington	Montreal, Canada	Hastus factory acceptance	300.00
Zachary Agush	Minn, MN	2019 GTT Adv Council	125.00
Edward Brown	Montreal, Canada	Hastus factory acceptance	648.38
Chris McKenna	Columbus, OH	APTA Tech Tran Conf	55.93
Chris McKenna	Columbus, OH	APTA Tech Tran Conf	175.00
Brooks Almonte	Columbus, OH	APTA Tech Tran Conf	175.00
Thomas Cabral	Livermore, CA	Gillig- new bus production	5,789.86
Thomas Cabral	Livermore, CA	Gillig- new bus production	3,695.53
Elaine Roffo	Montreal, Canada	Hastus factory acceptance	648.38
Gary Jarvis	Montreal, Canada	Hastus factory acceptance	648.38
William King	Montreal, Canada	Hastus factory acceptance	25.67
Edward King	Montreal, Canada	Hastus factory acceptance	24.93
Edward King	Montreal, Canada	Hastus factory acceptance	648.38
William King	Montreal, Canada	Hastus factory acceptance	648.38
Paul Harrington	Montreal, Canada	Hastus factory acceptance	828.95
Paul Harrington	Montreal, Canada	Hastus factory acceptance	101.00
Scott Avedisian	Anniston AL	New Flyer	351.60
Scott Avedisian	Anniston AL	New Flyer	150.00
Scott Avedisian	Washington DC	DC circ elec bus & charging facility tour	50.00

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY*Schedule of Travel and Entertainment (Continued)**For the Fiscal Year Ended June 30, 2020*

<u>Traveler's Name</u>	<u>Destination</u>	<u>Purpose</u>	<u>Amount</u>
Lillian Picchione	Anniston AL	New Flyer	351.60
Lillian Picchione	Anniston AL	New Flyer	150.00
Lillian Picchione	Washington DC	DC circ elec bus & charging facility tour	50.00
Joe Monti	Anniston AL	New Flyer	351.60
Joe Monti	Anniston AL	New Flyer	150.00
Amy Pettine	Buffalo, NY	ABBG Annual meeting	200.00
Scott Avedisian	Buffalo, NY	ABBG Annual meeting	200.00
Scott Avedisian	Boston	USEPA Ceremony	236.00
Amy Pettine	Buffalo, NY	ABBG Annual meeting	461.00
Scott Avedisian	Wash DC	DC circ elec bus & charging facility tour	486.60
Scott Avedisian	Wash DC	US DOT bus maint peer to peer exchange	251.60
Scott Avedisian	Buffalo, NY	ABBG Annual meeting	461.00
Scott Avedisian	Buffalo, NY	ABBG Annual meeting	11.64
Scott Avedisian	Alabama	New Flyer innovation center	34.92
Scott Avedisian	Alabama	New Flyer innovation center	223.74
Scott Avedisian	Albany, NY	Init user group meeting	200.00
Scott Avedisian	Buffalo, NY	ABBG Annual meeting	354.90
Amy Pettine	Buffalo, NY	ABBG Annual meeting	401.47
Scott Avedisian	Albany, NY	Init user group meeting	582.07
Greg Nordin	Buffalo, NY	ABBG Annual meeting	200.00
Lillian Picchione	Washington DC	DC circ elec bus & charging facility tour	486.60
Zach Agush	Minn, MN	2019 GTT Adv Council	791.49
Ed Brown	Montreal, Canada	Hastus factory acceptance	657.76
Greg Nordin	Buffalo, NY	ABBG Annual meeting	461.00
Lillian Picchione	Alabama	New Flyer innovation center	229.25
Greg Nordin	Albany, NY	Init user group meeting	200.00
Kevin Perry	Albany, NY	Init user group meeting	200.00
Greg Nordin	Buffalo, NY	ABBG Annual meeting	401.47
Kevin Perry	Albany, NY	Init user group meeting	297.50
Greg Nordin	Albany, NY	Init user group meeting	595.00
Joe Monti	Wash DC	US DOT bus maint peer to peer exchange	75.00
Joe Monti	Wash DC	US DOT bus maint peer to peer exchange	375.06
Joe Monti	Alabama	New Flyer innovation center	223.74
Joe Monti	Wash DC	US DOT bus maint peer to peer exchange	405.59
Edward King	Montreal, Canada	Hastus factory acceptance	657.76
William King	Montreal, Canada	Hastus factory acceptance	661.42
Paul Harrington	Montreal, Canada	Hastus factory acceptance	527.69
Elaine Roffo	Montreal, Canada	Hastus factory acceptance	657.76

(Continued)

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Travel and Entertainment (Continued)

For the Fiscal Year Ended June 30, 2020

<u><i>Traveler's Name</i></u>	<u><i>Destination</i></u>	<u><i>Purpose</i></u>	<u><i>Amount</i></u>
Gary Jarvis	Montreal, Canada	Hastus factory acceptance	657.76
Gary Jarvis	Montreal, Canada	Hastus factory acceptance	171.61
Elaine Roffo	Montreal, Canada	Hastus factory acceptance	496.01
Thomas Cabral	Livermore, CA	Gillig- new bus production	3,560.18
Greg Nordin	Albany, NY	Init user group meeting	646.38
Kevin Perry	Albany, NY	Init user group meeting	646.38
Scott Avedisian	Albany, NY	Init user group meeting	646.38
Chris Durand	Wash DC	Trans Research Board Meeting	699.95
Chris Durand	Wash DC	Trans Research Board Meeting	250.00
Chris Durand	Wash DC	Trans Research Board Meeting	939.45
Cristy Raposo	Austin, TX	Creative Pro Network	2,465.30
Kevin Perry	Salt Lake City, UT	Payment Summit	250.00
Jamie Pereira	Horseshoe Bay, TX	The Transit Bus Summit	453.74
Brooks Almonte	Cleveland, OH	ABBG Para Expert Workshop	586.39
Chris McKenna	Cleveland, OH	ABBG Para Expert Workshop	586.39
Kevin Perry	Salt Lake City, UT	Payment Summit	3,277.58
Kevin Perry	Salt Lake City, UT	Payment Summit	55.87
James Pereira	Horseshoe Bay, TX	The Transit Bus Summit	101.97
Scott Avedisian	Albuquerque, NH	APTA CEO Seminar	736.95
			<u><u>\$ 60,926.07</u></u>

STATISTICAL SECTION

Statistical Section

This part of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

- Capital Assets by Group
- Condensed Summary of Net Position
- Change in Net Position
- Expenses by Function

Revenue Capacity

This schedule contains information to help the reader assess the Authority's most significant revenue sources.

- Revenues by Source

Debt Capacity

This schedule contains information to help the reader assess the affordability of the Authority's current levels of debt outstanding.

- Ratios of Outstanding Debt by Type

Economic and Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the Authority's financial activity take place.

- Demographic & Economic Statistics
- Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the service the Authority provides and the activity it performs.

- Fare Structure
- Operating Indicators

Sources: Unless otherwise noted, the information in these schedules was derived from the comprehensive annual financial report for the relevant year.

Rhode Island Public Transit Authority
Capital Assets
Last Ten Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shops, garages, and office buildings	\$ 98,304,879	\$ 99,296,097	\$ 100,120,229	\$ 102,568,479	\$ 102,574,379	\$ 102,617,799	\$ 102,736,447	\$ 102,919,686	\$103,061,768	\$103,081,819
Tunnels	1,572,845	1,572,845	1,572,845	1,572,845	1,572,845	1,592,774	1,592,774	1,592,774	1,592,774	1,592,774
Communication system	5,649,037	5,649,037	5,649,037	5,649,037	9,833,939	9,879,043	10,102,806	10,144,556	10,173,719	10,173,719
Revenue equipment-buses	86,968,271	81,698,264	94,534,204	87,865,704	87,310,100	97,026,222	102,842,291	101,473,744	100,540,667	114,883,147
Trolleys	10,636,348	8,592,306	8,592,306	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	4,008,100	4,008,100	4,008,100	4,008,100	4,006,215	4,006,215	4,006,215	4,006,215
Service cars and equipment	2,982,293	2,745,627	2,594,887	2,535,217	2,670,965	2,806,758	2,914,020	3,119,069	3,274,509	3,183,761
Shops and garage equipment	2,100,040	2,097,922	2,173,971	2,151,529	2,447,064	2,503,026	3,705,940	3,751,113	3,730,053	3,730,053
Furniture and office equipment	995,525	1,605,420	1,600,263	1,533,978	1,541,323	1,547,393	1,505,375	1,492,270	1,567,543	1,565,288
Miscellaneous equipment	3,189,642	3,975,423	4,211,548	4,670,025	5,893,303	8,885,885	8,757,315	8,803,914	9,204,763	9,218,182
Management information systems	5,118,557	5,293,715	6,072,100	10,390,159	7,645,051	7,723,562	13,181,994	13,530,539	14,098,319	15,712,086
Security Equipment	-	-	-	-	451,909	2,549,672	2,667,109	2,667,109	3,402,412	3,415,602
Leased Paratransit vans	11,534,086	9,840,923	11,367,746	10,908,216	9,623,660	11,175,152	9,295,522	8,544,552	8,322,925	9,795,812
Total capital assets being depreciated	<u>233,059,623</u>	<u>226,375,679</u>	<u>242,497,236</u>	<u>240,785,084</u>	<u>242,504,433</u>	<u>259,247,181</u>	<u>270,239,603</u>	<u>268,977,336</u>	<u>269,907,462</u>	<u>287,290,253</u>
Accumulated depreciation	(81,471,768)	(87,131,877)	(92,019,611)	(98,425,285)	(112,223,266)	(127,479,824)	(133,476,532)	(149,800,258)	(165,563,483)	(177,906,535)
Total capital assets being depreciated, net	<u>151,587,855</u>	<u>139,243,802</u>	<u>150,477,625</u>	<u>142,359,799</u>	<u>130,281,167</u>	<u>131,767,357</u>	<u>136,763,071</u>	<u>119,177,078</u>	<u>104,343,979</u>	<u>109,383,718</u>
Land	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924
Federal grant projects in process	3,893,927	6,275,959	14,906,535	13,954,222	14,236,340	10,445,775	1,572,686	4,442,471	13,167,728	19,930,322
Total Invested in Capital Assets	<u>\$ 157,627,706</u>	<u>\$ 147,665,685</u>	<u>\$ 167,530,084</u>	<u>\$ 158,459,945</u>	<u>\$ 146,663,431</u>	<u>\$ 144,359,056</u>	<u>\$ 140,481,681</u>	<u>\$ 125,765,473</u>	<u>\$ 119,657,631</u>	<u>\$ 131,459,964</u>

Source: RIPTA Annual Audited Financial Statements

Rhode Island Public Transit Authority
Condensed Summary of Net Position
Last Ten Years
(Unaudited)

	2011	2012	2013	2014	(1) 2015	2016	2017	(2) 2018	2019	2020
ASSETS:										
Capital Assets	\$157,627,706	\$147,665,685	\$ 167,530,084	\$ 158,459,945	\$ 146,663,431	\$ 144,359,056	\$ 140,481,681	\$ 125,765,373	\$ 119,657,631	\$ 131,459,964
Other Assets	22,315,056	22,659,721	23,123,665	21,871,766	18,575,871	17,953,980	20,987,335	27,424,305	33,157,090	33,058,653
Total Assets	<u>179,942,762</u>	<u>170,325,406</u>	<u>190,653,749</u>	<u>180,331,711</u>	<u>165,239,302</u>	<u>162,313,036</u>	<u>161,469,016</u>	<u>153,189,678</u>	<u>152,814,721</u>	<u>164,518,617</u>
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
Deferred other post employment benefits amount	-	-	-	-	-	-	-	806,647	1,956,236	2,099,481
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,904,214</u>	<u>16,445,594</u>	<u>27,033,223</u>	<u>21,280,443</u>	<u>19,662,178</u>	<u>22,733,960</u>
LIABILITIES:										
Current Liabilities	12,473,314	13,551,379	14,254,121	12,715,423	13,391,812	13,699,287	18,498,396	25,071,554	29,925,123	29,215,796
Long-term Liabilities	43,953,177	49,437,768	60,574,636	68,055,147	122,614,165	132,376,378	148,414,133	157,071,303	161,575,525	166,315,009
Total Liabilities	<u>56,426,491</u>	<u>62,989,147</u>	<u>74,828,757</u>	<u>80,770,570</u>	<u>136,005,977</u>	<u>146,075,665</u>	<u>166,912,529</u>	<u>182,142,857</u>	<u>191,500,648</u>	<u>195,530,805</u>
Deferred inflows of resources										
Deferred pension amounts	-	-	-	-	5,096,214	4,266,339	516,768	1,384,369	1,637,044	1,179,384
Deferred other post employment benefits amount	-	-	-	-	-	-	-	610,773	2,658,992	7,154,331
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,096,214</u>	<u>4,266,339</u>	<u>516,768</u>	<u>1,995,142</u>	<u>4,296,036</u>	<u>8,333,715</u>
NET POSITION:										
Restricted	-	-	-	-	-	-	-	-	2,667,167	4,880,314
Unrestricted Net Assets(Deficit)	(21,226,895)	(27,956,831)	(35,797,468)	(43,793,950)	(93,584,150)	(99,822,138)	(106,411,740)	(123,372,251)	(134,467,583)	(142,857,221)
Investment In Capital Assets	144,743,166	135,293,090	151,622,460	143,355,091	132,625,475	130,712,056	127,484,682	113,704,473	108,480,631	121,364,964
Total Net Position	<u>\$123,516,271</u>	<u>\$107,336,259</u>	<u>\$ 115,824,992</u>	<u>\$ 99,561,141</u>	<u>\$ 39,041,325</u>	<u>\$ 30,889,918</u>	<u>\$ 21,072,942</u>	<u>\$ (9,667,778)</u>	<u>\$ (23,319,785)</u>	<u>\$ (16,611,943)</u>

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

Rhode Island Public Transit Authority
CHANGES IN NET POSITION
LAST TEN YEARS
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenues:										
Passenger Revenue	\$21,564,851	\$ 21,147,737	\$ 21,547,853	\$ 21,779,974	\$ 19,076,441	\$ 18,289,032	\$ 19,795,824	\$ 19,723,997	\$ 18,477,718	\$ 15,447,234
Other Revenues	9,524,953	12,190,461	11,691,522	11,250,660	5,511,767	4,402,949	3,629,662	3,524,921	6,339,359	6,948,811
Total Operating Revenue	<u>31,089,804</u>	<u>33,338,198</u>	<u>33,239,375</u>	<u>33,030,634</u>	<u>24,588,208</u>	<u>22,691,981</u>	<u>23,425,486</u>	<u>23,248,918</u>	<u>24,817,077</u>	<u>22,396,045</u>
Operating Expenses	102,154,502	103,947,502	104,846,154	104,213,000	102,863,774	104,190,753	108,678,976	113,760,957	117,540,767	121,250,282
Depreciation Expense	<u>12,673,713</u>	<u>14,943,582</u>	<u>15,169,685</u>	<u>15,629,521</u>	<u>15,587,461</u>	<u>16,299,930</u>	<u>18,041,344</u>	<u>18,489,888</u>	<u>17,194,709</u>	<u>17,342,500</u>
Operating Loss	(83,738,411)	(85,552,886)	(86,776,464)	(86,811,887)	(93,863,027)	(97,798,702)	(103,294,834)	(109,001,927)	(109,918,399)	(116,196,737)
Non-operating Revenues(Expenses):										
Transfer from State	41,025,227	40,945,215	40,780,987	40,772,363	42,960,321	44,068,106	42,560,051	43,731,401	47,498,853	40,272,927
Grants	24,372,884	20,694,389	21,059,367	19,823,747	20,410,146	28,493,367	33,001,483	36,534,138	35,508,410	51,639,731
Investment Income	54,766	33,001	(4,527)	7,690	44,129	18,033	(2,568)	12,997	177,829	187,677
Contract Revenue	3,341,398	3,317,009	3,232,381	3,344,275	3,466,651	3,540,723	3,497,504	3,548,198	3,843,772	3,280,543
Other Non-operating Revenue						353,956	111,000	-	-	-
Loss on disposal of assets	(5,455)	(111,049)	(24,367)	(527)	(2,672)	(238)	(823,819)	(138)	(113)	(156,516)
Forgiveness of Debt	-	-	964,971	929,770	1,035,898	37,000	539,000	-	-	-
Interest Expense	(483,462)	(410,079)	-	-	-	-	-	(546,725)	(537,500)	(491,775)
Total Non-operating Revenues(Expenses)	<u>68,305,358</u>	<u>64,468,486</u>	<u>66,008,812</u>	<u>64,877,318</u>	<u>67,914,473</u>	<u>76,510,947</u>	<u>78,882,651</u>	<u>83,279,871</u>	<u>86,491,251</u>	<u>94,732,587</u>
Net Loss	(15,433,053)	(21,084,400)	(20,767,652)	(21,934,569)	(25,948,554)	(21,287,755)	(24,412,183)	(25,722,056)	(23,427,148)	(21,464,150)
Capital Contribution	<u>50,811,991</u>	<u>4,904,388</u>	<u>28,895,953</u>	<u>5,670,718</u>	<u>3,381,020</u>	<u>13,136,348</u>	<u>14,595,207</u>	<u>3,453,334</u>	<u>9,775,141</u>	<u>28,171,992</u>
Change in Net Position	<u>\$35,378,938</u>	<u>(\$16,180,012)</u>	<u>\$8,128,301</u>	<u>(\$16,263,851)</u>	<u>\$ (22,567,534)</u>	<u>\$ (8,151,407)</u>	<u>\$ (9,816,976)</u>	<u>\$ (22,268,722)</u>	<u>\$ (13,652,007)</u>	<u>\$ 6,707,842</u>

Source: RIPTA Annual Audited Financial Statements

Rhode Island Public Transit Authority
Expenses by Function
Last Ten Years
(Unaudited)

Operating Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	\$ 1,051,673	\$ 831,055	\$ 912,428	\$ 1,148,809	\$ 1,209,899	\$ 1,149,167	\$ 1,558,473	\$ 2,264,339	\$ 2,799,237	\$ 1,760,850
Finance	2,914,240	3,360,279	4,212,579	5,202,466	4,755,930	5,568,007	8,339,077	9,427,830	5,601,198	6,448,011
Operations	64,852,587	66,301,762	67,910,415	66,494,651	68,978,501	71,289,003	71,737,547	71,688,314	76,077,749	77,949,126
Marketing	2,261,023	2,399,414	684,955	712,898	666,310	799,351	634,211	723,379	853,614	1,655,782
Human Resources	1,083,730	1,236,857	505,275	562,255	566,928	658,430	771,079	1,197,464	1,424,648	1,032,720
Administrative Services	-	-	2,014,397	1,467,858	1,311,504	1,527,983	1,819,654	2,154,885	2,654,071	1,697,789
Risk Management	3,960,334	3,124,406	2,749,234	3,480,825	5,330,045	4,259,693	4,104,665	5,416,527	5,077,213	7,891,002
Planning & Scheduling	2,031,745	2,749,057	2,531,837	1,998,577	1,706,164	1,995,991	2,502,750	2,899,135	2,670,281	2,046,251
Specialized Transportation	2,252,563	1,702,980	1,772,410	1,573,368	1,333,228	1,092,621	1,372,162	1,760,656	2,057,796	1,214,963
Paratransit Operations	9,143,192	9,528,144	9,681,158	9,958,956	8,966,234	8,303,185	8,770,659	8,589,823	9,586,345	11,129,141
Purchasing	1,471,253	1,628,566	1,785,890	1,626,790	1,567,070	1,642,969	1,719,532	1,816,357	2,117,947	1,509,650
Flex	1,850,649	1,658,143	-	-	-	-	-	-	-	-
MIS	908,176	717,103	1,050,019	866,437	1,149,734	1,282,531	1,780,480	2,221,627	2,534,358	3,154,634
RIDE	5,150,770	5,557,983	5,789,086	6,084,640	2,476,886	2,014,829	1,291,505	1,378,720	1,643,831	1,322,075
Centralized Transportation	2,247,392	2,385,326	2,520,425	2,277,039	2,091,705	1,918,155	1,814,095	1,752,245	1,984,264	1,935,697
Facilities Engineering	362,581	-	-	-	-	-	-	-	-	-
**State of RI-DOT & RIBTA	612,594	666,427	726,046	757,431	753,636	688,838	463,087	469,656	458,215	502,591
Depreciation	12,673,713	14,943,582	15,169,685	15,629,521	15,587,461	16,299,930	18,041,344	18,489,888	17,194,709	17,342,500
Operating Expenses	114,828,215	118,791,084	120,015,839	119,842,521	118,451,235	120,490,683	126,720,320	132,250,845	134,735,476	138,592,782
Non-operating Expenses										
Debt Service	483,462	410,079	-	-	-	-	-	546,725	537,500	491,775
	483,462	410,079	-	-	-	-	-	546,725	537,500	491,775
Total Expenses	\$ 115,311,677	\$ 119,201,163	\$ 120,015,839	\$ 119,842,521	\$ 118,451,235	\$ 120,490,683	\$ 126,720,320	\$ 132,797,570	\$ 135,272,976	\$ 139,084,557

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Passenger Fares	\$19,778,407	\$ 21,147,737	\$ 21,547,853	\$ 21,779,974	\$ 19,076,441	\$ 18,289,032	\$ 19,795,824	\$ 19,723,997	\$ 18,477,718	\$ 15,447,234
Paratransit	1,786,444	1,911,627	1,052,140	1,003,013	1,140,886	1,082,260	1,130,267	404,749	412,368	358,858
Rental	192,096	195,707	193,285	186,128	174,423	165,879	150,691	124,166	112,181	113,470
Advertising	579,260	546,020	583,272	530,023	676,607	517,792	521,717	555,301	525,000	630,906
RIDE	7,163,120	7,884,343	8,642,680	8,292,568	2,282,146	1,372,101	759,454	1,338,646	1,392,115	1,299,569
Other	1,590,477	1,652,764	1,220,145	1,238,928	1,237,705	1,264,917	1,067,533	1,102,059	3,897,695	4,546,008
Total operating revenues	31,089,804	33,338,198	33,239,375	33,030,634	24,588,208	22,691,981	23,425,486	23,248,918	24,817,077	22,396,045
Non-operating Revenues										
Transfers From State	41,025,227	40,945,215	40,780,987	40,772,363	42,960,321	44,068,106	42,560,051	43,731,401	47,498,853	40,272,927
Federal and State Grants	27,372,884	20,694,389	21,059,367	19,823,747	20,410,146	28,493,367	33,001,483	36,534,138	35,508,410	51,639,731
Investment Income	54,766	33,001	(4,527)	7,690	44,129	18,033	(2,568)	12,997	177,829	187,677
Contract Revenue	3,341,398	3,317,009	3,232,381	3,344,275	3,466,651	3,540,723	3,497,504	3,548,198	3,843,772	3,280,543
Debt Forgiveness	-	-	964,971	929,770	1,035,898	37,000	539,000	-	-	-
Other non-operating revenue	-	-	-	-	-	353,956	111,000	-	-	-
Gain(Loss) on disposal of Assets	(5,455)	(111,049)	(24,367)	(527)	(2,672)	(238)	(823,819)	(138)	(113)	(156,516)
Total non-operating revenues	71,788,820	64,878,565	66,008,812	64,877,318	67,914,473	76,510,947	78,882,651	83,826,596	87,028,751	95,224,362
Total Revenues	\$102,878,624	\$98,216,763	\$ 99,248,187	\$ 97,907,952	\$ 92,502,681	\$ 99,202,928	\$ 102,308,137	\$ 107,075,514	\$ 111,845,828	\$ 117,620,407

Source: RIPTA Annual Audited Financial Statements

Rhode Island Public Transit Authority
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Year	Due To Primary Govt	Population(1)	Personal Income(2)	Percentage of Personal Income	Debt per Capita
2011	\$ 8,482,859	1,051,302	\$ 46,294	0.0174%	\$ 8.07
2012	12,372,595	1,050,292	47,253	0.0249%	11.78
2013	15,907,624	1,051,511	49,434	0.0306%	15.13
2014	14,057,956	1,055,173	51,532	0.0259%	13.32
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	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
State of Rhode Island
Last Ten Years
(Unaudited)

Fiscal Year	<u>Population(1)</u>	<u>Personal Income(4)</u>	<u>Per Capita Income(4)</u>	<u>Labor Force(2)</u>	<u>School Enrollment(3)</u>	<u>Unemployment Rate(2)</u>
2011	1,051,302	\$ 46,294	\$ 43,992	563,506	142,854	11.27%
2012	1,050,292	47,253	44,990	560,428	142,481	10.42%
2013	1,051,511	49,434	47,012	560,428	142,008	9.49%
2014	1,055,173	51,532	48,838	553,347	141,959	7.65%
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	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Source United States Census Bureau
- (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
Demographic and Economic Information(continued)
Top Ten Rhode Island Employers 2019
(Unaudited)

2019				2011			
Rank	Name of Company	Employees	% of Total Employment	Rank	Name of Company	Employees	% of Total Employment
1	Rhode Island	13,722	20.73%	1	Rhode Island	13,062	20.50%
2	Lifespan	13,165	19.89%	2	Lifespan	12,378	19.42%
3	CVS Health Corp	8,300	12.54%	3	Care New England	7,045	11.06%
4	Care New England	6,295	9.51%	4	CVS Caremark	6,200	9.73%
5	Citizens Financial Group	5,100	7.71%	5	Citizens Financial Group	5,350	8.40%
6	General Dynamics Electric Boat	4,595	6.94%	6	City of Providence	5,224	8.20%
7	City of Providence	4,243	6.41%	7	Brown University	4,200	6.59%
8	Brown University	4,197	6.34%	8	Roman Catholic Diocese of Providence	3,600	5.65%
9	Naval Undersea Warfare Center	3,373	5.10%	9	Bank of America	3,500	5.49%
10	Fidelity Investments	3,200	4.83%	10	Charter Care Health Partners	3,164	4.97%

Source: 2012 Providence Business News

Source: 2020 Providence Business News

Rhode Island Public Transit Authority
Fare Structure
Last Ten Years
(Unaudited)

Fare Products

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>*2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
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	\$ 62.00	\$ 62.00	\$ 62.00	\$ 62.00	\$ 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	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
10 Ride Pass	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
15 Ride Pass	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	N/A	N/A	N/A	N/A	N/A
RIPTIKS										
RIPTIKS(Book of 10)	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	N/A	N/A	N/A	N/A	N/A
Transfers										
Cash-Transfer	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Cash Half Fare Transfer	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50

* All Price Increases went into affect as of March 1, 2016

Rhode Island Public Transit Authority
Transit Service and Operational Statistics
Last Ten Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PASSENGERS(RIDERSHIP)										
BUS	19,463,820	19,762,912	19,785,010	19,780,040	18,074,137	17,813,105	16,239,062	16,339,054	16,029,388	13,085,755
DEMAND RESPONSE	641,534	706,315	698,290	668,452	402,751	373,629	332,759	360,436	332,010	268,730
	<u>20,105,354</u>	<u>20,469,227</u>	<u>20,483,300</u>	<u>20,448,492</u>	<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>
REVENUE MILES										
BUS	8,417,792	8,387,715	8,077,334	8,264,927	8,483,016	8,546,906	8,555,359	8,872,782	8,922,598	9,233,869
DEMAND RESPONSE	4,438,006	4,891,615	4,981,925	4,766,876	3,164,569	2,975,367	2,772,570	2,768,659	2,424,533	2,119,177
	<u>12,855,798</u>	<u>13,279,330</u>	<u>13,059,259</u>	<u>13,031,803</u>	<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>
REVENUE HOURS										
BUS	628,557	632,734	603,704	633,454	658,848	673,409	672,788	678,861	671,155	697,552
DEMAND RESPONSE	332,573	319,086	309,214	296,754	220,473	179,245	167,075	162,988	150,720	132,659
	<u>961,130</u>	<u>951,820</u>	<u>912,918</u>	<u>930,208</u>	<u>879,321</u>	<u>852,654</u>	<u>839,863</u>	<u>841,849</u>	<u>821,875</u>	<u>830,211</u>
PASSENGER PER REVENUE MILE										
BUS	2.31	2.36	2.45	2.39	2.13	2.08	1.90	1.84	1.80	1.42
DEMAND RESPONSE	0.14	0.14	0.14	0.14	0.13	0.13	0.12	0.13	0.14	0.13
	<u>1.56</u>	<u>1.54</u>	<u>1.57</u>	<u>1.57</u>	<u>1.59</u>	<u>1.58</u>	<u>1.46</u>	<u>1.43</u>	<u>1.44</u>	<u>1.18</u>
PASSENGER PER REVENUE HOUR										
BUS	30.97	31.23	32.77	31.23	27.43	26.45	24.14	24.07	23.88	18.76
DEMAND RESPONSE	1.93	2.21	2.26	2.25	1.83	2.08	1.99	2.21	2.20	2.03
	<u>20.92</u>	<u>21.51</u>	<u>22.44</u>	<u>21.98</u>	<u>21.01</u>	<u>21.33</u>	<u>19.73</u>	<u>19.84</u>	<u>19.91</u>	<u>16.09</u>
Operating Expenses**	\$ 102,154,502	\$ 103,847,502	\$ 104,846,154	\$ 104,213,000	\$ 102,863,774	\$ 104,190,753	\$ 108,678,976	\$ 113,760,957	\$ 117,540,767	\$ 121,250,282
Operating expenses per mile	\$ 7.95	\$ 7.82	\$ 8.03	\$ 8.00	\$ 8.83	\$ 9.04	\$ 9.59	\$ 9.77	\$ 10.36	\$ 10.68
Operating expenses per hour	\$ 106.29	\$ 109.10	\$ 114.85	\$ 112.03	\$ 116.98	\$ 122.20	\$ 129.40	\$ 135.13	\$ 143.02	\$ 146.05
Operating expenses per passenger	\$ 5.08	\$ 5.07	\$ 5.12	\$ 5.10	\$ 5.57	\$ 5.73	\$ 6.56	\$ 6.81	\$ 7.18	\$ 9.08
Peak Fleet Request										
BUS	215	188	192	191	196	195	194	201	196	203
DEMAND RESPONSE	118	118	118	115	101	104	91	90	80	80
Total Active Fleet										
BUS	255	237	246	229	230	249	243	237	232	247
DEMAND RESPONSE	147	147	147	144	122	126	96	94	92	102
Number of Employees										
BUS	642	619	599	611	641	638	655	665	666	683
DEMAND RESPONSE	173	175	167	152	153	138	132	137	141	121

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

Source: National Transit Database



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the Board of Directors
Rhode Island Public Transit Authority
Providence, Rhode Island

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, the financial statements of the Rhode Island Public Transit Authority (the Authority), a component unit of the State of Rhode Island and Providence Plantations, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 6, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
October 6, 2020

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

<i>Federal Grantor/ Pass-Through Grantor Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
U.S. Department of Transportation			
<i>Federal Transit Cluster:</i>			
Direct Programs:			
Capital Investment Grants	20.500	RI 04-0010	\$ 7,662
Formula Grants	20.507	RI 90-X057	47,465
Formula Grants	20.507	RI 90-X058	10,094
Formula Grants	20.507	RI 90-X060	6,952
Formula Grants	20.507	RI 90-X061	11,416
Formula Grants	20.507	RI 90-X062	291,214
Formula Grants	20.507	RI 90-X063	3,365,960
Formula Grants	20.507	RI 90-X064	7,321,484
Formula Grants	20.507	RI 96-X006	5,760
Formula Grants	20.507	RI 95-X007	122,429
Formula Grants	20.507	RI 95-X009	1,648,426
Formula Grants	20.507	RI 2017-001-00	806,545
Formula Grants	20.507	RI 2017-003-00	1,130
Formula Grants	20.507	RI 2017-004-00	144,095
Formula Grants	20.507	RI 2017-007-00	2,164,711
Formula Grants	20.507	RI 2018-002-00	932,381
Formula Grants	20.507	RI 2018-006-00	53,191
Formula Grants	20.507	RI 2019-005-00	17,859,393
Formula Grants	20.507	RI 2019-010-00	326,310
Formula Grants	20.507	RI 2020-001-00	2,650,429
Formula Grants	20.507	RI 2020-003-00	1,451,486
COVID-19 - Formula Grants	20.507	RI 2020-005-00	10,858,206
State of Good Repair Grants Program	20.525	RI 2016-003-00	3,036
State of Good Repair Grants Program	20.525	RI 2018-004-00	1,094,940
State of Good Repair Grants Program	20.525	RI 2019-004-00	4,243,132
State of Good Repair Grants Program	20.525	RI 2020-002-00	3,012
Bus and Bus Facilities Formula Program	20.526	RI 2016-005-00	1,782,183
Bus and Bus Facilities Formula Program	20.526	RI 2017-009-00	111,980
Bus and Bus Facilities Formula Program	20.526	RI 2019-003-00	63,968
Bus and Bus Facilities Formula Program	20.526	RI 2019-006-00	336,775
Pass-through RI Department of Transportation:			
Capital Investment Grants	20.500	RI 04-0009	379,200
<i>Total Federal Transit Cluster</i>			<u>58,104,965</u>
Direct Programs:			
<i>Transit Services Programs Cluster:</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	RI 16-X037	1,287,271
<i>Total Transit Services Programs Cluster</i>			<u>1,287,271</u>
Formula Grants for Rural Areas	20.509	RI 2017-005-00	110,134
Formula Grants for Rural Areas	20.509	RI 2018-004-00	122,638
Formula Grants for Rural Areas	20.509	RI 2019-004-00	23,250
			<u>256,022</u>
Public Transportation Emergency Relief Program	20.527	RI 44-X002	76,849
National Infrastructure Investments	20.933	RI 2016-006-00	5,221,964
Total U.S. Department of Transportation			<u>64,947,071</u>
Total Expenditures of Federal Awards			<u>\$ 64,947,071</u>

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Rhode Island Public Transit Authority under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Rhode Island Public Transit Authority, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Rhode Island Public Transit Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The Rhode Island Public Transit Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – DETERMINATION OF MAJOR PROGRAMS

The determination of major Federal financial assistance programs was based on the overall level of expenditures for all Federal programs for the State of Rhode Island, of which the Rhode Island Public Transit Authority is a component unit. As such, the determination of major programs is made at the State level, where it was determined that the Federal Transit Cluster was a major program during the State fiscal year ended June 30, 2020.

NOTE 5 – INTER-AGENCY PROJECT

The Rhode Island Department of Transportation is managing the construction of the Pawtucket Bus Hub and Transit Emphasis Corridor Improvements project funded by Grant # RI-2019-006-00, CFDA # 20.526.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

NOTE 6 – SUBRECIPIENTS

The Rhode Island Public Transit Authority did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2020.