



# omprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



SHIP STREET



**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, 2021**

Prepared by: Department of Finance  
Christopher Durand, Chief Financial Officer  
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, 2021**

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***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, 2021***

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***INTRODUCTORY SECTION***



October 28, 2021

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 for the RI Public Transit Authority (RIPTA) for the fiscal year ended June 30, 2021. 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. For fiscal year 2021, RIPTA was granted an extension to October 20, 2021. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

RIPTA's Finance Department staff following guidelines set forth by the Governmental Accounting Standards Board (GASB) prepared the Comprehensive Annual Financial Report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather the 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, 2021, 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 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 down 5.0 percent from last June's figure of 10.9 percent to 5.9 percent. The national rate was 11.9 percent.

Information from the May 2021 Rhode Island Revenue Estimating Conference, the Department of Labor and Training reports that the RI employment growth began rebounding in May, 2020; however the pace weakened as the year went on because of the infection surge. Rhode Island has recouped two-thirds of the jobs lost, but the last third will take much longer. The state's nonfarm payroll increased by 97,700 jobs, which accounts for almost 63 percent of the total jobs lost between February and April.

## **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 2020, the RIPTA Board of Directors approved an operating budget with a projected surplus of \$6,589 (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 2022, proceeds will be approximate \$4.5 million and FY 2023 \$4.6 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 2022 and future years.

## **Major Capital Initiatives**

RIPTA's FY 2022 Capital Budget includes \$78.3 million in capital expenditures. Many of RIPTA projects have been delayed as a result of state budget shortfalls and lack of funding availability for capital projects. The capital budget will be presented to the board for consideration in the October 2021 Board of Directors meeting. Expenditure 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 2022, RIPTA will replace 26 fixed route buses (12 Diesel, 14 Electric), 10 Flex vehicles, and 25 paratransit vehicles at an estimated cost of \$27.5 million. Furthermore, RIPTA will complete significant improvements to the Chafee Heavy Maintenance facility and the Pawtucket/Central Falls Bus Hub at an FY 2022 cost of \$3.9 million and \$5.4 million, respectfully.

Other major initiatives commencing in FY 2022 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.

## **Funding of the CIP**

In FY 2022, RIPTA plans to fund the capital program with \$57.2 million in Federal Transit Administration funds, of which \$24.7 million will be discretionary dollars. Match for these projects will come from \$4 million in various RIPTA sources, \$768,000 in local sources, and \$8.4 million in state sources, and \$8 million in Volkswagen Settlement funding.

## **Awards**

The Government Finance Officers Association, awarded a Certificate of Achievement for the Excellence in Financial Reporting to RIPTA for its 2020 annual report. This was the ninth 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**

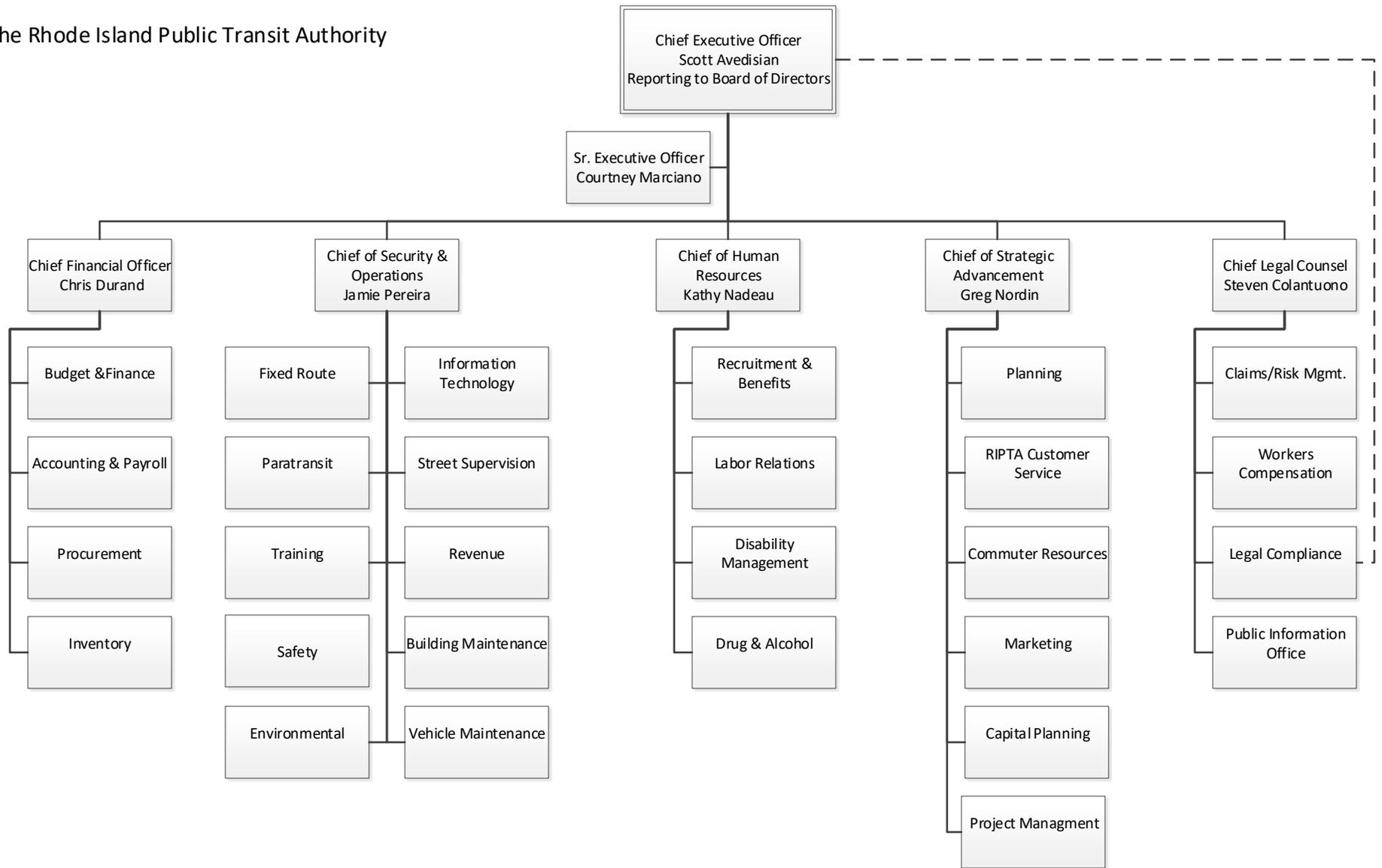
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

The Rhode Island Public Transit Authority



August 2021

***RHODE ISLAND PUBLIC TRANSIT AUTHORITY***

***Principal Officials***  
***June 30, 2021***

***Chief Executive Officer***

Scott Avedisian

***Finance Department***

Christopher Durand, Chief Financial Officer  
Paul DiIorio, Director of Accounting

***Board of Directors***

Normand Benoit – Chairman

Peter Alviti

Joshua H. Brumberger

Robert Kells

Maureen Martin

Marcy Reyes

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 business-type activity and the fiduciary activity of the Rhode Island Public Transit Authority (the Authority), a component unit of the State of Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

### ***Opinions***

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

### ***Emphasis of Matter***

As discussed in Note 1 and Note 20 to the financial statements, the Authority implemented GASB Statement No. 84, *Fiduciary Activities*, during fiscal year 2021. Our opinions were not modified with respect to this matter.

### ***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 53 through 56 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 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, 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, 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 28, 2021 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 28, 2021

## **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, 2021. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the Authority's financial activities based on facts, decisions, and conditions currently facing management.

### **Understanding the Authority's Financial Statements**

The Authority is a component unit of the State of Rhode Island (State), accounted for using the "economic resources" measurement focus, which reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. 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 basic financial statements include a Business-Type Activity and a Fiduciary Activity. The Business-Type Activity financial statements include a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The Fiduciary Activity financial statements include a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

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

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

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

The Business-Type Activity 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 12.8 % or \$15.09 million during FY 2021 compared to FY 2020.
- Operating and non-operating expenses decreased by 3.9% or \$5.5 million during FY 2021 as compared to FY 2020.
- Capital contributions decreased \$8.3 million or 29.3% from the previous year. This decrease was due to some of the large capital projects either were completed or almost completed in the previous fiscal year, for example, the Downtown Transit Connector (DTC), INIT Fare technology upgrade, and Hastus transportation management software projects.
- Capital assets increased by \$5.2 million or 4.0% from FY 2020.
- The Authority's total net position increased by \$19.0 million or 114.6 % from FY 2020.

**Net Position**

The following schedule presents the condensed Statement of Net Position for the fiscal years ended June 30, 2021 and 2020.

	<u>June 30,</u> 2021	<u>June 30,</u> 2020
Assets:		
Current assets	\$ 31,470,077	\$ 27,092,844
Capital assets (net)	136,689,798	131,459,964
Other non-current assets	5,680,696	5,965,809
TOTAL ASSETS	<u>173,840,571</u>	<u>164,518,617</u>
Deferred outflows of resources:		
Deferred pension amounts	22,487,173	20,634,479
Deferred other postemployment benefit amounts	4,150,130	2,099,481
	<u>26,637,303</u>	<u>22,733,960</u>
Liabilities:		
Current liabilities	18,421,294	29,215,796
Non-current liabilities	170,314,968	166,315,009
TOTAL LIABILITES	<u>188,736,262</u>	<u>195,530,805</u>
Deferred inflows of resources:		
Deferred pension amounts	903,239	1,179,384
Deferred other postemployment benefit amounts	8,411,295	7,154,331
	<u>9,314,534</u>	<u>8,333,715</u>
Net position		
Restricted	4,054,674	4,880,314
Unrestricted net position (deficit)	(129,324,358)	(142,857,221)
Net Investment in capital assets	127,696,762	121,364,964
TOTAL NET POSITION	<u>\$ 2,427,078</u>	<u>\$ (16,611,943)</u>

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

The majority of the Authority's assets (79%) 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 \$73.9 million associated with implementing GASB #75, Other Post-employment, a liability of \$78.5 million associated with implementing GASB #68 and a Due to Primary Government of \$10.3 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 2021 can be found in Note 7, 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, 2021 and 2020.

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Operating Revenue		
Ritecare program revenue	\$ 1,895,158	\$ 2,639,450
Passenger revenue	7,829,006	12,807,784
Ride program revenue	244,007	1,299,569
Other operating revenues	8,365,450	5,649,242
Non-operating Revenue		
Grant revenue	71,626,536	51,639,731
State of RI - DEA gas tax	3,223,620	3,280,543
Other non-operating revenue	(1,138)	187,677
State of RI gas tax	39,681,075	40,272,927
Total Revenues	<u>132,863,714</u>	<u>117,776,923</u>
Operating Expenses		
Management and general	(22,507,652)	(29,733,727)
Operations and maintenance	(92,771,888)	(91,516,555)
Depreciation	(18,041,998)	(17,342,500)
Non-operating Expenses		
Debt service	(422,791)	(491,775)
Other non-operating expenses	-	(156,516)
Total Expenses	<u>(133,744,329)</u>	<u>(139,241,073)</u>
Net Income ( Loss) before Capital Contributions	(880,615)	(21,464,150)
Capital Contributions	<u>19,919,636</u>	<u>28,171,992</u>
Change in Net Position	19,039,021	6,707,842
Total Net Position- Beginning	(16,611,943)	(23,319,785)
Total Net Position- Ending	<u>\$ 2,427,078</u>	<u>\$ (16,611,943)</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 \$152,783,350. The revenue reported as operating revenue, non-operating revenue and State of RI gas tax increased 12.8% or \$15,086,791 over the prior year. This increase was the result of an increase in grant revenues . The Authority's operating and non-operating expenses total \$133,744,329. This reflects a decrease of 3.9% or \$5,496,744 over the prior year. The decrease was in management and general expenses.

**Capital Assets**

The following schedule summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Land, shops, garages and buildings	\$ 107,338,672	\$ 106,820,517
Revenue equipment	153,008,730	145,790,688
Service vehicles and garage equipment	7,117,818	6,913,814
Furniture and fixtures	10,599,267	10,783,470
Management information systems	16,791,401	15,712,086
Security Equipment	3,402,892	3,415,602
Federal grant projects in process	26,548,703	19,930,322
	<u>324,807,483</u>	<u>309,366,499</u>
Less accumulated depreciation	<u>(188,117,685)</u>	<u>(177,906,535)</u>
Net capital assets	<u>\$136,689,798</u>	<u>\$131,459,964</u>

At the end of fiscal year 2021, the Authority had \$ 136,689,798 invested in capital assets. This amount represents a increase of 4.0% or \$5,229,834 from the prior year. A more detailed account of the capital asset activity for fiscal year 2021 can be found in Note 4, Property, Plant and Equipment.

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

- Completion of the Downtown Transit Connector Project
- Continuation of the Fare Technology Upgrade
- Continuation of installation of Bus Lifts in the Chafee Building
- Continuation of the Fuel and Fluid Management System
- Purchase of 24 Fixed Route buses

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

During FY 2022, the RIPTA will continue on the tunnel improvement 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 2022 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 October 31, 2021. A new transportation authorization bill has been introduced into Congress and is likely to be passed. The FY 2022 budget includes funding for mobility management reimbursement, preventive maintenance, Jobs Access/Reverse Commute and rural operating assistance with small variations from FY 2021 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 2022, the yield determined by the State of RI Department of Revenue for the gasoline tax is \$4,269,970, 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 that 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 received \$91,233,702 in federal transit funds. These funds allow RIPTA to seek reimbursement for cost of operations and capital expenditures. Additional funding from a second bill was passed in December 2020 for a total of \$614,298. The American Rescue Plan Act was passed in March 2021 and is still in negotiations between the Rhode Island and Massachusetts UZA's on the split.
- ❑ 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 consumed approximately 2.2 million gallons of fuel in FY 2021. 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, 2021*

**Assets**

***Current assets***

Cash and cash equivalents:	
Operating fund	\$ 5,403,278
Paratransit capital fund	1,296,246
Accident and casualty fund	272,248
Capital replacement fund	3,564,028
Total cash and cash equivalents	<u>10,535,800</u>
Investments	<u>2,968,645</u>
Receivables:	
Accounts	1,110,681
Grants	4,525,052
Total receivables	<u>5,635,733</u>
Due from primary government	9,379,660
Inventories, net allowance of \$37,238	1,727,327
Prepaid expenses	1,222,912
<b><i>Total current assets</i></b>	<u>31,470,077</u>

***Non-current assets***

Investments	3,060,433
Prepaid expenses	168,037
Capital assets, non-depreciable	29,174,832
Capital assets, depreciable - net of depreciation	107,514,966
Health insurance deposit	2,452,226
<b><i>Total non-current assets</i></b>	<u>142,370,494</u>
<b><i>Total assets</i></b>	<u>173,840,571</u>

***Deferred outflows of resources***

Deferred pension amounts	22,487,173
Deferred other postemployment benefit amounts	4,150,130
<b><i>Total deferred outflows of resources</i></b>	<u>26,637,303</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, 2021*

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***Liabilities***

***Current liabilities***

Accounts payable	6,722,429
Due to primary government	2,294,756
Accrued salaries, wages and benefits	7,404,377
Accrued compensated absences	45,764
Accrued self insured health claims	524,268
Accrued self insured claims	1,150,000
Unearned revenue	279,700
<b><i>Total current liabilities</i></b>	<b><u>18,421,294</u></b>

***Non-current liabilities***

Due to primary government	8,025,036
Accrued compensated absences	303,440
Accrued self insured claims	9,602,000
Net pension liability	78,513,300
Total other postemployment benefit liability	73,871,192
<b><i>Total non-current liabilities</i></b>	<b><u>170,314,968</u></b>

***Total liabilities***

**188,736,262**

***Deferred inflows of resources***

Deferred pension amounts	903,239
Deferred other postemployment benefit amounts	8,411,295
<b><i>Total deferred inflows of resources</i></b>	<b><u>9,314,534</u></b>

***Net position***

Net investment in capital assets	127,696,762
Restricted for zero emission electric buses	4,054,674
Unrestricted (deficit)	(129,324,358)
<b><i>Total net position</i></b>	<b><u>\$ 2,427,078</u></b>

*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, 2021

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<b><i>Operating revenues</i></b>	
Passenger	\$ 9,724,164
Paratransit	263,599
Rental	114,861
Advertising	788,172
RIDE	244,007
Other	7,198,818
<b><i>Total operating revenues</i></b>	<b><u>18,333,621</u></b>
<b><i>Operating expenses</i></b>	
Administration	1,926,250
Finance	6,156,826
Operations	81,660,177
Marketing	1,493,858
Human resources	1,264,826
Administrative services	1,865,579
Risk management	1,198,524
Planning and scheduling	2,811,393
Specialized transportation	1,429,199
Paratransit operations	8,796,762
Purchasing	1,752,568
Information technology	2,575,121
RIDE	33,508
Centralized maintenance	1,872,234
State of Rhode Island - DOT & RITBA	442,715
Depreciation	18,041,998
<b><i>Total operating expenses</i></b>	<b><u>133,321,538</u></b>
<b><i>Operating loss</i></b>	<b><u>(114,987,917)</u></b>
<b><i>Nonoperating revenues (expenses)</i></b>	
State of RI gas tax	39,681,075
State of RI - DEA gas tax	3,223,620
Operating grants	71,626,536
Investment income	(1,138)
Interest expense	(422,791)
<b><i>Total nonoperating revenues (expenses)</i></b>	<b><u>114,107,302</u></b>
<b><i>Loss before capital contributions</i></b>	<b>(880,615)</b>
<b><i>Capital contributions</i></b>	<b><u>19,919,636</u></b>
<b><i>Change in net position</i></b>	<b>19,039,021</b>
<b><i>Total net position - beginning of year (deficit)</i></b>	<b><u>(16,611,943)</u></b>
<b><i>Total net position - end of year</i></b>	<b><u>\$ 2,427,078</u></b>

*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, 2021*

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<b><i>Cash flows from operating activities</i></b>	
Cash received from customers	\$ 15,913,138
Cash paid to suppliers for goods and services	(27,546,293)
Cash paid to employees for services	<u>(94,546,328)</u>
<b><i>Net cash used for operating activities</i></b>	<u>(106,179,483)</u>
<b><i>Cash flows from noncapital financing activities</i></b>	
State gas tax received	38,630,311
Operating grants received	<u>68,498,283</u>
<b><i>Net cash provided by noncapital financing activities</i></b>	<u>107,128,594</u>
<b><i>Cash flows from capital and related financing activities</i></b>	
Capital contributions received	21,072,252
Acquisition and construction of capital assets	<u>(24,264,797)</u>
<b><i>Net cash used for capital and related financing activities</i></b>	<u>(3,192,545)</u>
<b><i>Cash flows from investing activities</i></b>	
Purchase of investments	(6,029,078)
Maturity of investments	6,013,093
Interest and dividends on investments	<u>(1,138)</u>
<b><i>Net cash used for investing activities</i></b>	<u>(17,123)</u>
<b><i>Net decrease in cash and cash equivalents</i></b>	(2,260,557)
<b><i>Cash and cash equivalents at beginning of year</i></b>	<u>12,796,357</u>
<b><i>Cash and cash equivalents at end of year</i></b>	<u><u>\$ 10,535,800</u></u>
<b><i>Schedule of non-cash noncapital financing activities:</i></b>	
Operating grants	\$ 1,524,755
<b><i>Schedule of non-cash capital and related financing activities:</i></b>	
Principal on due to primary government	(1,101,964)
Interest on due to primary government	(422,791)

*(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, 2021*

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

<b><i>Operating loss</i></b>	<b><u>\$ (114,987,917)</u></b>
<b><i>Adjustments to reconcile operating loss to net cash used for operating activities</i></b>	
Depreciation and amortization	18,041,998
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(4,059)
(Increase) decrease in due from primary government	35,802
(Increase) decrease in inventory	276,304
(Increase) decrease in prepaid expenses	514,833
(Increase) decrease in health insurance deposit	(2,452,226)
Increase (decrease) in accounts payable and accrued expenses	(8,625,547)
Increase (decrease) in accrued self insured claims	(5,554,216)
Increase (decrease) in accrued compensated absences	113,684
Increase (decrease) in net pension liability	6,798,293
Increase (decrease) in total other postemployment benefit liability	2,586,092
(Increase) decrease in deferred outflows of resources	(3,903,343)
Increase (decrease) in deferred inflows of resources	980,819
<b><i>Total adjustments</i></b>	<b><u>8,808,434</u></b>
 <b><i>Net cash used for operating activities</i></b>	 <b><u><u>\$ (106,179,483)</u></u></b>

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Statement of Fiduciary Net Position*

*June 30, 2021*

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	<b><i>Pension Trust Fund</i></b>
<b><i>Assets</i></b>	
Investments, at fair value:	
Investment contract with insurance company	\$ 44,750,060
Pooled separate account investments:	
Domestic equity	56,614,291
International equity	24,769,160
Fixed income	31,216,606
Real estate	9,361,180
Index fund - domestic equity	13,625,495
Total investments	<u>180,336,792</u>
<b><i>Total assets</i></b>	<u>180,336,792</u>
<b><i>Net position restricted for pensions</i></b>	<u><u>\$ 180,336,792</u></u>

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
*Statement of Changes in Fiduciary Net Position*  
*For the Year Ended June 30, 2021*

---

	<b><i>Pension Trust Fund</i></b>
<b><i>Additions</i></b>	
Contributions:	
Employer	\$ 9,736,036
Plan member	1,898,200
Total contributions	<u>11,634,236</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	32,816,318
Interest and dividends	2,680,170
Less investment expense	(944,679)
Net investment income	<u>34,551,809</u>
 <b><i>Total additions</i></b>	 <u>46,186,045</u>
 <b><i>Deductions</i></b>	
Benefit payments, including refunds of member contributions	12,420,505
Administrative expenses	39,409
 <b><i>Total deductions</i></b>	 <u>12,459,914</u>
 <b><i>Net increase in fiduciary net position</i></b>	 33,726,131
 <b><i>Net position restricted for pensions, beginning of year, restated</i></b>	 <u>146,610,661</u>
 <b><i>Net position restricted for pensions, end of year</i></b>	 <u><u>\$ 180,336,792</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, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

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

***Reporting Entity***

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

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

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

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

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

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

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

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

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

***Measurement Focus and Basis of Accounting***

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

***Recently Issued Accounting Standards***

The Authority has implemented the following new accounting pronouncements:

- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Authority’s fiscal year ending June 30, 2021.
- 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. 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.

As discussed in Note 20, the adoption of GASB Statement No. 84 resulted in a restatement to include Fiduciary Fund financial statements in the Authority’s financial statements to report the Pension Trust Fund as a Fiduciary Activity. The adoption of GASB Statement No. 90 and the portion of GASB Statement No. 93 applicable in fiscal year 2021 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. 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.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**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*, paragraphs 11b, 13 and 14, 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.
- 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.

***Cash and Cash Equivalents***

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

***Investments***

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

***Materials and Supplies of Inventory***

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

***Property, Plant and Equipment***

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

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 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.

***Compensated Absences***

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

***Self-insurance***

The Authority is self-insured for workers' compensation claims and auto liability and property damage claims. Management believes that the accrual for self-insurance claims is adequate to cover the ultimate liability arising from such claims. However, the recorded liability is based upon estimates of final settlement amounts, which may be more or less than the amount ultimately paid. The Authority has established a reserve cash account for self-insurance as more fully described in Note 5.

***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

***RHODE ISLAND PUBLIC TRANSIT AUTHORITY***  
***Notes to Financial Statements***  
***June 30, 2021***

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.

***Operating Revenues and Expenses***

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

***Federal and State Grants***

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

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

***Contributions***

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

***Payment of Benefits***

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

***Income Taxes***

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

***Advertising Costs***

It is the Authority's policy to expense advertising costs as incurred. Advertising expense for fiscal year ended June 30, 2021 was \$241,829.

***Estimates***

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

**NOTE 2 - CASH DEPOSITS**

The carrying amount of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2021, was \$4,058,631 and the bank balance was \$4,113,372. Of the bank balance, \$1,132,643 was insured by federal depository insurance, \$2,980,729 was collateralized with securities held by the pledging financial institution or its agent in the Authority's name, and \$0 was uncollateralized.

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

In accordance with General Laws, Chapter 35-10.1, Rhode Island depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. None of the cash deposits of the Authority were required to be collateralized at June 30, 2021 pursuant to Chapter 35-10.1 of the General Laws.

The carrying value of deposits for June 30, 2021 is \$4,058,631. Investments of \$6,476,069 and \$1,100 of petty cash, relate to the statement of net position totals for June 30, 2021 as follows:

Cash deposits	\$4,058,631
Add: Petty cash	1,100
Add: Investments classified as cash equivalents for financial statement purposes	6,476,069
<b><i>Cash and cash equivalents per statement of net position</i></b>	<b><u>\$10,535,800</u></b>

**NOTE 3 - INVESTMENTS**

***Investments – Business-Type Activity***

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

At June 30, 2021, the Authority had the following money market and pooled investments classified as cash equivalents:

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

<u>Investments</u>	<u>Average Maturity in Days</u>	<u>Standards &amp; Poor's Rating</u>	<u>Fair Value</u>
Federated Government Obligations Fund	28	AAAm	\$24,261
Ocean State Investment Pool	24	Not rated	6,451,808
			<u>\$6,476,069</u>

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

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

At June 30, 2021, the Authority had the following investments in its Business-Type Activity:

<u>Investments</u>	<u>Maturity</u>	<u>Standard &amp; Poor's Rating</u>	<u>Fair Value</u>
U.S. Treasury Notes	07/15/2021-04/15/2024	Not applicable	\$6,029,078
			<u>\$6,029,078</u>

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

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

**Credit Risk** - As of June 30, 2021, the Authority's investment in Federated Government Obligations Fund was 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.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

**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, 2021:

- U.S. Treasury notes of \$6,029,078 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).

**Investments – Fiduciary Activity - Pension Trust Fund**

The Pension Trust Fund’s policy in regard to the allocation of invested assets is established and may be amended by the Joint Pension Board. It is the policy of the Joint Pension Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Trust Fund’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Joint Pension Board’s adopted asset allocation policy as of June 30, 2021:

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

At June 30, 2021, the Pension Trust Fund had the following investments:

<u>Description</u>	<u>Fair Value</u>
Investment contract with insurance company – Guaranteed Deposit Fund	\$44,750,060
Pooled separate accounts:	
Domestic equity	56,614,291
International equity	24,769,160
Fixed income	31,216,606
Real estate	9,361,180
Index fund – domestic equity	<u>13,625,495</u>
	<u>\$180,336,792</u>

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Trust Fund does not have a formal investment policy related to custodial credit risk. The Pension Trust Fund has no investments subject to custodial credit risk as of June 30, 2021.

**Interest Rate Risk** – The Pension Trust Fund does not have a formal investment policy that limits the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates. The effective duration of the Pension Trust Fund’s investments subject to interest rate risk as of June 30, 2021 is as follows: guaranteed deposit fund – 3.49 years and fixed income pooled separate account – 7.63 years.

**Credit Risk** - The Pension Trust Fund does not have a formal investment policy that limits investment choices due to credit risk. Credit quality information for the Pension Trust Fund’s investments subject to credit risk as of June 30, 2021 is as follows: guaranteed deposit fund – average rating of AA- by Standard & Poor’s and fixed income pooled separate account – quality distribution from AAA (43.00%) to CCC and below (1.85%) by Standard & Poor’s.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The Pension Trust Fund does not have a formal policy that limits the amount that may be invested in any one issuer. The Pension Trust Fund has no investments subject to concentration of credit risk as of June 30, 2021.

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2021:

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

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

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

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**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at June 30, 2021:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u> <u>&amp; Transfers</u>	<u>Removals</u> <u>&amp; Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
<i>Capital assets, not being depreciated:</i>				
Land and land rights	\$ 2,145,924	\$ 480,205	\$ -	\$ 2,626,129
Federal grant projects in process	19,930,322	7,708,581	1,090,200	26,548,703
Total capital assets, not being depreciated	<u>22,076,246</u>	<u>8,188,786</u>	<u>1,090,200</u>	<u>29,174,832</u>
<i>Capital assets, being depreciated:</i>				
Shop, garages and buildings	104,674,593	37,950	-	104,712,543
Revenue equipment	145,790,688	14,267,009	7,048,967	153,008,730
Service vehicles and garage equipment	6,913,814	225,254	21,250	7,117,818
Furniture and office and other equipment	14,199,072	535,070	731,983	14,002,159
Management information system	15,712,086	1,107,963	28,648	16,791,401
Total capital assets being depreciated	<u>287,290,253</u>	<u>16,173,246</u>	<u>7,830,848</u>	<u>295,632,651</u>
<i>Total capital assets</i>	<u>309,366,499</u>	<u>24,362,032</u>	<u>8,921,048</u>	<u>324,807,483</u>
<i>Less accumulated depreciation for:</i>				
Shop, garages and buildings	57,672,927	3,400,829	-	61,073,756
Revenue equipment	93,249,808	10,894,679	7,048,967	97,095,520
Service vehicles and garage equipment	5,968,810	347,029	21,250	6,294,589
Furniture and office and other equipment	10,274,788	916,261	731,983	10,459,066
Management information system	10,740,202	2,483,200	28,648	13,194,754
<i>Total accumulated depreciation</i>	<u>177,906,535</u>	<u>18,041,998</u>	<u>7,830,848</u>	<u>188,117,685</u>
<i>Total capital assets being depreciated, net</i>	<u>109,383,718</u>	<u>(1,868,752)</u>	<u>-</u>	<u>107,514,966</u>
<i>Capital assets, net</i>	<u>\$ 131,459,964</u>	<u>\$ 6,320,034</u>	<u>\$ 1,090,200</u>	<u>\$ 136,689,798</u>

Depreciation expense for the fiscal year ended June 30, 2021 was \$18,041,998.

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**NOTE 5 - CAPITAL REPLACEMENT FUNDS**

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

The activity in the capital replacement account for fiscal year ended June 30, 2021 was as follows:

<b><i>Balance at beginning of year</i></b>	\$5,375,637
Capital replacement deposits	4,827,825
Local match and other payments	(3,833,645)
Investment income	(756)
<b><i>Balance at end of year</i></b>	<u>\$6,369,061</u>
Classified as cash and cash equivalents	\$3,564,028
Classified as investments	2,805,033
<b><i>Total cash, cash equivalents and investments</i></b>	<u>\$6,369,061</u>

**NOTE 6 - SELF-INSURANCE**

***Automobile Liability and Workers' Compensation***

The Authority established an accident and casualty account as of July 1, 1977 for the purpose of paying all insurance claims and related losses and expenses. This reserve account is augmented annually by depositing interest income earned on investments and insurance settlements into the accident and casualty account. 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, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
<b><i>Balance at beginning of year</i></b>	\$521,638	\$585,013
Insurance settlements	-	-
Transfer from operating	-	1,773,000
Disbursements	(250,000)	(1,840,000)
Interest earnings on investments	610	3,625
<b><i>Balance at end of year</i></b>	<u>\$272,248</u>	<u>\$521,638</u>

Assets at June 30, 2021 and 2020 in the accident and casualty account amounted to \$272,248 and \$521,638, respectively. For fiscal years 2021 and 2020, \$272,248 and \$521,638, 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

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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, 2021 and 2020 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, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Amount of claims liabilities, beginning of year	\$16,306,216	\$13,780,338
Incurred claims and change in estimate	734,535	7,990,755
Payments on claims	<u>(6,288,751)</u>	<u>(5,464,877)</u>
<b>Amount of claims liabilities, end of year</b>	<u>\$10,752,000</u>	<u>\$16,306,216</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, 2021 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, 2021 and June 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$991,551	\$933,649
Incurred claims and change in estimate	14,417,050	15,169,510
Payments on claims	<u>(14,884,333)</u>	<u>(15,111,608)</u>
<b>Unpaid claims, end of year</b>	<u>\$524,268</u>	<u>\$991,551</u>

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

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**NOTE 7 - LONG-TERM LIABILITIES**

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

	<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	\$ 10,095,000	\$ -	\$ 1,101,964	\$ 8,993,036	\$ 968,000
Accrued compensated absences	235,520	234,770	121,086	349,204	45,764
Net pension liability	71,715,007	6,798,293	-	78,513,300	-
Total other post employment benefit liability	71,285,100	2,586,092	-	73,871,192	-
Accrued self-insurance claims	16,306,216	274,260	5,828,476	10,752,000	1,150,000
<b>Total</b>	<u>\$ 169,636,843</u>	<u>\$ 9,893,415</u>	<u>\$ 7,051,526</u>	<u>\$ 172,478,732</u>	<u>\$ 2,163,764</u>

**Debt Service to Maturity** - The debt service requirements at June 30, 2021 for the above due to primary government were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>
2022	\$ 968,000
2023	833,537
2024	810,269
2025	812,344
2026	835,011
2027-2031	3,691,620
2032-2035	1,042,255
	<u>\$ 8,993,036</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, 2021. The Authority entered into a \$7,500,000 revolving loan agreement on May 26, 2021 for general operating purposes. The total of all advances shall not exceed the principal amount of \$7,500,000. Each advance shall be due and payable on demand, but if not sooner demanded, on May 25, 2022. 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 or enter into any real property and personal property leases having annual aggregate rentals in excess of \$6,000,000. The loan is secured by a pledge of revenues.

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**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

***Claims and Legal Actions***

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

***Contract Commitments***

The Authority is committed under various contracts in the amount of \$19,727,946 at June 30, 2021.

In fiscal year 2022, the 618 and 618A bargaining units will receive a 3% salary increase and the Local 808 bargaining unit 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, 2021, the Authority has recorded a prepaid expense related to the operating lease of \$955,219 that will be amortized to rental expense as follows:

<b><u>Year Ending June 30,</u></b>	
2022	\$818,759
2023	<u>136,460</u>
	<u>\$955,219</u>

Rental expense for the operating lease for the year ended June 30, 2021 was \$818,759.

**NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

***General Information about the OPEB Plan***

**Plan Description** - The Authority's Post-Employment Benefit Plan is a single-employer defined benefit post-retirement health and life insurance program that is administered through the Authority's insurance carriers and healthcare reimbursement account administrator. The Authority provides lifetime health care benefits to substantially all retired employees and their spouses. The Authority also provides life insurance benefits to retired employees who purchase life insurance for at least one year prior to retirement. Health care benefits were paid for 653 retirees and spouses during fiscal year ended June 30, 2021 and life insurance benefits were paid for 383 retirees during fiscal year ended June 30, 2021. Benefits are provided through a group insurance policy that covers both active and Pre-65 retired employees. Post-65 retired employee healthcare coverage benefits are provided through contributions to healthcare reimbursement

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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, 2020 the plan membership data is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	653
Active employees	799
	<u>1,452</u>

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**Total OPEB Liability**

The Authority's total OPEB liability of \$73,871,192 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021.

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2021 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	2.18%
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-2020 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 2.18% from 2.66%.
- Mortality was changed to 2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2020 mortality improvement scale from 2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2019 mortality improvement scale.

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**Changes in Total OPEB Liability**

	Total OPEB Liability
<b>Balance as of June 30, 2020</b>	<b>\$71,285,100</b>
<b>Changes for the year:</b>	
Service cost	3,534,478
Interest on the total OPEB liability	1,781,673
Changes in benefit terms	-
Differences between expected and actual experience	(3,222,911)
Changes in assumptions	3,003,658
Benefit payments	(2,510,806)
Other changes	-
<b>Net changes</b>	<b>2,586,092</b>
<b>Balance as of June 30, 2021</b>	<b>\$73,871,192</b>

**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 (1.18%) and 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease <u>(1.18%)</u>	Current Discount Rate <u>(2.18%)</u>	1% Increase <u>(3.18%)</u>
Total OPEB Liability	\$81,564,258	\$73,871,192	\$67,297,826

**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	\$65,459,466	\$73,871,192	\$84,052,151

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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, 2021, the Authority recognized OPEB expense of \$4,303,213. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$8,411,295
Changes in assumptions	4,150,130	-
<b>Total</b>	<b>\$4,150,130</b>	<b>\$8,411,295</b>

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

<b>Year ended June 30:</b>	
2022	\$(1,012,938)
2023	(1,012,938)
2024	(1,033,465)
2025	(935,447)
2026	(247,476)
Thereafter	(18,901)

**NOTE 10 – STATE OF RHODE ISLAND GAS TAX**

State statute directs the Authority to generate sufficient revenues to pay all costs of operating and maintaining the transit system during each fiscal year. Beginning July 1, 1992, the Authority was not given a fixed appropriation from the State, but was allocated the revenue generated from a three-cent dedicated gas tax. Beginning fiscal year 2011, the Authority has been allocated nine and one quarter cents of dedicated gas tax and a half cent of gas tax from the Underground Storage Tank Fund. For fiscal year ending June 30, 2021, the Authority received \$39,681,075 from the dedicated gas tax as operating assistance in support of the transit system. The Authority anticipates receiving approximately \$40,030,829 in fiscal year ended June 30, 2022 from the State.

**NOTE 11 – FEDERAL APPROPRIATIONS**

On July 6, 2012, President Obama signed Moving Ahead for Progress in the 21st Century (MAP-21) into law effective October 1, 2012, authorizing Federal transportation programs through Federal fiscal year 2014. Funding under MAP-21 was extended through September 2015. This act maintained the provision allowing for the use of capital funds for preventative maintenance activities and the use of capital funds to cover the costs of providing ADA service, up to a maximum of 10 percent of the annual Section 5307 apportionment. A new transportation

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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 2021. The act continues allowing the use of capital funds for preventative maintenance activities and increases the amount that can be used for ADA services.

For fiscal year 2021, the Authority used \$17,052,199 for preventative maintenance expenses.

**NOTE 12 - ELDERLY BUS SERVICE**

Beginning July 1, 1994, the Authority entered into an agreement with the Department of Elderly Affairs, Rhode Island Department of Transportation and the Governor's Commission on the Handicapped. The agreement provides for the Rhode Island Public Transit Authority to receive funds to cover the cost of the fixed route elderly bus service provided in accordance with Rhode Island General Law 39-18-4(7), and to fund paratransit services. The funding source for the above revenue is a portion of the one-cent gasoline tax dedicated to the Department of Human Services. For the fiscal year ended June 30, 2021, the Authority recorded \$3,223,620 of contract revenue from this agreement. For fiscal year 2022, the Authority anticipates receiving \$3,243,524 under this agreement.

**NOTE 13 - DUE FROM/TO PRIMARY GOVERNMENT**

At June 30, 2021, the Rhode Island Public Transit Authority is owed \$9,379,660 from the State of Rhode Island.

At June 30, 2021, the Rhode Island Public Transit Authority owes \$10,319,792 to the State of Rhode Island related to payments for debt service and other payables.

**NOTE 14 - NET POSITION**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position amount at June 30, 2021 was as follows:

<b><i>Business-Type Activity:</i></b>	
Net investment in capital assets	\$127,696,762
Restricted for zero emission electric buses	4,054,674
Unrestricted (deficit)	<u>(129,324,358)</u>
Total net position	<u><u>\$2,427,078</u></u>
 <b><i>Fiduciary Activity – Pension Trust Fund:</i></b>	
Restricted for pensions	<u><u>\$180,336,792</u></u>

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As of June 30, 2021, the Authority has restricted net position of \$4,054,674 in its Business-Type Activity. These funds are restricted for zero emission electric buses and associated administrative costs in accordance with an agreement with the Rhode Island Department of Environmental Management.

**NOTE 15 - DEFERRED COMPENSATION PLAN**

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

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

**NOTE 16 - PENSION PLANS**

***A. RIPTA Employees' Pension Plan***

***General Information about the Pension Plan***

**Plan Description** - The RIPTA Employees' Pension Plan is a single-employer defined benefit pension plan. The Bargaining Unit plan was established effective January 1, 1974 and the Salaried Unit Plan was established effective July 1, 1946. Effective January 1, 2002, the Authority consolidated its Bargaining Unit and Salaried Unit single-employer defined benefit pension plans into the Rhode Island Public Transit Authority Employees' Pension Plan (the "Plan"). The Plan was most recently amended effective September 23, 2020. Employees of the Authority who work more than 1,000 hours per year are eligible to participate in the Plan immediately upon employment. There are no age or minimum service requirements. Plan benefits and other provisions are established by the Plan document. Any changes to the Plan are subject to the collective bargaining process.

The Plan is administered by the Authority's Joint Pension Board (the "Board"). The Board consists of 6 regular members and 3 alternate members. The Authority appoints 3 regular members and does not have standing alternate members, but may appoint substitute members on a temporary basis if necessary. One regular member and one alternate member each are appointed by the Amalgamated Transit Union ("ATU"), Division 618, the ATU Division 618A and the Laborers' International Union, Local 808. The Board has overall responsibility for the operation and administration of the Plan. The Board is responsible for establishing benefits and contributions, and approving all Plan amendments. The Board also determines the appropriateness of the Plan's investment offerings and monitors investment performance.

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The Plan issues publicly available financial statements, including required GASB Number 67 information for the financial statement for the year ended June 30, 2021, which can be obtained from: RIPTA, Finance Department, 705 Elmwood Avenue, Providence, RI 02907.

**Plan Membership** - At July 1, 2020, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	617
Inactive plan members entitled to but not yet receiving benefits	67
Active plan members	<u>802</u>
	<u>1,486</u>

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

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. Normal retirement age is as follows:

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

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- Other than 618 participants – age 62, or if later, the participant’s completion of 5 years of service

Participants are entitled to 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 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. 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, 2020.

**Actuarial Assumptions** – The total pension liability was determined by an actuarial valuation performed as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

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

Mortality rates were based on the Pri-2012 Blue Collar Tables with Scale MP-2020 generational improvements (Male/Female).

Changes in actuarial assumptions included the following:

- The mortality tables were changed to the Pri-2012 Blue Collar with MP-2020 generational improvements from the Pri-2012 Blue Collar with MP-2019 generational improvements.

Changes in benefit terms included the following:

- Effective July 1, 2019, the benefit calculation multiplier for 618 participants was changed to 2.05% for all years of service.
- Effective July 1, 2019, a new tier was added for total and permanent disability pension eligibility for 618 participants. The disability retirement benefit is 50% of the accrued benefit after completing 10 years of service but less than 15 years of service.
- Effective January 1, 2020, the normal retirement age for all newly hired 618 participants is between the ages of 62 and 65.
- 618 retirees received an additional \$15 a month benefit and 618 surviving spouses \$7.50 on July 1, 2019.

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
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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, 2020 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%	7.81%
International equity	15.00%	7.50%
Fixed income	40.00%	4.33%
Real estate/other	5.00%	7.75%
Cash	0.00%	2.75%
Total	100.00%	

**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.

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**Notes to Financial Statements**  
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**Changes in the Net Pension Liability:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
<b>Balance June 30, 2019</b>	\$215,086,904	\$143,371,897	\$71,715,007
<b>Changes for the year:</b>			
Service cost	4,225,361	-	4,225,361
Interest on total pension liability	14,341,746	-	14,341,746
Differences between expected and actual experience	2,234,952	-	2,234,952
Changes of assumptions	(197,131)	-	(197,131)
Changes in benefit terms	652,248	-	652,248
Contributions – employer	-	8,722,771	(8,722,771)
Contributions – employee	-	1,888,540	(1,888,540)
Net investment income	-	3,883,832	(3,883,832)
Benefit payments	(11,220,119)	(11,220,119)	-
Administrative expense	-	(36,260)	36,260
<b>Net changes</b>	<u>10,037,057</u>	<u>3,238,764</u>	<u>6,798,293</u>
<b>Balance June 30, 2020</b>	<u>\$225,123,961</u>	<u>\$146,610,661</u>	<u>\$78,513,300</u>

**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	\$101,946,468	\$78,513,300	\$58,161,925

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

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

For the year ended June 30, 2021, the Authority recognized pension expense of \$14,405,487. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$3,549,356	\$66,201
Changes of assumptions	3,686,462	837,038
Net difference between projected and actual earnings on Plan investments	5,515,319	-
<b>Total</b>	<b>\$12,751,137</b>	<b>\$903,239</b>

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

**Fiscal Year Ending June 30,**

2022	\$3,267,593
2023	3,146,102
2024	3,125,120
2025	2,116,115
2026	192,968
Thereafter	-

The Authority's contributions made subsequent to the measurement date of the net pension liability, June 30, 2020, of \$9,736,036 are included in the accompanying financial statements as a deferred outflow of resources at June 30, 2021.

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

**General Information about the Pension Plan**

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
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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 (49 employees as of June 30, 2021). 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](http://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 17 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases commercial insurance for property damage and general liability and is self-insured for automobile liability and workers' compensation claims. Settlement of claims related to property damage and general liability claims have not exceeded the insurance coverage in any of the past three fiscal years. A detailed description of the self-insured risks is described in Notes 1 and 6.

**NOTE 18 – 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 years 2020 and 2021. As the State opened up and the Authority was allowed to go to full capacity on the

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2021**

buses, ridership is slowly increasing back to normal.

The Cares Act was passed in FY 2020 giving relief and economic security to a variety of industries including transportation. RIPTA was awarded \$91,233,702 in federal transit funds. These funds allow RIPTA to seek reimbursement for cost of operations on or after January 20, 2020, including drivers' salary, fuel and items having a useful life of less than one year and capital expenditures. Additional funding from a second Cares Act bill was passed in December 2020 totaling \$614,298. The American Rescue Plan (ARPA) passed in March 2021, in which the Authority is still in negotiations with the Rhode Island and Massachusetts UZAs on splitting percentage. The projected amount for the ARPA that RIPTA will receive is \$34,462,423, and must be disbursed by September 30, 2029, and is available for payroll and operation expenses.

**NOTE 19 – CONCENTRATION RISK**

The State of RI gas tax revenue of \$39,681,075 and Federal operating grants revenue of \$61,759,319 represented 30% and 46%, respectively, of total revenues for the year ended June 30, 2021.

**NOTE 20 – RESTATEMENTS**

The net position of the Fiduciary Fund – Pension Trust Fund has been restated to reflect the adjustment related to the adoption of GASB Statement No. 84, *Fiduciary Activities*, in fiscal year 2021.

	<i><b>Pension Trust Fund</b></i>
Net position, June 30, 2020, as previously reported	\$ -
Adoption of GASB Statement No. 84: Record pension trust fund in Authority's financial statements	146,610,661
Net position, June 30, 2020, as restated	<u>\$146,610,661</u>

**NOTE 21 – SUBSEQUENT EVENTS**

On August 10, 2021, the Authority drew down \$2,000,000 of the line of credit described in Note 7. The drawdown has not been repaid to date.

***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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability:</b>				
Service cost	\$ 3,534,478	\$ 3,943,384	\$ 3,946,809	\$ 3,942,229
Interest	1,781,673	1,910,644	2,217,813	2,082,514
Changes of benefit terms	-	(2,175,731)	-	-
Differences between expected and actual experience	(3,222,911)	(5,970,438)	(2,568,201)	(723,233)
Changes of assumptions or other inputs	3,003,658	638,798	1,542,951	955,174
Benefits payments	(2,510,806)	(2,153,026)	(2,166,657)	(2,294,610)
<b>Net change in total OPEB liability</b>	<u>2,586,092</u>	<u>(3,806,369)</u>	<u>2,972,715</u>	<u>3,962,074</u>
<b>Total OPEB liability - beginning</b>	<u>71,285,100</u>	<u>75,091,469</u>	<u>72,118,754</u>	<u>68,156,680</u>
<b>Total OPEB liability - ending</b>	<u>\$ 73,871,192</u>	<u>\$ 71,285,100</u>	<u>\$ 75,091,469</u>	<u>\$ 72,118,754</u>
 <b>Covered payroll</b>	 \$ 46,884,502	 \$ 45,569,577	 \$ 43,756,853	 \$ 42,062,418
 <b>Total OPEB liability as a percentage of covered payroll</b>	 157.56%	 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>Authority's Fiscal Year Ended:</i>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<i>Measurement Date:</i>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Total pension liability:</b>							
Service cost	\$ 4,225,361	\$ 3,870,210	\$ 3,652,504	\$ 3,492,118	\$ 2,990,663	\$ 3,020,828	\$ 2,985,852
Interest	14,341,746	13,941,951	13,352,018	12,556,376	12,297,798	11,495,887	10,237,348
Changes of benefit terms	652,248	416,297	3,461,380	577,583	933,025	500,075	1,139,692
Differences between expected and actual experience	2,234,952	511,488	1,337,037	1,592,692	2,977,141	139,770	1,236,853
Changes of assumptions	(197,131)	4,898,083	(710,335)	(1,198,799)	4,215,850	1,675,802	7,557,472
Benefits payments, including refunds of member contributions	(11,220,119)	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
<b>Net change in total pension liability</b>	<u>10,037,057</u>	<u>13,380,331</u>	<u>11,409,583</u>	<u>8,312,524</u>	<u>15,603,843</u>	<u>9,923,013</u>	<u>16,818,943</u>
<b>Total pension liability - beginning</b>	<u>215,086,904</u>	<u>201,706,573</u>	<u>190,296,990</u>	<u>181,984,466</u>	<u>166,380,623</u>	<u>156,457,610</u>	<u>139,638,667</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 225,123,961</u>	<u>\$ 215,086,904</u>	<u>\$ 201,706,573</u>	<u>\$ 190,296,990</u>	<u>\$ 181,984,466</u>	<u>\$ 166,380,623</u>	<u>\$ 156,457,610</u>
<b>Plan fiduciary net position:</b>							
Contributions - employer	\$ 8,722,771	\$ 7,519,341	\$ 7,514,778	\$ 8,648,057	\$ 8,125,339	\$ 7,379,362	\$ 7,328,560
Contributions - employee	1,888,540	1,787,290	1,665,934	1,196,070	1,213,686	1,160,646	1,118,215
Net investment income	3,883,832	6,753,240	9,324,350	11,578,566	635,766	4,952,537	12,971,007
Benefits payments, including refunds of member contributions	(11,220,119)	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Administrative expense	(36,260)	(41,425)	(36,529)	(61,125)	(172,801)	(77,916)	(52,497)
Other	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>3,238,764</u>	<u>5,760,748</u>	<u>8,785,512</u>	<u>12,654,122</u>	<u>1,991,356</u>	<u>6,505,280</u>	<u>15,027,011</u>
<b>Plan fiduciary net position - beginning</b>	<u>143,371,897</u>	<u>137,611,149</u>	<u>128,825,637</u>	<u>116,171,515</u>	<u>114,180,159</u>	<u>107,674,879</u>	<u>92,647,868</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 146,610,661</u>	<u>\$ 143,371,897</u>	<u>\$ 137,611,149</u>	<u>\$ 128,825,637</u>	<u>\$ 116,171,515</u>	<u>\$ 114,180,159</u>	<u>\$ 107,674,879</u>
<b>Authority's net pension liability - ending (a) - (b)</b>	<u>\$ 78,513,300</u>	<u>\$ 71,715,007</u>	<u>\$ 64,095,424</u>	<u>\$ 61,471,353</u>	<u>\$ 65,812,951</u>	<u>\$ 52,200,464</u>	<u>\$ 48,782,731</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	65.12%	66.66%	68.22%	67.70%	63.84%	68.63%	68.82%
<b>Covered payroll</b>	\$ 45,569,577	\$ 43,756,853	\$ 42,062,418	\$ 39,869,000	\$ 40,456,200	\$ 38,688,200	\$ 37,273,833
<b>Net pension liability as a percentage of covered payroll</b>	172.29%	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)*  
*Last Ten Fiscal Years*  
*"Unaudited"*

<i>Fiscal Year</i>	<u>2021</u>	<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>
Actuarially determined contribution	\$ 9,736,036	\$ 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
Contributions in relation to the actuarially determined contribution	9,736,036	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
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,285)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 46,884,502	\$ 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
Contributions as a percentage of covered payroll	20.77%	19.14%	17.18%	17.87%	21.69%	20.08%	19.07%	19.66%	N/A	N/A

(1) 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, 2021**

**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 16 to the financial statements.

The net pension liability amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year-end.

**Changes of Assumptions Used to Calculate the Total Pension Liability:**

- The mortality tables were changed from the Pri-2012 Blue Collar with MP-2019 generational improvements to the Pri-2012 Blue Collar with MP-2020 generational improvements.

**Changes of Benefit Terms:**

- Effective July 1, 2019, the benefit calculation multiplier for 618 participants was changed to 2.05% for all years of service.
- Effective July 1, 2019, a new tier was added for total and permanent disability pension eligibility for 618 participants. The disability retirement benefit is 50% of the accrued benefit after completing 10 years of service but less than 15 years of service.
- Effective January 1, 2020, the normal retirement age for all newly hired 618 participants is between the ages of 62 and 65.
- 618 retirees received an additional \$10 a month benefit and 618 surviving spouses received an additional \$5 a month benefit effective July 1, 2019.

**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
- 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-2020 generational improvements (Male/Female) (previously Pri-2012 Blue Collar with MP-2019 generational improvements - Male/Female)

***SUPPLEMENTARY INFORMATION***

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Net Position*

*June 30, 2021*

**Attachment B**

**Assets**

Current Assets:

Cash and cash equivalents	\$ 10,535,800
Investments	2,968,645
Receivables (net)	5,635,733
Due from primary government	9,379,660
Due from other governments	-
Inventories	1,727,327
Other assets	1,222,912
Total current assets	<u>31,470,077</u>

Noncurrent Assets:

Investments	3,060,433
Capital assets - nondepreciable	29,174,832
Capital assets - depreciable (net)	107,514,966
Other assets	2,620,263
Total noncurrent assets	<u>142,370,494</u>

Total assets 173,840,571

**Deferred outflows of resources**

Deferred pension amounts	22,487,173
Deferred other post employment benefit amounts	<u>4,150,130</u>
Total deferred outflows of resources	<u>26,637,303</u>

**Liabilities**

Current liabilities:

Accounts payable	6,722,429
Due to primary government	2,294,756
Accrued expenses	9,078,645
Compensated absences	45,764
Unearned revenue	279,700
Other current liabilities	-
Total current liabilities	<u>18,421,294</u>

Noncurrent liabilities:

Due to primary government	8,025,036
Net pension liability	78,513,300
Net other post employment benefit liability	73,871,192
Compensated absences	303,440
Other liabilities	9,602,000
Total noncurrent liabilities	<u>170,314,968</u>

Total liabilities 188,736,262

**Deferred inflows of resources**

Deferred pension amounts	903,239
Deferred other post employment benefit amounts	<u>8,411,295</u>
Total deferred inflows of resources	<u>9,314,534</u>

**Net position**

Net investment in capital assets	127,696,762
Restricted - other	4,054,674
Unrestricted (deficit)	(129,324,358)
Total net position	<u>\$ 2,427,078</u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
*Schedule of Activities*  
For the Fiscal Year Ended June 30, 2021

**Attachment C**

<b>Expenses</b>	\$ 133,744,329
<b>Program revenues:</b>	
Charges for services	18,333,621
Operating grants and contributions	114,531,231
Capital grants and contributions	19,919,636
<b>Total program revenues</b>	<u>152,784,488</u>
<b>Net (Expenses) Revenues</b>	<u>19,040,159</u>
<b>General revenues:</b>	
Interest and investment earnings	(1,138)
Miscellaneous revenue	-
<b>Total general revenues</b>	<u>(1,138)</u>
<b>Change in net position</b>	19,039,021
<b>Total net position - beginning</b>	<u>(16,611,943)</u>
<b>Total net position - ending</b>	<u><u>\$ 2,427,078</u></u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
*Schedule of Changes in Long Term Liabilities*  
For the Fiscal Year Ended June 30, 2021

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	71,715,007	6,798,293	-	78,513,300	-	78,513,300
Net other post employment benefit liability	71,285,100	2,586,092	-	73,871,192	-	73,871,192
Due to primary government	10,095,000	-	1,101,964	8,993,036	968,000	8,025,036
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	235,520	234,770	121,086	349,204	45,764	303,440
Arbitrage rebate	-	-	-	-	-	-
Pollution remediation	-	-	-	-	-	-
Funds held for others	-	-	-	-	-	-
Accrued self insured claims	16,306,216	274,260	5,828,476	10,752,000	1,150,000	9,602,000
 Total other liabilities	 <u>169,636,843</u>	 <u>9,893,415</u>	 <u>7,051,526</u>	 <u>172,478,732</u>	 <u>2,163,764</u>	 <u>170,314,968</u>
	<u>\$ 169,636,843</u>	<u>\$ 9,893,415</u>	<u>\$ 7,051,526</u>	<u>\$ 172,478,732</u>	<u>\$ 2,163,764</u>	<u>\$ 170,314,968</u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Changes of Tangible Property*

*For the Fiscal Year Ended June 30, 2021*

	<i>Tangible Property</i>				<i>Accumulated Depreciation</i>				<i>Net Book Value</i> <i>6/30/2021</i>
	<i>Balance</i> <i>6/30/2020</i>	<i>Additions</i> <i>&amp; Transfers</i>	<i>Reductions</i> <i>&amp; Transfers</i>	<i>Balance</i> <i>6/30/2021</i>	<i>Balance</i> <i>6/30/2020</i>	<i>Additions</i> <i>&amp; Transfers</i>	<i>Reductions</i> <i>&amp; Transfers</i>	<i>Balance</i> <i>6/30/2021</i>	
Land and land rights	\$ 2,145,924	\$ 480,205	\$ -	\$ 2,626,129	\$ -	\$ -	\$ -	\$ -	\$ 2,626,129
Shops, garages and office buildings	103,081,819	37,950	-	103,119,769	56,621,693	3,399,501	-	60,021,194	43,098,575
Tunnels	1,592,774	-	-	1,592,774	1,051,234	1,328	-	1,052,562	540,212
Communication system	10,173,719	-	-	10,173,719	9,980,471	45,398	-	10,025,869	147,850
Revenue equipment - buses	114,883,147	14,267,009	6,369,674	122,780,482	66,375,943	9,546,456	6,369,674	69,552,725	53,227,757
Trolleys	6,931,795	-	-	6,931,795	5,487,670	577,650	-	6,065,320	866,475
Fare boxes	4,006,215	-	-	4,006,215	4,006,215	-	-	4,006,215	-
Service cars and equipment	3,183,761	-	-	3,183,761	2,972,661	108,849	-	3,081,510	102,251
Shops and garage equipment	3,730,053	225,254	21,250	3,934,057	2,996,149	238,180	21,250	3,213,079	720,978
Furniture and office equipment	1,565,288	3,422	33,888	1,534,822	1,492,446	23,336	33,888	1,481,894	52,928
Miscellaneous equipment	9,218,182	531,648	685,385	9,064,445	6,222,678	569,613	685,385	6,106,906	2,957,539
Management information system	15,712,086	1,107,963	28,648	16,791,401	10,740,202	2,483,200	28,648	13,194,754	3,596,647
Security equipment	3,415,602	-	12,710	3,402,892	2,559,664	323,312	12,710	2,870,266	532,626
Paratransit vans	9,795,812	-	679,293	9,116,519	7,399,509	725,175	679,293	7,445,391	1,671,128
<b>Total capital assets</b>	<b>289,436,177</b>	<b>16,653,451</b>	<b>7,830,848</b>	<b>298,258,780</b>	<b>177,906,535</b>	<b>18,041,998</b>	<b>7,830,848</b>	<b>188,117,685</b>	<b>110,141,095</b>
Federal grant projects in process	19,930,322	7,708,581	1,090,200	26,548,703	-	-	-	-	26,548,703
<b>Total tangible property</b>	<b>\$ 309,366,499</b>	<b>\$ 24,362,032</b>	<b>\$ 8,921,048</b>	<b>\$ 324,807,483</b>	<b>\$ 177,906,535</b>	<b>\$ 18,041,998</b>	<b>\$ 7,830,848</b>	<b>\$ 188,117,685</b>	<b>\$ 136,689,798</b>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Operating Expenses  
For the Fiscal Year Ended June 30, 2021*

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<b>Administration</b>	
Salaries	\$ 1,070,533
Fringe benefits	628,992
Legal	76,947
Supplies	8,494
Other services	140,909
Travel and training	375
<b>Total administration</b>	<u>1,926,250</u>
<b>Finance</b>	
Salaries	673,767
Fringe benefits	6,345
Fringe benefits - retiree health	2,497,229
Office expense/supplies	76,946
Utilities	1,501,774
Other services	328,310
Travel and training	13,917
Operating lease - electric buses	818,759
Special projects	239,779
<b>Total finance</b>	<u>6,156,826</u>
<b>Operations</b>	
Wages - drivers	32,719,754
Wages - other	13,295,247
Fringe benefits	23,132,692
Other services	96,991
Maintenance/service agreements	95,671
Supplies	668,706
Travel and training	855
Uniforms	223,144
Hazardous waste disposal	49,321
Fuel	4,048,358
Antifreeze and lubricants	221,460
Vehicle and other parts	6,399,072
Tires and tubes	679,306
Tickets and passes	29,600
<b>Total operations</b>	<u>81,660,177</u>
<b>Marketing</b>	
Salaries	141,655
Fringe benefits	83,204
Advertising	232,204
Services	88,221
Supplies	941,449
Printing	6,875
Travel and training	250
<b>Total marketing</b>	<u>1,493,858</u>

(Continued)

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Operating Expenses (Continued)*

*For the Fiscal Year Ended June 30, 2021*

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***Human resources***

Salaries	533,530
Fringe benefits	382,782
Supplies	1,594
Other services	324,105
Travel and training	22,815
<b><i>Total human resources</i></b>	<b><u>1,264,826</u></b>

***Administrative services***

Salaries	1,105,905
Fringe benefits	721,266
Supplies	8,979
Other services	23,646
Travel and training	3,295
Uniforms	2,488
<b><i>Total administrative services</i></b>	<b><u>1,865,579</u></b>

***Risk management***

Salaries	66,458
Fringe benefits	44,513
Office expense/supplies	1,935
Other services	2,331
Insurance	870,291
Settlements and judgements	(1,933,257)
Workers' compensation medical	594,119
Workers' compensation - other	1,207,324
Legal	344,810
<b><i>Total risk management</i></b>	<b><u>1,198,524</u></b>

***Planning and scheduling***

Salaries	1,221,375
Fringe benefits	783,381
Other services	721,001
Travel and training	74,215
Office expense/supplies	11,421
<b><i>Total planning and scheduling</i></b>	<b><u>2,811,393</u></b>

***Specialized transportation***

Salaries	788,638
Fringe benefits	576,593
Supplies	140
Utilities	63,828
<b><i>Total specialized transportation</i></b>	<b><u>1,429,199</u></b>

*(Continued)*

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Operating Expenses (Continued)*

*For the Fiscal Year Ended June 30, 2021*

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<b><i>Paratransit operations</i></b>	
Salaries	3,857,395
Fringe benefits	4,143,178
Fuel	347,684
Self insurance	341,146
Supplies	7,046
Uniforms	28,698
Travel and training	45,426
Other services	26,189
<b><i>Total paratransit operations</i></b>	<b><u>8,796,762</u></b>
<b><i>Purchasing</i></b>	
Salaries	1,160,565
Fringe benefits	562,563
Supplies	11,244
Uniforms	1,209
Other services	16,987
<b><i>Total purchasing</i></b>	<b><u>1,752,568</u></b>
<b><i>Information technology</i></b>	
Salaries	712,856
Fringe benefits	532,551
Travel and training	7,041
Services	88,716
Supplies	122,557
Maintenance agreements	1,111,400
<b><i>Total information technology</i></b>	<b><u>2,575,121</u></b>
<b><i>RIDE</i></b>	
Taxi RIDE providers	33,508
<b><i>Total RIDE</i></b>	<b><u>33,508</u></b>
<b><i>Centralized maintenance</i></b>	
Salaries	898,734
Fringe benefits	518,419
Services	38,448
Fuel	7,669
Lubricants	19,991
Tires and tubes	14,114
Supplies	3,680
Repair parts	371,179
<b><i>Total centralized maintenance</i></b>	<b><u>1,872,234</u></b>

*(Continued)*

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Operating Expenses (Continued)*

*For the Fiscal Year Ended June 30, 2021*

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<b><i>State of Rhode Island - DOT &amp; RITBA</i></b>	
Salaries	211,358
Fringe benefits	119,766
Repair parts	39,453
Insurance	72,138
<b><i>Total State of Rhode Island - DOT &amp; RITBA</i></b>	<u>442,715</u>
<b><i>Depreciation</i></b>	<u>18,041,998</u>
<b><i>Total operating expenses</i></b>	<u><u>\$ 133,321,538</u></u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
*Combining Schedule of Revenues, Expenses and Changes in Net Position*  
*For the Fiscal Year Ended June 30, 2021*

	<i>Fund 01</i>	<i>Fund 02</i>	<i>Fund 04</i>	<i>Total</i>	<i>Interfund Eliminations</i>	<i>Total</i>
<b>Operating revenues</b>						
Passenger	\$ 9,724,164	\$ -	\$ -	\$ 9,724,164	\$ -	\$ 9,724,164
Paratransit	-	4,210,178	-	4,210,178	(3,946,579)	263,599
Rental	114,861	-	-	114,861	-	114,861
Advertising	788,172	-	-	788,172	-	788,172
RIDE	-	244,007	2,942,271	3,186,278	(2,942,271)	244,007
Other	7,198,818	-	-	7,198,818	-	7,198,818
<b>Total operating revenues</b>	<b>17,826,015</b>	<b>4,454,185</b>	<b>2,942,271</b>	<b>25,222,471</b>	<b>(6,888,850)</b>	<b>18,333,621</b>
<b>Operating expenses</b>						
Administration	1,926,250	-	-	1,926,250	-	1,926,250
Finance	6,156,826	-	-	6,156,826	-	6,156,826
Operations	81,660,177	-	-	81,660,177	-	81,660,177
Marketing	1,493,858	-	-	1,493,858	-	1,493,858
Human resources	1,264,826	-	-	1,264,826	-	1,264,826
Administrative services	1,865,579	-	-	1,865,579	-	1,865,579
Risk management	1,198,524	-	-	1,198,524	-	1,198,524
Planning and scheduling	2,811,393	-	-	2,811,393	-	2,811,393
Specialized transportation	4,371,470	-	-	4,371,470	(2,942,271)	1,429,199
Paratransit operations	-	8,796,762	-	8,796,762	-	8,796,762
Purchasing	1,752,568	-	-	1,752,568	-	1,752,568
Information technology	2,575,121	-	-	2,575,121	-	2,575,121
RIDE	-	-	3,980,087	3,980,087	(3,946,579)	33,508
Centralized maintenance	1,872,234	-	-	1,872,234	-	1,872,234
State of Rhode Island - DOT & RITBA	442,715	-	-	442,715	-	442,715
Depreciation	18,041,998	-	-	18,041,998	-	18,041,998
<b>Total operating expenses</b>	<b>127,433,539</b>	<b>8,796,762</b>	<b>3,980,087</b>	<b>140,210,388</b>	<b>(6,888,850)</b>	<b>133,321,538</b>
<b>Operating loss</b>	<b>(109,607,524)</b>	<b>(4,342,577)</b>	<b>(1,037,816)</b>	<b>(114,987,917)</b>	<b>-</b>	<b>(114,987,917)</b>
<b>Nonoperating revenues (expenses)</b>						
State of RI gas tax	39,681,075	-	-	39,681,075	-	39,681,075
State of RI - DEA gas tax	3,223,620	-	-	3,223,620	-	3,223,620
Operating grants	71,626,536	-	-	71,626,536	-	71,626,536
Investment income	(1,138)	-	-	(1,138)	-	(1,138)
Interest expense	(422,791)	-	-	(422,791)	-	(422,791)
<b>Total nonoperating revenues (expenses)</b>	<b>114,107,302</b>	<b>-</b>	<b>-</b>	<b>114,107,302</b>	<b>-</b>	<b>114,107,302</b>
<b>Income (loss) before capital contributions</b>	<b>4,499,778</b>	<b>(4,342,577)</b>	<b>(1,037,816)</b>	<b>(880,615)</b>	<b>-</b>	<b>(880,615)</b>
<b>Capital contributions</b>	<b>19,919,636</b>	<b>-</b>	<b>-</b>	<b>19,919,636</b>	<b>-</b>	<b>19,919,636</b>
<b>Change in net position</b>	<b>\$ 24,419,414</b>	<b>\$ (4,342,577)</b>	<b>\$ (1,037,816)</b>	<b>\$ 19,039,021</b>	<b>\$ -</b>	<b>\$ 19,039,021</b>

***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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Shops, garages, and office buildings	\$ 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	\$103,119,769
Tunnels	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	1,592,774
Communication system	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	10,173,719
Revenue equipment-buses	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	122,780,482
Trolleys	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	6,931,795
Fare boxes	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	4,006,215
Service cars and equipment	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	3,183,761
Shops and garage equipment	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	3,934,057
Furniture and office equipment	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	1,534,822
Miscellaneous equipment	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	9,064,445
Management information systems	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	16,791,401
Security Equipment	-	-	-	451,909	2,549,672	2,667,109	2,667,109	3,402,412	3,415,602	3,402,892
Leased Paratransit vans	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	9,116,519
<b>Total capital assets being depreciated</b>	<b>226,375,679</b>	<b>242,497,236</b>	<b>240,785,084</b>	<b>242,504,433</b>	<b>259,247,181</b>	<b>270,239,603</b>	<b>268,977,336</b>	<b>269,907,462</b>	<b>287,290,253</b>	<b>295,632,651</b>
Accumulated depreciation	(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)	(188,117,685)
<b>Total capital assets being depreciated, net</b>	<b>139,243,802</b>	<b>150,477,625</b>	<b>142,359,799</b>	<b>130,281,167</b>	<b>131,767,357</b>	<b>136,763,071</b>	<b>119,177,078</b>	<b>104,343,979</b>	<b>109,383,718</b>	<b>107,514,966</b>
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	2,626,129
Federal grant projects in process	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	26,548,703
<b>Total Invested in Capital Assets</b>	<b>\$ 147,665,685</b>	<b>\$ 167,530,084</b>	<b>\$ 158,459,945</b>	<b>\$ 146,663,431</b>	<b>\$ 144,359,056</b>	<b>\$ 140,481,681</b>	<b>\$ 125,765,473</b>	<b>\$ 119,657,631</b>	<b>\$ 131,459,964</b>	<b>\$ 136,689,798</b>

Source: RIPTA Annual Audited Financial Statements

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

	2012	2013	2014	(1) 2015	2016	2017	(2) 2018	2019	2020	2021
<b>ASSETS:</b>										
Capital Assets	\$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	\$ 136,689,798
Other Assets	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	37,150,773
Total Assets	170,325,406	190,653,749	180,331,711	165,239,302	162,313,036	161,469,016	153,189,678	152,814,721	164,518,617	173,840,571
<b>Deferred outflow of resources</b>										
Deferred pension amounts	-	-	-	14,904,214	16,445,594	27,033,223	20,473,796	17,705,942	20,634,479	22,487,173
Deferred other post employment benefits amount	-	-	-	-	-	-	806,647	1,956,236	2,099,481	4,150,130
Total deferred outflow of resources	-	-	-	14,904,214	16,445,594	27,033,223	21,280,443	19,662,178	22,733,960	26,637,303
<b>LIABILITIES:</b>										
Current Liabilities	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	18,421,294
Long-term Liabilities	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	170,314,968
Total Liabilities	62,989,147	74,828,757	80,770,570	136,005,977	146,075,665	166,912,529	182,142,857	191,500,648	195,530,805	188,736,262
<b>Deferred inflows of resources</b>										
Deferred pension amounts	-	-	-	5,096,214	4,266,339	516,768	1,384,369	1,637,044	1,179,384	903,239
Deferred other post employment benefits amount	-	-	-	-	-	-	610,773	2,658,992	7,154,331	8,411,295
Total deferred inflows of resources	-	-	-	5,096,214	4,266,339	516,768	1,995,142	4,296,036	8,333,715	9,314,534
<b>NET POSITION:</b>										
Restricted	-	-	-	-	-	-	-	2,667,167	4,880,314	4,054,674
Unrestricted Net Position (Deficit)	(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)	(129,324,358)
Investment In Capital Assets	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	127,696,762
Total Net Position	\$107,336,259	\$ 115,824,992	\$ 99,561,141	\$ 39,041,325	\$ 30,889,918	\$ 21,072,942	\$ (9,667,778)	\$ (23,319,785)	\$ (16,611,943)	\$ 2,427,078

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>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>	<u>2021</u>
Operating Revenues:										
Passenger Revenue	\$ 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	\$ 9,724,164
Other Revenues	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	8,609,457
Total Operating Revenue	<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>	<u>18,333,621</u>
Operating Expenses	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	115,279,540
Depreciation Expense	<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>	<u>18,041,998</u>
Operating Loss	(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)	(114,987,917)
Non-operating Revenues(Expenses):										
Transfer from State	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	39,681,075
Grants	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	71,626,536
Investment Income	33,001	(4,527)	7,690	44,129	18,033	(2,568)	12,997	177,829	187,677	(1,138)
Contract Revenue	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	3,223,620
Other Non-operating Revenue					353,956	111,000	-	-	-	-
Loss on disposal of assets	(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	(410,079)	-	-	-	-	-	(546,725)	(537,500)	(491,775)	(422,791)
Total Non-operating Revenues(Expenses)	<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>	<u>114,107,302</u>
Net Loss	(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)	(880,615)
Capital Contribution	<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>	<u>19,919,636</u>
Change in Net Position	<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>	<u>\$ 19,039,021</u>

Source: RIPTA Annual Audited Financial Statements

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

Operating Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	\$ 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	\$ 1,926,250
Finance	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	6,156,826
Operations	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	81,660,177
Marketing	2,399,414	684,955	712,898	666,310	799,351	634,211	723,379	853,614	1,655,782	1,493,858
Human Resources	1,236,857	505,275	562,255	566,928	658,430	771,079	1,197,464	1,424,648	1,032,720	1,264,826
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	1,865,579
Risk Management	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	1,198,524
Planning & Scheduling	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	2,811,393
Specialized Transportation	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	1,429,199
Paratransit Operations	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	8,796,762
Purchasing	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	1,752,568
Flex	1,658,143	-	-	-	-	-	-	-	-	-
MIS	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	2,575,121
RIDE	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	33,508
Centralized Transportation	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	1,872,234
**State of RI-DOT & RIBTA	666,427	726,046	757,431	753,636	688,838	463,087	469,656	458,215	502,591	442,715
Depreciation	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	18,041,998
<b>Operating Expenses</b>	<b>118,791,084</b>	<b>120,015,839</b>	<b>119,842,521</b>	<b>118,451,235</b>	<b>120,490,683</b>	<b>126,720,320</b>	<b>132,250,845</b>	<b>134,735,476</b>	<b>138,592,782</b>	<b>133,321,538</b>
<b>Non-operating Expenses</b>										
Debt Service	410,079	-	-	-	-	-	546,725	537,500	491,775	422,791
	410,079	-	-	-	-	-	546,725	537,500	491,775	422,791
<b>Total Expenses</b>	<b>\$ 119,201,163</b>	<b>\$ 120,015,839</b>	<b>\$ 119,842,521</b>	<b>\$ 118,451,235</b>	<b>\$ 120,490,683</b>	<b>\$ 126,720,320</b>	<b>\$ 132,797,570</b>	<b>\$ 135,272,976</b>	<b>\$ 139,084,557</b>	<b>\$ 133,744,329</b>

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)

<b>Operating Revenues</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Passenger Fares	\$ 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	\$ 9,724,164
Paratransit	1,911,627	1,052,140	1,003,013	1,140,886	1,082,260	1,130,267	404,749	412,368	358,858	263,599
Rental	195,707	193,285	186,128	174,423	165,879	150,691	124,166	112,181	113,470	114,861
Advertising	546,020	583,272	530,023	676,607	517,792	521,717	555,301	525,000	630,906	788,172
RIDE	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	244,007
Other	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	7,198,818
<b>Total operating revenues</b>	<b>33,338,198</b>	<b>33,239,375</b>	<b>33,030,634</b>	<b>24,588,208</b>	<b>22,691,981</b>	<b>23,425,486</b>	<b>23,248,918</b>	<b>24,817,077</b>	<b>22,396,045</b>	<b>18,333,621</b>
<b>Non-operating Revenues</b>										
Transfers From State	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	39,681,075
Federal and State Grants	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	71,626,536
Investment Income	33,001	(4,527)	7,690	44,129	18,033	(2,568)	12,997	177,829	187,677	(1,138)
Contract Revenue	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	3,223,620
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	(111,049)	(24,367)	(527)	(2,672)	(238)	(823,819)	(138)	(113)	(156,516)	-
<b>Total non-operating revenues</b>	<b>64,878,565</b>	<b>66,008,812</b>	<b>64,877,318</b>	<b>67,914,473</b>	<b>76,510,947</b>	<b>78,882,651</b>	<b>83,826,596</b>	<b>87,028,751</b>	<b>95,224,362</b>	<b>114,530,093</b>
<b>Total Revenues</b>	<b>\$98,216,763</b>	<b>\$ 99,248,187</b>	<b>\$ 97,907,952</b>	<b>\$ 92,502,681</b>	<b>\$ 99,202,928</b>	<b>\$ 102,308,137</b>	<b>\$ 107,075,514</b>	<b>\$ 111,845,828</b>	<b>\$ 117,620,407</b>	<b>\$ 132,863,714</b>

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
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	1,057,125	64,313	0.0148%	9.55
2021	8,993,036	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>
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	1,057,125	64,313	60,837	513,000	139,184	10.90%
2021	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 2020  
(Unaudited)

2020				2012			
Rank	Name of Company	Employees	% of Total Employment	Rank	Name of Company	Employees	% of Total Employment
1	Rhode Island	13,695	20.30%	1	Rhode Island	13,742	22.72%
2	Lifespan Corp	13,001	19.27%	2	Lifespan	10,464	17.30%
3	CVS Health Corp	8,600	12.75%	3	CVS Caremark	6,200	10.25%
4	Care New England Health System	7,549	11.19%	4	City of Providence	5,351	8.85%
5	Citizens Financial Group Inc.	4,976	7.38%	5	RBS Citizens Financial Group	5,350	8.85%
6	Providence	4,758	7.05%	6	Care New England	5,150	8.52%
7	Brown University	4,310	6.39%	7	Brown University	4,525	7.48%
8	General Dynamics Electric Boat	4,000	5.93%	8	Roman Catholic Diocese of Providence	3,600	5.95%
9	Naval Undersea Warfare Center	3,481	5.16%	9	Charter Care Health Partners	3,091	5.11%
10	Fidelity Investments	3,100	4.59%	10	Fidelity Investments	3,000	4.96%

Source: 2013 Providence Business News

Source: 2021 Providence Business News

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

Fare Products

	<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>	<u>2021</u>
<b>Cash</b>										
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
<b>Passes</b>										
Monthly Passes	\$ 62.00	\$ 62.00	\$ 62.00	\$ 62.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00
1 Day Pass	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
7 Day Pass	\$ 23.00	\$ 23.00	\$ 23.00	\$ 23.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
10 Ride Pass	\$ -	\$ -	\$ -	\$ -	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
15 Ride Pass	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	N/A	N/A	N/A	N/A	N/A	N/A
<b>RIPTIKS</b>										
RIPTIKS(Book of 10)	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	N/A	N/A	N/A	N/A	N/A	N/A
<b>Transfers</b>										
Cash-Transfer	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Cash Half Fare Transfer	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
<b>Reloadable Card</b>										
Wave Card										

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

The wave card is a reloadable smart card or and app on your phone, where passengers can load anywhere from \$5.00 to \$250.00 on a card to use on RIPTA fixed route buses.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PASSENGERS(RIDERSHIP)</b>										
BUS	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	7,712,509
DEMAND RESPONSE	706,315	698,290	668,452	402,751	373,629	332,759	360,436	332,010	268,730	177,925
	<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>	<u>7,890,434</u>
<b>REVENUE MILES</b>										
BUS	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	9,366,604
DEMAND RESPONSE	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	1,834,505
	<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>	<u>11,201,109</u>
<b>REVENUE HOURS</b>										
BUS	632,734	603,704	633,454	658,848	673,409	672,788	678,861	671,155	697,552	721,992
DEMAND RESPONSE	319,086	309,214	296,754	220,473	179,245	167,075	162,988	150,720	132,659	109,776
	<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>	<u>831,768</u>
<b>PASSENGER PER REVENUE MILE</b>										
BUS	2.36	2.45	2.39	2.13	2.08	1.90	1.84	1.80	1.42	0.82
DEMAND RESPONSE	0.14	0.14	0.14	0.13	0.13	0.12	0.13	0.14	0.13	0.10
	<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>	<u>0.70</u>
<b>PASSENGER PER REVENUE HOUR</b>										
BUS	31.23	32.77	31.23	27.43	26.45	24.14	24.07	23.88	18.76	10.68
DEMAND RESPONSE	2.21	2.26	2.25	1.83	2.08	1.99	2.21	2.20	2.03	1.62
	<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>	<u>9.49</u>
<b>Operating Expenses**</b>	<u>\$ 103,847,502</u>	<u>\$ 104,846,154</u>	<u>\$ 104,213,000</u>	<u>\$ 102,863,774</u>	<u>\$ 104,190,753</u>	<u>\$ 108,678,976</u>	<u>\$ 113,760,957</u>	<u>\$ 117,540,767</u>	<u>\$ 121,250,282</u>	<u>\$ 115,279,540</u>
Operating expenses per mile	\$ 7.82	\$ 8.03	\$ 8.00	\$ 8.83	\$ 9.04	\$ 9.59	\$ 9.77	\$ 10.36	\$ 10.68	\$ 10.29
Operating expenses per hour	\$ 109.10	\$ 114.85	\$ 112.03	\$ 116.98	\$ 122.20	\$ 129.40	\$ 135.13	\$ 143.02	\$ 146.05	\$ 138.60
Operating expenses per passenger	\$ 5.07	\$ 5.12	\$ 5.10	\$ 5.57	\$ 5.73	\$ 6.56	\$ 6.81	\$ 7.18	\$ 9.08	\$ 14.61
<b>Peak Fleet Request</b>										
BUS	188	192	191	196	195	194	201	196	203	203
DEMAND RESPONSE	118	118	115	101	104	91	90	80	80	85
<b>Total Active Fleet</b>										
BUS	237	246	229	230	249	243	237	232	247	254
DEMAND RESPONSE	147	147	144	122	126	96	94	92	102	98
<b>Number of Employees</b>										
BUS	619	599	611	641	638	655	665	666	683	693
DEMAND RESPONSE	175	167	152	153	138	132	137	141	121	111

\*\* 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 28, 2021.

***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 28, 2021

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Schedule of Expenditures of Federal Awards*

*For the Fiscal Year Ended June 30, 2021*

<i>Federal Grantor/ Pass-Through Grantor Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
<b>U.S. Department of Transportation</b>				
<b>Direct Programs:</b>				
<i>Federal Transit Cluster:</i>				
Capital Investment Grants	20.500	RI 04-0008	\$ -	\$ 103,392
Formula Grants	20.507	RI 90-X057	-	16,025
Formula Grants	20.507	RI 90-X058	-	26,764
Formula Grants	20.507	RI 90-X062	-	34,421
Formula Grants	20.507	RI 90-X063	-	424,506
Formula Grants	20.507	RI 90-X064	-	318,459
Formula Grants	20.507	RI 95-X006	-	570,518
Formula Grants	20.507	RI 95-X007	-	411,423
Formula Grants	20.507	RI 95-X009	-	152,648
Formula Grants	20.507	RI 2017-001-00	-	1,814,568
Formula Grants	20.507	RI 2017-007-00	-	869,045
Formula Grants	20.507	RI 2018-002-00	-	851,372
Formula Grants	20.507	RI 2018-006-00	-	327,953
Formula Grants	20.507	RI 2019-005-00	-	8,286,519
Formula Grants	20.507	RI 2019-010-00	167,834	167,834
Formula Grants	20.507	RI 2020-001-00	-	586,639
Formula Grants	20.507	RI 2020-003-00	-	9,952,771
COVID-19 - Formula Grants	20.507	RI 2020-005-00	-	8,331,794
COVID-19 - Formula Grants	20.507	RI 2020-007-00	-	8,348,881
COVID-19 - Formula Grants	20.507	RI 2020-009-00	-	11,940,096
Formula Grants	20.507	RI 2020-012-00	-	1,753,202
COVID-19 - Formula Grants	20.507	RI 2021-001-00	-	6,145,816
Formula Grants	20.507	RI 2021-003-00	-	1,760,000
State of Good Repair Grants Program	20.525	RI 2018-004-00	-	5,026
State of Good Repair Grants Program	20.525	RI 2019-004-00	-	43,508
State of Good Repair Grants Program	20.525	RI 2020-002-00	-	2,650,566
State of Good Repair Grants Program	20.525	RI 2020-008-00	-	552,316
Bus and Bus Facilities Formula and Discretionary Programs	20.526	RI 2016-005-00	-	3,401,516
Bus and Bus Facilities Formula and Discretionary Programs	20.526	RI 2018-004-00	-	2,520,075
Bus and Bus Facilities Formula and Discretionary Programs	20.526	RI 2019-003-00	-	2,545,509
Bus and Bus Facilities Formula and Discretionary Programs	20.526	RI 2019-004-00	-	2,453,756
Bus and Bus Facilities Formula and Discretionary Programs	20.526	RI 2019-006-00	-	19,611
<i>Total Federal Transit Cluster</i>			<u>167,834</u>	<u>77,386,529</u>
Formula Grants for Rural Areas	20.509	RI 2018-004-00	-	118,805
Formula Grants for Rural Areas	20.509	RI 2019-004-00	-	41,650
			<u>-</u>	<u>160,455</u>
Public Transportation Emergency Relief Program	20.527	RI 44-X002	-	1,644
National Infrastructure Investments	20.933	RI 2016-006-00	-	2,478,967
<b>Total U.S. Department of Transportation</b>			<u>167,834</u>	<u>80,027,595</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 167,834</u>	<u>\$ 80,027,595</u>

## **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

*Notes to Schedule of Expenditures of Federal Awards*

*For the Fiscal Year Ended June 30, 2021*

### **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, 2021. 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, 2021.

### **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.