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# nnual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



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

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

**ANNUAL FINANCIAL COMPREHENSIVE REPORT**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

**Prepared by: Department of Finance  
Christopher Durand, Chief Financial Officer  
Paul DiIorio, Executive Director of Accounting**

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

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## **INTRODUCTORY SECTION**





September 30, 2022

To the Chairman and the Members of the Board of Directors

Rhode Island Public Transit Authority:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the RI Public Transit Authority (RIPTA) for the fiscal year ended June 30, 2022. The purpose of the report is to provide a broad financial picture of RIPTA to Board Members, the public, and other interested parties.

State law requires that every component unit of the State of Rhode Island publish a complete set of audited financial statements within three months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

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 than absolute, assurance that the financial statements are free of any material misstatement.

Our independent auditors Marcum LLP have issued an unmodified opinion and RIPTA's financial statements for the fiscal year ended June 30, 2022, 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 Authority created by the State of Rhode Island in 1966. RIPTA continued to expand the number of bus miles traveled in the early 1980's which truly made it a statewide system.

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

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**

Mr. Michael Lynch, Associate Director, US Regional Economics stated at the May 2022, Revenue Estimating Conference that the state's unemployment rate of 3.4% in March was down from its 18.4% pandemic peak, and is slightly lower than its pre-pandemic level of 3.5% in February 2020.

At the May 2022 Rhode Island Revenue Estimating Conference, the Department of Labor and Training discussed the trajectory of the pandemic recession and recovery. RI had regained 92,000 jobs, 85.1% lost during the pandemic. RI's March unemployment rate of 3.4% was lower than the US rate of 3.6% and was 22<sup>nd</sup> lowest in the nation where unemployment rates ranged from a high of 5.3% to a low of 2.0 percent.

### **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 of 2021, the RIPTA Board of Directors approved an operating budget with a balanced budget for FY 2023. Similar to prior years the budget does not include funding for Other Post-Employment Benefits (OPEB) other than current retiree health costs (Pay-As-You-Go). As is the annual process, the 2023 budget is currently being revised to account for increases in fuel costs, pension contributions, and increasing revenue as a result of increased ridership coming out of the pandemic. Passenger revenue and gas tax saw steep declines at the height of the pandemic but has steadily been improving. With rising costs, management continues to review all estimated expenditure activity to ensure only the most critical expenses are approved. The Authority continues to rely on COVID-19 relief funding to balance the budget and support cash flow. As those funds are exhausted the Authority will need a new revenue source to maintain operations. Conversations are ongoing with the state budget office about how to balance the budget long-term.

## **Major Capital Initiatives**

RIPTA's FY 2023 Capital budget includes \$90.1 million in capital expenditures. Many of RIPTA's projects have experienced delays as a result of the pandemic. However, an inflow of capital funding from the recently passed Infrastructure Investment and Jobs Act, and the creation of a new project management department within RIPTA is enabling those projects to both be restarted and accelerated. The updated capital budget with new federal funding will be brought to the board in the September 2022 Board of Directors meeting.

RIPTA's capital program is rapidly expanding with the new Infrastructure bill and state funding to leverage those new funds. RIPTA expects to receive 14 electric buses in FY 2023 and 40 diesel buses along with 50 gas-powered paratransit vans and 5 gas-powered flex vans. In addition, RIPTA is currently constructing a new electric vehicle charging station on the Providence/Cranston city line to support the electrification of the R-line during FY 2023.

Finally, RIPTA has been provided with \$22 million in bond funds to start development of a new transit center several blocks south of Kennedy Plaza. The proposed facility would have indoor waiting space for passengers and will potentially include an affordable housing component.

## **Funding of the CIP**

In FY 2023, RIPTA plans to fund the capital program with \$65.7 million in Federal Transit Administration funds, of which \$28.2 million will be discretionary dollars. Match for these projects will come from \$2.7 million in various RIPTA sources, \$294,000 in local sources, and \$13.1 million in state sources, and \$8.3 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 2021 annual report. This was the tenth 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 DiIorio  
Executive Director of Accounting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Rhode Island Public Transit Authority**

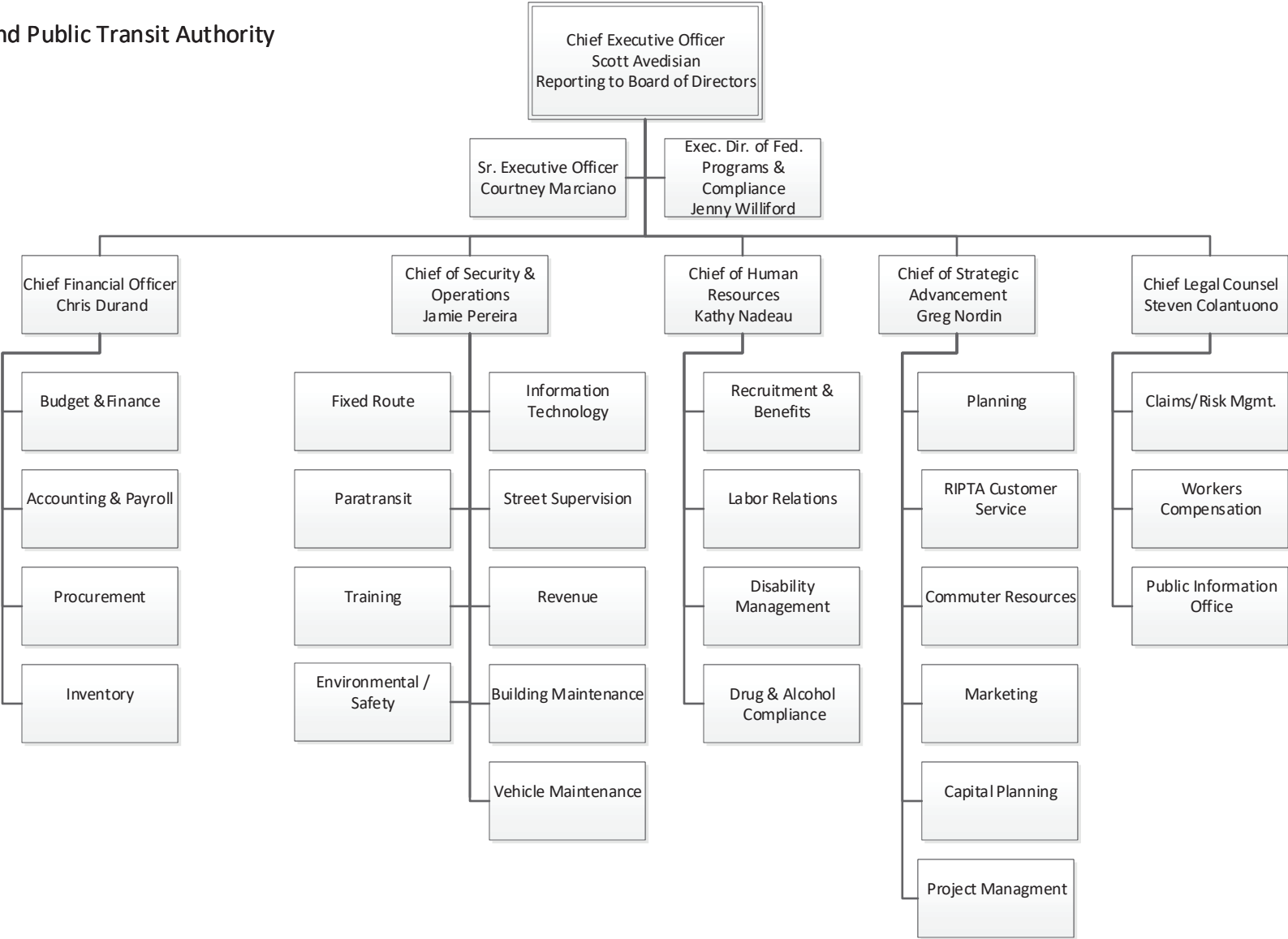
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO

The Rhode Island Public Transit Authority



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
PRINCIPAL OFFICIALS  
JUNE 30, 2022**

***Chief Executive Officer***

Scott Avedisian

***Finance Department***

Christopher Durand, Chief Financial Officer  
Paul Dilorio, Executive Director of Accounting

***Board of Directors***

Normand Benoit – Chairman  
Peter Alviti  
Patrick Crowley  
Robert Kells  
Heather Schey  
Marcy Reyes  
James Leach  
Michelle Wilcox

## INDEPENDENT AUDITORS' REPORT

To the Board Members  
**Rhode Island Public Transit Authority**

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activity and fiduciary activity of Rhode Island Public Transit Authority (a component unit of the State of Rhode Island) (the "Authority"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and fiduciary activity of the Authority, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

#### ***Implementation of an Accounting Standard***

During fiscal year ended June 30, 2022, the Authority adopted GASB Statement No. 87, *Leases*.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages 12-18, the Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Changes in Net Pension Liability and Related Ratios the schedule of the Authority's contributions and the notes to the required supplementary information on Pages 62-65, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Rhode Island Public Transit Authority's basic financial statements. The State of Rhode Island required format, schedule of travel and entertainment expenses, schedule of tangible property, schedule of operating expenses and the combining schedule of revenues, expenses and changes in net position on pages 66-77, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The State of Rhode Island required format, schedule of travel and entertainment expenses, schedule of tangible property, schedule of operating expenses and the combining schedule of revenues, expenses and changes in net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The State of Rhode Island required format, schedule of travel and entertainment expenses, schedule of tangible property, schedule of operating expenses and the combining schedule of revenues, expenses and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of Rhode Island Public Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rhode Island Public Transit Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rhode Island Public Transit Authority's internal control over financial reporting and compliance.

*Marcum LLP*

Providence, RI  
September 30, 2022

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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, 2022. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the Authority's financial activities based on facts, decisions, and conditions currently facing management.

*Understanding the Authority's Financial Statements*

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

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

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

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

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

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**Financial Highlights**

- The Authority's operating, non-operating and State of RI gas tax revenues decreased by 15.3 % or \$20.3 million during FY 2022 compared to FY 2021 largely due to grant revenues that were not received in FY 2022.
- Operating and non-operating expenses decreased by 4.1% or \$5.5 million during FY 2022 as compared to FY 2021.
- Capital contributions decreased \$13.8 million or 69.4% from the previous year. This decrease was due to some of the large capital projects are still in the planning stage for example the Bus Tunnel and the ZEV charging station
- Capital assets decreased by \$10.9 million or 7.8% from FY 2021.
- The Authority's total net position decreased by \$10 million or 225.1 % from FY 2021.

**Net Position**

The following schedule presents the condensed Statement of Net Position for the fiscal years ended June 30, 2022 and 2021.

	2022	As Restated 2021	Dollar Change	Percentage Change
<b>Current and non-current assets</b>	\$ 36,421,230	\$ 37,150,773	\$ (729,543)	-1.96%
Capital assets	128,821,455	139,692,144	(10,870,689)	-7.78%
<b>Total Assets</b>	<u>165,242,685</u>	<u>176,842,917</u>	<u>(11,600,232)</u>	-6.56%
<b>Deferred Outflows of Resources</b>	<u>18,791,002</u>	<u>26,637,303</u>	<u>(7,846,301)</u>	-29.46%
<b>Current liabilities</b>	18,854,601	19,396,269	(541,668)	-2.79%
Noncurrent liabilities	133,181,326	170,314,968	(37,133,642)	-21.80%
<b>Total Liabilities</b>	<u>152,035,927</u>	<u>189,711,237</u>	<u>(37,675,310)</u>	-19.86%
<b>Deferred Inflows of Resources</b>	<u>37,568,833</u>	<u>9,314,534</u>	<u>28,254,299</u>	303.34%
<b>Net Position</b>				
Investment in capital assets	120,796,419	127,696,762	(6,900,343)	-5.40%
Restricted for debt service	3,231,085	4,054,674	(823,589)	-20.31%
Unrestricted	<u>(129,598,577)</u>	<u>(127,296,987)</u>	<u>(2,301,590)</u>	1.81%
<b>Total Net Position</b>	<u>\$ (5,571,073)</u>	<u>\$ 4,454,449</u>	<u>\$ (10,025,522)</u>	-225.07%

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

The majority of the Authority's assets (78%) 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 \$64.7 million associated with the Other Post-employment benefits, which decreased in current year due to change in discount rate, a liability of \$52.1 million associated with the Authority's pension, which decreased in current year due to change in discount rate, and a Due to Primary Government of \$8.0 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 2022 can be found in Note 7, Long – Term Liabilities.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**Authority Operations**

The following schedule presents the condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal year ended June 30, 2022 and 2021.

	2022	As Restated 2021	Dollar Change	Percentage Change
<b>Operating Revenues</b>				
Ritecare program revenue	\$ 1,596,560	\$ 1,895,158	\$ (298,598)	-15.76%
Passenger revenue	11,906,413	7,829,006	4,077,407	52.08%
Ride program revenue	595,940	244,007	351,933	144.23%
Other program revenue	3,774,421	8,365,450	(4,591,029)	-54.88%
<b>Non-operating revenue</b>				
Grant revenue	49,568,171	71,626,536	(22,058,365)	-30.80%
State of RI - DEA gas tax	3,393,405	3,223,620	169,785	5.27%
Other non-operating revenue	(108,896)	(1,138)	(107,758)	9469.07%
<b>State of RI gas tax</b>	<u>41,786,019</u>	<u>39,681,075</u>	<u>2,104,944</u>	5.30%
<b>Total Revenues</b>	<u>112,512,033</u>	<u>132,863,714</u>	<u>(20,351,681)</u>	-15.32%
<b>Operating Expenses</b>				
Management and general	(24,833,554)	(22,507,652)	(2,325,902)	10.33%
Operations and maintenance	(86,635,890)	(92,771,888)	6,135,998	-6.61%
Depreciation	(16,768,448)	(18,470,904)	1,702,456	-9.22%
<b>Non-operating expenses</b>				
Debt service	<u>(402,469)</u>	<u>(422,791)</u>	<u>20,322</u>	-4.81%
<b>Total Expenses</b>	<u>(128,640,361)</u>	<u>(134,173,235)</u>	<u>5,532,874</u>	-4.12%
<b>Net Income (Loss) before Capital Contributions</b>	<u>(16,128,328)</u>	<u>(1,309,521)</u>	<u>(14,818,807)</u>	1131.62%
<b>Capital contributions</b>	<u>6,102,807</u>	<u>19,919,636</u>	<u>(13,816,829)</u>	-69.36%
<b>Changes in Net Position</b>	(10,025,521)	18,610,115	(28,635,636)	-153.87%
<b>Net Position - Beginning of Year, As Restated</b>	<u>4,454,449</u>	<u>(14,155,666)</u>	<u>18,610,115</u>	
<b>Net Position - End of Year</b>	<u>\$ (5,571,072)</u>	<u>\$ 4,454,449</u>	<u>\$ (10,025,521)</u>	-225.07%

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

The Authority's operating revenue, non-operating revenue, State of RI gas tax and capital contributions total \$118,614,840. The revenue reported as operating revenue, non-operating revenue and State of RI gas tax decreased 15.3% or \$20,351,681 over the prior year. This decrease was the result of a decrease in grant revenues. The Authority's operating and non-operating expenses total \$128,640,361. This reflects a decrease of 4.1% or \$5,532,874 over the prior year. The decrease was in operations and maintenance expenses.

**Capital Assets**

The following summarizes the Authority's capital assets and changes therein, for the years ended June 30, 2022 and 2021.

	2022	2021	Dollar Change	Percentage Change
Land and land rights	\$ 107,421,088	\$ 107,338,672	\$ 82,416	0.08%
Revenue equipment - buses	147,820,344	156,439,982	(8,619,638)	-5.51%
Service cars and equipment	7,587,250	7,117,818	469,432	6.60%
Furniture and office equipment	10,498,375	10,599,267	(100,892)	-0.95%
Management information system	16,755,222	16,791,401	(36,179)	-0.22%
Security equipment	3,402,892	3,402,892	--	0.00%
Federal grant projects in process	31,099,295	26,548,703	4,550,592	17.14%
	<u>324,584,466</u>	<u>328,238,735</u>	<u>(3,654,269)</u>	
Less accumulated depreciation	<u>(195,763,011)</u>	<u>(188,546,591)</u>	<u>(7,216,420)</u>	<u>3.83%</u>
Net capital assets	<u>\$ 128,821,455</u>	<u>\$ 139,692,144</u>	<u>\$ (10,870,689)</u>	<u>-7.78%</u>

At the end of fiscal year 2022, the Authority had \$128,821,455 invested in capital assets. This amount represents a decrease of 7.8% or \$10,870,689 million from the prior year. A more detailed account of the capital asset activity for fiscal year 2022 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 Fare Technology Upgrade
- Completion of Bus Lift installation in the Chafee maintenance facility
- Purchase of fourteen electric buses
- Groundbreaking for an inline charging station for the R-Line
- Work commencing on a new fueling station on campus

During FY 2022, the RIPTA will continue on the tunnel improvement and the ZEV charging station.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**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 2023 budget:

- Levels of federal funds appropriated for operating and capital purposes. A new surface transportation authorization was signed into law on November 15, 2021. The new bill is known as the Infrastructure Investment and Jobs Act (IIJA). The FY 2023 budget includes funding for mobility management, preventive maintenance, Job Access/Reverse Commute, ADA reimbursement, and rural operating assistance. The expected reimbursement levels will not be impacted by the new federal authorization as revenues are based upon expenditure levels which have seen only modest increases in recent years.
- State gasoline tax revenue available for operating purposes. For FY 2023, the yield determined by the State of RI Department of Revenue for the gasoline tax is \$4,593,213, up by 3% from the prior year. In total, RIPTA receives 9.25 of the 34-cent gasoline tax and 50% of the 1 cent underground storage tank fee annually. Gasoline tax revenues have increased as employers have shifted their workforce back to the office from remote work.
- 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  
JUNE 30, 2022**

- The Cares Act was passed in FY 2020 giving relief and economic security to a variety of industries including transportation. RIPTA received \$91,233,702 in federal transit funds. These funds allows RIPTA to seek reimbursement for cost of operations and capital expenditures. Additional funding from a second d bill was passed in December 2020 for a total of \$614,298. The American Rescue Plan Act was passed in March 2021 and provided RIPTA with an additional \$35,720,217 in relief funding.
- The contract with the Amalgamated Transit Union has expired as of 6/30/2022. The Authority is currently in negotiations with the union on a new contract. The contract with LIUNA 808 also expired as of 6/30/2022, but a new contract is in place expiring 6/30/2026.
- Costs associated with fuel prices. The Authority consumes approximately 2.3 million gallons of diesel fuel annually. RIPTA has historically entered into long-term price agreements with its fuel supplier, but current market conditions have made that untenable so RIPTA is currently paying spot prices as a result. RIPTA does expect fuel consumption to decline as additional electric buses are deployed.
- Inclusion of expenses and offsetting reimbursement of the State of Rhode Island DOT and the Rhode Island Bridge and Turnpike Authority for vehicle maintenance and repair program contracted with the Authority.

**Contacting the Authority's Financial Management**

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF NET POSITION**

**JUNE 30, 2022**

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**Assets**

**Current Assets**

Cash and cash equivalents	
Operating fund	\$ 8,831,885
Paratransit capital fund	1,298,874
Accident and casualty fund	2,458,320
Capital replacement fund	<u>3,262,161</u>
<b>Total Cash and Cash Equivalents</b>	15,851,240

**Investments** 725,267

Receivables	
Accounts	1,087,609
Grants	<u>4,267,820</u>
<b>Total Receivables</b>	5,355,429

Due from primary government	6,213,981
Inventories, net of allowance	1,720,789
Current portion of lease receivable	29,521
Prepaid expenses	<u>325,031</u>

**Total Current Assets** 30,221,258

**Noncurrent Assets**

Investments	4,252,714
Lease receivable, net of current portion	111,491
Prepaid expenses	235,767
Capital assets, non-depreciable	33,725,424
Capital assets, depreciable - net of depreciation	95,096,031
Health insurance deposit	<u>1,600,000</u>

**Total Noncurrent Assets** 135,021,427

**Total Assets** 165,242,685

**Deferred Outflows of Resources**

Deferred pension amounts	15,593,880
Deferred other postemployment benefit amounts	<u>3,197,122</u>

**Total Deferred Outflows of Resources** \$ 18,791,002

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF NET POSITION (CONTINUED)**

**JUNE 30, 2022**

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**Liabilities**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 7,824,288
Line of credit	2,000,000
Due to primary government	833,537
Accrued salaries, wages and benefits	6,485,185
Accrued compensation absences	110,411
Accrued self insured health claims	640,855
Accrued self insured claims	500,000
Unearned revenue	<u>460,325</u>

**Total Current Liabilities** 18,854,601

**Noncurrent Liabilities**

Due to primary government	7,191,499
Accrued compensated absences	259,766
Accrued self insured claims	9,010,000
Net pension liability	52,054,428
Total other postemployment benefit liability	<u>64,665,633</u>

**Total Noncurrent Liabilities** 133,181,326

**Total Liabilities** 152,035,927

**Deferred Inflows of Resources**

Deferred lease amounts	137,071
Deferred pension amounts	20,271,878
Deferred other postemployment benefit amounts	<u>17,159,884</u>

**Total Deferred Inflows of Resources** 37,568,833

**Net Position**

Net investment in capital assets	120,796,419
Restricted for zero emission electric buses	3,231,085
Unrestricted (deficit)	<u>(129,598,577)</u>

**Total Net Position** \$ (5,571,073)

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (DEFICIT)**

**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Operating Revenues</b>	
Passenger	\$ 13,502,973
Paratransit	366,124
Rental	115,021
Advertising	835,503
RIDE	595,940
Other	<u>2,457,773</u>
<b>Total Operating Revenues</b>	<u>17,873,334</u>
<b>Operating Expenses</b>	
Administration	2,155,623
Finance	6,312,255
Operations	74,907,580
Marketing	1,538,418
Human resources	925,979
Administrative services	1,533,709
Risk management	4,092,762
Planning and scheduling	3,021,710
Specialized transportation	1,462,464
Paratransit operations	9,564,465
Purchasing	1,593,414
Information technology	2,197,220
Centralized maintenance	1,824,396
State of Rhode Island - DOT & RITBA	339,449
Depreciation	<u>16,768,448</u>
<b>Total Operating Expenses</b>	<u>128,237,892</u>
<b>Operating loss</b>	<u>(110,364,558)</u>
<b>Nonoperating revenues (expenses)</b>	
State of RI gas tax	41,786,019
State of RI - DEA gas tax	3,393,405
Operating grants	49,568,171
Investment income	(108,896)
Interest expense	<u>(402,469)</u>
<b>Total nonoperating revenues (expenses)</b>	<u>94,236,230</u>
<b>Loss before capital contributions</b>	(16,128,328)
<b>Capital contributions</b>	<u>6,102,807</u>
<b>Changes in Net Position</b>	(10,025,521)
<b>Net Position - Beginning of the Year, As Restated</b>	<u>4,454,448</u>
<b>Net Position - End of the Year</b>	<u>\$ (5,571,073)</u>

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**Cash Flows from Operating Activities**

Cash received from customers	\$ 21,704,752
Cash paid to suppliers for goods and services	(21,020,036)
Cash paid to employees for services	<u>(89,664,865)</u>

**Net Cash used for Operating Activities** (88,980,149)

**Cash Flows from Noncapital Financing Activities**

State gas tax received	48,345,103
Operating grants received	<u>49,825,403</u>

**Net Cash Provided by Noncapital Financing Activities** 98,170,506

**Cash Flows from Capital and Related Financing Activities**

Proceeds from line of credit	2,000,000
Interest paid	(402,469)
Acquisition and construction of capital assets	<u>(6,523,545)</u>

**Net Cash Used in Capital and Related Financing Activities** (4,926,014)

**Cash Flows from Investing Activities**

Maturity of investments	1,159,993
Interest and dividends on investments	<u>(108,896)</u>

**Net Cash Provided By Investing Activities** 1,051,097

**Net Increase in Cash and Cash Equivalents** 5,315,440

**Cash and Cash Equivalents - Beginning of Year** 10,535,800

**Cash and Cash Equivalents - End of Year** \$ 15,851,240

**Schedule of Noncash Capital and Related Financing Activities**

Principal on due to primary government	\$ 968,000
Interest on due to primary government	<u>386,775</u>
	<u><u>\$ 1,354,775</u></u>

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**Reconciliation of Operating Loss to Net Cash**

**Used for Operating Activities**

**Operating Loss** \$ (110,364,558)

**Adjustments to Reconcile Operating Loss to Net Cash**

**Used for Operating Activities:**

Depreciation and amortization 16,768,448

Changes in assets and liabilities:

(Increase) decrease in accounts receivable 3,369,096

(Increase) decrease in inventory 6,538

(Increase) decrease in prepaid expenses 830,151

(Increase) decrease in health insurance deposit 852,226

Increase (decrease) in accounts payable and  
accrued expenses 299,254

Increase (decrease) in accrued self insured claims (1,242,000)

Increase (decrease) in accrued compensated absences 20,973

Increase (decrease) in net pension liability (26,458,872)

Increase (decrease) in total other postemployment  
benefit liability (9,205,559)

(Increase) decrease in unearned revenue 180,625

(Increase) decrease in deferred inflows of resources 28,117,228

Increase (decrease) in deferred outflows of resources 7,846,301

**Total Adjustments** 21,384,409

**Net Cash Used for Operating Activities** \$ (88,980,149)

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2022**

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	<u>Pension Trust Fund</u>
<b>Assets</b>	
Investments, at fair value:	
Investment contract with insurance company	\$ 30,974,168
Pooled separate account investments:	
Domestic equity	48,697,310
International equity	21,978,358
Fixed income	31,258,482
Real estate	8,417,866
Index fund - domestic equity	<u>11,347,296</u>
<b>Total Investments</b>	<u>152,673,480</u>
<b>Total Assets</b>	<u>152,673,480</u>
<b>Net Position Restricted for Pensions</b>	<u><u>\$ 152,673,480</u></u>

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



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>Pension Trust Fund</u>
<b>Additions</b>	
Contributions:	
Employer	\$ 6,487,398
Plan Member	<u>1,999,604</u>
<b>Total Contributions</b>	<u>8,487,002</u>
 Investment income:	
Net depreciation in fair value of investments	(25,316,035)
Interest and dividends	3,163,876
Less investment expense	<u>(909,952)</u>
<b>Net Investment Income</b>	<u>(23,062,111)</u>
 <b>Total Additions</b>	<u>(14,575,109)</u>
 <b>Deductions</b>	
Benefits payments, including refunds of member contribution	13,017,677
Administrative expenses	<u>70,526</u>
 <b>Total Deductions</b>	<u>13,088,203</u>
 <b>Net Decrease in Fiduciary Net Position</b>	<u>(27,663,312)</u>
 <b>Net Position Restricted for Pensions - Beginning of Year</b>	<u>180,336,792</u>
 <b>Net Position Restricted for Pensions - End of Year</b>	<u><u>\$ 152,673,480</u></u>

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

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

#### ***BASIS OF PRESENTATION***

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

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

#### ***REPORTING ENTITY***

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

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

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

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

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

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

#### ***REPORTING ENTITY (CONTINUED)***

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

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

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

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

#### ***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING***

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

#### ***RECENTLY ISSUED ACCOUNTING STANDARDS***

The Authority has implemented the following new accounting pronouncements:

- GASB Statement No. 87 - *Leases*, effective for the Authority's fiscal year ending June 30, 2022.
- GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Authority's fiscal year ending June 30, 2022.
- GASB Statement No. 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. 97 - *Certain Component Unit Criteria*, effective for the Authority's fiscal year ending June 30, 2022.

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED JUNE 30, 2022**

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

##### ***RECENTLY ISSUED ACCOUNTING STANDARDS (CONTINUED)***

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

- GASB Statement 91 – Conduit Debt Obligations is effective for the Authority’s fiscal year ending June 30, 2023. Management is in process of completing its review of the requirements of this standard and its applicability.
- GASB Statement 96 – Subscription-Based Information Technology Arrangements (“SBITA”) is effective for the Authority’s fiscal year ending June 30, 2023. Management is in process of completing its review of the requirements of this standard and its applicability.
- GASB Statement 99 – Omnibus 2022 is effective for the Authority’s fiscal year ending June 30, 2023. Management is in process of completing its review of the requirements of this standard and its applicability.
- GASB Statement 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 is effective for the Authority’s fiscal year ending June 30, 2024. Management has not completed its review of the requirements of this standard and its applicability.
- GASB Statement 101 – Compensated Absences is effective for the Authority’s fiscal year ending June 30, 2025. Management has not completed its review of the requirements of this standard and applicability.

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

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

#### ***CASH AND CASH EQUIVALENTS***

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

#### ***INVESTMENTS***

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

#### ***MATERIALS AND SUPPLIES OF INVENTORY***

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

#### ***PROPERTY, PLANT AND EQUIPMENT***

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

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

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

#### ***DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES***

Deferred outflows of resources represent a consumption of net 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.

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

#### ***COMPENSATED ABSENCES***

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

#### ***SELF-INSURANCE***

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

#### ***NET POSITION***

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

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

#### ***OPERATING REVENUES AND EXPENSES***

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

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

#### ***FEDERAL AND STATE GRANTS***

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

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

#### ***CONTRIBUTIONS***

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

#### ***PAYMENT OF BENEFITS***

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

#### ***INCOME TAXES***

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

#### ***ADVERTISING COSTS***

It is the Authority's policy to expense advertising costs as incurred. Advertising expense for fiscal year ended June 30, 2022 was \$396,931.

#### ***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.

### **NOTE 2 - CASH DEPOSITS**

The carrying amount of the Authority's deposits, except for petty cash of \$1,100 at June 30, 2022, was \$8,619,065 and the bank balance was \$8,294,333. Of the bank balance, \$618,602 was insured by federal depository insurance, \$7,675,731 was collateralized with securities held by the pledging financial institution or its agent in the Authority's name, and \$0 was uncollateralized.



# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

### NOTE 2 - CASH DEPOSITS (CONTINUED)

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, 2022 pursuant to Chapter 35-10.1 of the General Laws.

The carrying value of deposits for June 30, 2022 is \$8,619,065. Investments of \$7,231,075 and \$1,100 of petty cash, relate to the statement of net position totals for June 30, 2022 as follows:

	June 30,	
	2022	2021
Cash deposits	\$ 8,619,065	\$ 4,058,631
Add: Petty cash	1,100	1,100
Add: Investments classified as cash equivalents for financial statement purposes	<u>7,231,075</u>	<u>6,476,069</u>
<b>Cash and Cash Equivalents Per Statement of Net Position</b>	<u><u>\$ 15,851,240</u></u>	<u><u>\$ 10,535,800</u></u>

### 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.

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 3 - INVESTMENTS (CONTINUED)

##### *INVESTMENTS - BUSINESS-TYPE ACTIVITY (CONTINUED)*

At June 30, 2022, the Authority had the following money market and pooled investments classified as cash equivalents:

Investments	Average Maturity in Days	Standards & Poor's Rating	Fair Value
Federated Government Obligations Fund	28	AAAm	\$ 24,304
Ocean State Investment Pool	24	Not rated	<u>7,206,771</u>
			<u>\$ 7,231,075</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, 2022, the Authority had the following investments in its Business-Type Activity:

Investments	Maturity	Standards & Poor's Rating	Fair Value
U.S. Treasury Notes	07/15/2023-10/15/2024	Not applicable	\$ <u>4,977,981</u>
			<u>\$ 4,977,981</u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 3 - INVESTMENTS (CONTINUED)**

***INVESTMENTS - BUSINESS-TYPE ACTIVITY (CONTINUED)***

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

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

***Credit Risk*** - As of June 30, 2022, the Authority's investment in Federated Government Obligations Fund was rated AAAM by Standard & Poor's. The Authority does not have formal policy relative to credit risk.

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

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

The Authority has the following recurring fair value measurements as of June 30, 2022:

- U.S. Treasury notes of \$4,977,981 are valued using a market approach that considers benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications (Level 2 inputs).

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 3 - INVESTMENTS (CONTINUED)**

***INVESTMENTS - FIDUCIARY ACTIVITY - PENSION TRUST FUND***

The Pension Trust Fund's policy in regard to the allocation of invested assets is established and may be amended by the Joint Pension Board. It is the policy of the Joint Pension Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Trust Fund's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Joint Pension Board's adopted asset allocation policy as of June 30, 2022:

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

At June 30, 2022, the Pension Trust Fund had the following investments:

<u>Description</u>	<u>Fair Value</u>
Investment contract with insurance	\$ 30,974,168
Company - Guaranteed Deposit Fund	
Pooled separate accounts:	
Domestic equity	48,697,310
International equity	21,978,358
Fixed income	31,258,482
Real estate	8,417,866
Index fund - domestic equity	<u>11,347,296</u>
	<u>\$ 152,673,480</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, 2022.

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 3 - INVESTMENTS (CONTINUED)

#### *INVESTMENTS - FIDUCIARY ACTIVITY - PENSION TRUST FUND (CONTINUED)*

**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, 2022 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, 2022 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, 2022.

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

The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2022:

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

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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### **NOTE 3 - INVESTMENTS (CONTINUED)**

#### ***INVESTMENTS - FIDUCIARY ACTIVITY - PENSION TRUST FUND (CONTINUED)***

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

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

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

Property, plant and equipment consist of the following at June 30, 2022:

	Balance July 1, 2021 (As Restated)	Additions & Transfers	Removals & Transfers	Balance June 30, 2022
<b>Capital Assets, Not Being Depreciated:</b>				
Land and land rights	\$ 2,626,129	\$ --	\$ --	\$ 2,626,129
Federal grant projects in process	<u>26,548,703</u>	<u>4,550,592</u>	<u>--</u>	<u>31,099,295</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<u>29,174,832</u>	<u>4,550,592</u>	<u>--</u>	<u>33,725,424</u>
<b>Capital Assets, Being Depreciated:</b>				
Shop, garages and buildings	104,712,543	82,416	--	104,794,959
Revenue equipment	156,439,982	1,223,747	9,843,381	147,820,348
Service vehicles and garage equipment	7,117,818	470,651	1,219	7,587,250
Furniture and office and other equipment	14,002,159	10,190	111,082	13,901,267
Management information system	<u>16,791,401</u>	<u>185,949</u>	<u>222,127</u>	<u>16,755,223</u>
<b>Total Capital Assets Being Depreciated</b>	<u>299,063,903</u>	<u>1,972,953</u>	<u>10,177,809</u>	<u>290,859,047</u>
<b>Total Capital Assets</b>	<u>328,238,735</u>	<u>6,523,545</u>	<u>10,177,809</u>	<u>324,584,471</u>
<b>Less Accumulated Depreciation for:</b>				
Shop, garages and buildings	61,073,756	3,222,913	--	64,296,669
Revenue equipment	97,524,426	10,321,388	9,217,597	98,628,217
Service vehicles and garage equipment	6,294,589	829,819	1,219	7,123,189
Furniture and office and other equipment	10,459,066	718,838	111,082	11,066,822
Management information system	<u>13,194,754</u>	<u>1,675,490</u>	<u>222,125</u>	<u>14,648,119</u>
<b>Total Accumulated Depreciation</b>	<u>188,546,591</u>	<u>16,768,448</u>	<u>9,552,023</u>	<u>195,763,016</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>110,517,312</u>	<u>(14,795,495)</u>	<u>625,786</u>	<u>95,096,031</u>
<b>Capital Assets, Net</b>	<u>\$ 139,692,144</u>	<u>\$ (10,244,903)</u>	<u>\$ 625,786</u>	<u>\$128,821,455</u>

Depreciation expense for the fiscal year ended June 30, 2022 was \$16,768,448.

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2022**

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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, 2022 was as follows:

<b>Balance - Beginning of Year</b>	\$ 6,369,061
Local match and other payments	(132,161)
Investment income	<u>(45,682)</u>
<b>Balance - End of Year</b>	<u><u>\$ 6,191,218</u></u>
Classified as cash and cash equivalents	\$ 3,262,161
Classified as investments	<u>2,929,057</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<u><u>\$ 6,191,218</u></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, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
<b>Balance - Beginning of Year</b>	\$ 272,248	\$ 521,638
Transfer from operating	2,185,913	--
Disbursements	--	(250,000)
Interest earnings on investments	<u>159</u>	<u>610</u>
<b>Balance - End of Year</b>	<u><u>\$ 2,458,320</u></u>	<u><u>\$ 272,248</u></u>



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 6 - SELF-INSURANCE (CONTINUED)**

***AUTOMOBILE LIABILITY AND WORKERS' COMPENSATION (CONTINUED)***

Assets at June 30, 2022 and 2021 in the accident and casualty account amounted to \$2,458,320 and \$272,248, respectively. For fiscal years 2022 and 2021, \$2,458,320 and \$272,248, 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 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, 2022 and 2021 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, 2022 and 2021 was as follows:

	2022	2021
Amounts of claims liabilities, beginning of year	\$ 10,752,000	\$ 16,306,216
Incurred claims and change in estimate	3,127,493	734,535
Payments on claims	<u>(4,369,493)</u>	<u>(6,288,751)</u>
<b>Amounts of Claims Liabilities - End of Year</b>	<b><u>\$ 9,510,000</u></b>	<b><u>\$ 10,752,000</u></b>

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 6 - SELF-INSURANCE (CONTINUED)

##### *HEALTH CARE*

During fiscal year June 30, 2005, the Authority changed to a self-insured program administered by the State of Rhode Island. The unpaid claims liability at June 30, 2022 is recorded as accrued self-insured health claims in the Statement of Net Position. The Authority's incurred but not reported claims as of June 30, 2022 and June 2021 were as follows:

	2022	2021
Unpaid claims, beginning of year	\$ 524,268	\$ 991,551
Incurred claims and change in estimate	15,272,307	14,417,050
Payments on claims	<u>(15,155,720)</u>	<u>(14,884,333)</u>
<b>Unpaid Claims - End of Year</b>	<u><u>\$ 640,855</u></u>	<u><u>\$ 524,268</u></u>

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

#### NOTE 7 - LONG-TERM LIABILITIES

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

	July 1, 2021	Additions	Removals	June 30, 2022	Amounts Due Within One Year
Due to primary government	\$ 8,993,036	\$ --	\$ 968,000	\$ 8,025,036	\$ 833,537
Accrued compensated absences	349,204	20,973	--	370,177	110,411
Net pension liability	78,513,300	--	26,458,872	52,054,428	--
Total other post employment benefit liability	73,871,192	--	9,205,559	64,665,633	--
Accrued self-insurance claims	<u>10,752,000</u>	<u>3,127,493</u>	<u>4,369,493</u>	<u>9,510,000</u>	<u>500,000</u>
<b>Total</b>	<u><u>\$ 172,478,732</u></u>	<u><u>\$ 3,148,466</u></u>	<u><u>\$ 41,001,924</u></u>	<u><u>\$ 134,625,274</u></u>	<u><u>\$ 1,443,948</u></u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

***Debt Service to Maturity*** - The debt service requirements at June 30, 2022 for the above due to primary government were as follows:

Fiscal Year Ended June 30,	Principal
2023	\$ 833,537
2024	810,269
2025	812,344
2026	835,011
2027	944,277
2028-2032	2,747,343
2033-2036	1,042,255
	<u>\$ 8,025,036</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 entered into a \$7,500,000 revolving loan agreement on May 26, 2022 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, 2023. 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. As of June 30, 2022, there was \$2,000,000 outstanding on this line of credit and no repayments were made during the year.

**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.

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***CLAIMS AND LEGAL ACTIONS (CONTINUED)***

**Contract Commitments**

The Authority is committed under various contracts in the amount of \$52,261,753 at June 30, 2022.

In fiscal year 2023, the 618 and 618A bargaining units are still in contract negotiations and the Local 808 bargaining unit will receive a 2.5% salary increase.

**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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

#### *GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)*

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

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

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

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

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

***GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)***

**Employees Covered by Benefit Terms** - As of July 1, 2020 the plan membership data is as follows:

Inactive employees or beneficiaries	
currently receiving benefit payments	453
Active employees	<u>803</u>
	<u><u>1,256</u></u>

**Total OPEB Liability**

The Authority's total OPEB liability of \$64,665,633 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Salary Increases	3%
Inflation	3%
Discount Rate	4.09%
Healthcare Cost Trend Rates	6% in 2022 graded down by the Getzen model to an ultimate rate of 3.94% in 2075
Mortality – Healthy and Disabled	2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2021 mortality improvement scale

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

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

##### *GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)*

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

- Discount rate was changed to 4.09% from 2.18%.
- Mortality was changed to 2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2021 mortality improvement scale from 2010 Public Sector Retirement Plans mortality table for general employee populations with MP-2020 mortality improvement scale.

	Total OPEB Liability
<b>Balance as of June 30, 2021</b>	<u>\$ 73,871,192</u>
<b>Changes for the Year:</b>	
Service cost	4,001,661
Interest on the total OPEB liability	1,595,232
Differences between expected and actual experience	(150,160)
Changes in assumptions	(12,604,851)
Benefit payments	<u>(2,047,441)</u>
<b>Net Changes</b>	<u>(9,205,559)</u>
<b>Balance as of June 30, 2022</b>	<u><u>\$ 64,665,633</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) and 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	<u>\$ 70,478,546</u>	<u>\$ 64,665,633</u>	<u>\$ 59,605,884</u>

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

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

##### *GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)*

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

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (5% per year graded down by the Getzen model to an ultimate rate of 2.94%) and 1-percentage-point higher (7% per year graded down by the Getzen model to an ultimate rate of 4.94%) than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
	(5% Decreasing to 2.94%)	(6% Decreasing to 3.94%)	(7% Decreasing to 4.94%)
Total OPEB Liability	<u>\$ 58,060,614</u>	<u>\$ 64,665,633</u>	<u>\$ 72,506,531</u>

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

For the year ended June 30, 2022, the Authority recognized OPEB expense of \$2,543,479. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ (6,571,487)
Changes in assumptions	<u>3,197,122</u>	<u>(10,588,397)</u>
<b>Total</b>	<u>\$ 3,197,122</u>	<u>\$ (17,159,884)</u>



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

***GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)***

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

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

Year Ended June 30:	
2023	\$ (3,053,414)
2024	(3,073,938)
2025	(2,975,926)
2026	(2,287,952)
2027	(2,059,377)
Thereafter	<u>(512,155)</u>
Total	<u>\$ (13,962,762)</u>

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

State statute directs the Authority to generate sufficient revenues to pay all costs of operating and maintaining the transit system during each fiscal year. Beginning July 1, 1992, the Authority was not given a fixed appropriation from the State, but was allocated the revenue generated from a three-cent dedicated gas tax. Beginning fiscal year 2011, the Authority has been allocated nine and one quarter cents of dedicated gas tax and a half cent of gas tax from the Underground Storage Tank Fund. For fiscal year ending June 30, 2022, the Authority received \$41,786,019 from the dedicated gas tax as operating assistance in support of the transit system. The Authority anticipates receiving approximately \$42,722,180 in fiscal year ended June 30, 2023 from the State.

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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### **NOTE 11 - FEDERAL APPROPRIATIONS**

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

For fiscal year 2022, the Authority used \$16,429,162 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, 2022, the Authority recorded \$3,393,405 of contract revenue from this agreement. For fiscal year 2023, the Authority anticipates receiving \$3,461,591 under this agreement.

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

At June 30, 2022, the Rhode Island Public Transit Authority is owed \$6,213,981 from the State of Rhode Island.

At June 30, 2022, the Rhode Island Public Transit Authority owes \$8,025,036 to the State of Rhode Island related to payments for debt service and other payables.

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### 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, 2022 was as follows:

#### **Business-Type Activity**

Net investment in capital assets	\$ 120,796,419
Restricted for zero emission electric buses	3,231,085
Unrestricted	<u>(129,598,577)</u>
<b>Total Net Position</b>	<u><u>\$ (5,571,073)</u></u>

#### **Fiduciary Activity - Pension Trust Fund**

Restricted for pensions	<u><u>\$ 152,673,480</u></u>
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As of June 30, 2022, the Authority has restricted net position of \$3,231,085 in its Business-Type Activity. These funds are restricted for zero emission electric buses and associated administrative costs in accordance with an agreement with the Rhode Island Department of Environmental Management.

### NOTE 15 - DEFERRED COMPENSATION PLAN

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

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### 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. 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 June 30, 2021, 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>
	1,486

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 16 - PENSION PLANS (CONTINUED)

#### *A. RIPTA Employees' Pension Plan (Continued)*

##### *GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)*

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

- 618 participants – 4% of base compensation
- Other than 618 participants – 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
- Other than 618 participants - age 62, or if later, the participant's completion of 5 years of service

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 16 - PENSION PLANS (CONTINUED)**

***A. RIPTA Employees' Pension Plan (Continued)***

***GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)***

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).

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 16 - PENSION PLANS (CONTINUED)

##### *A. RIPTA Employees' Pension Plan (Continued)*

##### *GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)*

##### *Net Pension Liability*

The Authority's net pension liability was measured as of June 30, 2021.

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation performed as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

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

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

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 16 - PENSION PLANS (CONTINUED)**

***A. RIPTA Employees' Pension Plan (Continued)***

***GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)***

Changes in benefit terms included the following:

- All pensioners as of July 1, 2020 will receive an additional \$10 a month benefit, surviving spouses \$5.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocated	Long-Term Expected Real Rate of Return
Domestic equity	40.00%	7.56%
International equity	15.00%	7.45%
Fixed income	40.00%	3.83%
Real estate/other	5.00%	7.50%
Cash	0.00%	2.10%
	100.00%	



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 16 - PENSION PLANS (CONTINUED)**

***A. RIPTA Employees' Pension Plan (Continued)***

***GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)***

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

**Changes in Net Pension Liability:**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net position (b)	Net Pension Liability (a) - (b)
<b>Balance June 30, 2021</b>	\$ 225,123,961	\$ 146,610,661	\$ 78,513,300
<b>Changes for the year:</b>			
Service	4,302,505	--	4,302,505
Interest on total pension liability	14,951,185	--	14,951,185
Differences between expected and actual experience	--	--	--
Changes of assumptions	--	--	--
Changes in benefit terms	434,074	--	434,074
Contributions - employer	--	9,736,036	(9,736,036)
Contributions - employee	--	1,898,200	(1,898,200)
Net investment income	--	34,551,809	(34,551,809)
Benefit payments	(12,420,505)	(12,420,505)	--
Administrative expenses	--	(39,409)	39,409
<b>Net changes</b>	<u>7,267,259</u>	<u>33,726,131</u>	<u>(26,458,872)</u>
<b>Changes for the year:</b>	<u>\$ 232,391,220</u>	<u>\$ 180,336,792</u>	<u>\$ 52,054,428</u>

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2022**

### NOTE 16 - PENSION PLANS (CONTINUED)

#### *A. RIPTA Employees' Pension Plan (Continued)*

#### *GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)*

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

	1% Decrease 5.75%	Current Discount rate 6.75%	1% Increase 7.75%
Authority's Net Pension Liability	\$ 76,244,045	\$ 52,054,428	\$ 31,046,087

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

The Authority's contributions made subsequent to the measurement date of the net pension liability, June 30, 2021, of \$6,487,398 are included in the accompanying financial statements as a deferred outflow of resources at June 30, 2022.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources** - For the year ended June 30, 2022, the Authority recognized pension expense of \$6,290,458. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,222,928	\$ --
Subsequent contributions	6,487,398	--
Changes of assumptions	2,281,120	(461,346)
Net difference between projected and actual earnings on Plan investments	4,602,434	(19,810,529)
<b>Total</b>	<b>\$ 15,593,880</b>	<b>\$ (20,271,875)</b>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 16 - PENSION PLANS (CONTINUED)**

***A. RIPTA Employees' Pension Plan (Continued)***

***GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)***

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

**Fiscal Year Ending June 30,**

2022	\$ (1,790,323)
2023	(1,811,305)
2024	(2,820,310)
2025	<u>(4,743,455)</u>
	<u>\$ (11,165,393)</u>

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

***GENERAL INFORMATION ABOUT THE PENSION PLAN***

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 16 - PENSION PLANS (CONTINUED)

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

##### **GENERAL INFORMATION ABOUT THE PENSION PLAN (CONTINUED)**

All employees who are members of the Local 808 union are eligible to participate in the Plan, as well as some non-represented special class employees (49 employees as of June 30, 2022). An employee is eligible to receive pension benefits if they have attained age 62, have five or more years of pension credit and have earned at least one of the years of pension credit during the period that his or her employer is contributing to the Plan. The amount of regular pension benefits payable to an employee is determined by the highest contribution rate at which he or she earned pension credit and years of pension credits earned (up to a maximum of 30 years of pension credits). The regular monthly benefit is payable for each year of pension credit at each contribution rate accepted by the plan up to \$2.50 per hour. The Plan also provides death and disability benefits. Information regarding the Plan can be obtained from the Fund Office maintained by the Board of Trustees at the following address: Laborers' International Union of North America National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC 20006-1765 or on the internet at [www.inipf.com](http://www.inipf.com).

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

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

### NOTE 17 - RISK MANAGEMENT

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 18 - LEASES

In fiscal year 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the Authority's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Authority's fiscal year 2022 financial statements

The Authority is reporting Leases Receivable of \$141,012 at June 30, 2022. For 2022, the Authority reported lease revenue of \$33,103 and interest revenue of \$4,387 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
First Church of God	\$ 37,124	\$ 8,376	\$ 819
Verizon	<u>103,888</u>	<u>24,727</u>	<u>3,568</u>
	<u>\$ 141,012</u>	<u>\$ 33,103</u>	<u>\$ 4,387</u>

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

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

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 19 - 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 2021 and 2022. As the State opened up and the Authority was allowed to go to full capacity on the 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 will receive is \$34,810,528, and must be disbursed by September 30, 2029, and is available for payroll and operation expenses.

### NOTE 20 - CONCENTRATION RISK

The State of RI gas tax revenue of \$41,786,019 and Federal operating grants revenue of \$49,568,171 represented 37% and 44%, respectively, of total revenues for the year ended June 30, 2022.

### NOTE 21 - RESTATEMENT

The net position of the business type fund has been restated to reflect the correction of an error in relation to the purchase of electric buses as well as the as well as for the implementation of GASB Statement No. 87, Leases.

Net position, June 30, 2021, as previously reported	\$ 2,427,078
Implementation of GASB 87	
Lease receivable	167,290
Deferred inflows	(167,290)
Correction of net position for electric buses - accounts payab.	(974,976)
Correction of net position for electric buses - fixed assets	<u>3,002,346</u>
Net position, June 30, 2021, as restated	<u>\$ 4,454,448</u>

### NOTE 22 - SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through September 30, 2022, the date these financial statements were authorized for issuance. There are no such event requiring recognition or disclosure in the financial statements.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

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

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 4,001,661	\$ 3,534,478	\$ 3,943,384	\$ 3,946,809	\$ 3,942,229
Interest	1,595,232	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	(150,160)	(3,222,911)	(5,970,438)	(2,568,201)	(723,233)
Changes of assumptions or other inputs	(12,604,851)	3,003,658	638,798	1,542,951	955,174
Benefit payments	<u>(2,047,441)</u>	<u>(2,510,806)</u>	<u>(2,153,026)</u>	<u>(2,166,657)</u>	<u>(2,294,610)</u>
Net change in total OPEB liability	(9,205,559)	2,586,092	(3,806,369)	2,972,715	3,962,074
Total OPEB liability - beginning	<u>73,871,192</u>	<u>71,285,100</u>	<u>75,091,469</u>	<u>72,118,754</u>	<u>68,156,680</u>
Total OPEB liability - ending	<u><u>\$ 64,665,633</u></u>	<u><u>\$ 73,871,192</u></u>	<u><u>\$ 71,285,100</u></u>	<u><u>\$ 75,091,469</u></u>	<u><u>\$ 72,118,754</u></u>
Covered-employee payroll	\$ 47,556,290	\$ 46,884,502	\$ 45,569,577	\$ 43,756,853	\$ 42,062,418
Total OPEB liability as a percentage of covered payroll	135.98%	157.56%	156.43%	171.61%	171.46%



# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION

### RIPTA EMPLOYEES' PENSION PLAN

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

Measurement Period	2022 June 30, 2021	2021 June 30, 2020	2020 June 30, 2019	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
<b>Total Pension Liability</b>								
Service cost	\$ 4,302,505	\$ 4,225,361	\$ 3,870,210	\$ 3,652,504	\$ 3,492,118	\$ 2,990,663	\$ 3,020,828	\$ 2,985,852
Interest	14,951,185	14,341,746	13,941,951	13,352,018	12,556,376	12,297,798	11,495,887	10,237,348
Changes of benefit terms	434,074	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 or other inputs	--	(197,131)	4,898,083	(710,335)	(1,198,799)	4,215,850	1,675,802	7,557,472
Benefit payments, including refunds of member contributions	(12,420,505)	(11,220,119)	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Net change in total pension liability	7,267,259	10,037,057	13,380,331	11,409,583	8,312,524	15,603,843	9,923,013	16,818,943
Total Pension liability - beginning	225,123,961	215,086,904	201,706,573	190,296,990	181,984,466	166,380,623	156,457,610	139,638,667
Total Pension liability - ending	<u>\$ 232,391,220</u>	<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	\$ 9,736,036	\$ 8,722,771	\$ 7,519,341	\$ 7,514,778	\$ 8,648,057	\$ 8,125,339	\$ 7,379,362	\$ 7,328,560
Contributions - employee	1,898,200	1,888,540	1,787,290	1,665,934	1,196,070	1,213,686	1,160,646	1,118,215
Net investment income	34,551,809	3,883,832	6,753,240	9,324,350	11,578,566	635,766	4,952,537	12,971,007
Benefit payments, including refunds of member contributions	(12,420,505)	(11,220,119)	(10,257,698)	(9,683,021)	(8,707,446)	(7,810,634)	(6,909,349)	(6,338,274)
Administrative expense	(39,409)	(36,260)	(41,425)	(36,529)	(61,125)	(172,801)	(77,916)	(52,497)
Net change in plan fiduciary net position	33,726,131	3,238,764	5,760,748	8,785,512	12,654,122	1,991,356	6,505,280	15,027,011
Plan fiduciary net position - beginning	146,610,661	143,371,897	137,611,149	128,825,637	116,171,515	114,180,159	107,674,879	92,647,868
Plan fiduciary net position - ending	<u>\$ 180,336,792</u>	<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>
Authority's net pension liability - ending	<u>\$ 52,054,428</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	77.60%	65.12%	66.66%	68.22%	67.70%	63.84%	68.63%	68.82%
Covered payroll	\$ 41,091,532	\$ 40,349,413	\$ 39,258,303	\$ 37,506,189	\$ 35,598,943	\$ 35,018,425	\$ 34,636,021	\$ 35,558,671
Net pension liability as a percentage of covered payroll	126.68%	194.58%	182.67%	170.89%	172.68%	187.94%	150.71%	137.19%

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION – RIPTA EMPLOYEES’ PENSION PLAN**

**SCHEDULE OF AUTHORITY CONTRIBUTIONS**

**LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
<b>Total Pension Liability</b>										
Actuarial determined contribution	\$ 6,524,966	\$ 9,736,036	\$ 8,772,771	\$ 7,519,341	\$ 7,514,778	\$ 8,648,057	\$ 8,125,339	\$ 7,379,362	\$ 7,328,561	\$ 7,787,480
Contributions in related to the actuarially determined contribution	<u>6,524,966</u>	<u>9,736,036</u>	<u>8,772,771</u>	<u>7,519,341</u>	<u>7,514,778</u>	<u>8,648,057</u>	<u>8,125,339</u>	<u>7,379,362</u>	<u>7,328,561</u>	<u>7,787,480</u>
Contribution deficiency (excess)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Covered payroll	\$ 42,322,506	\$ 41,091,532	\$ 40,349,413	\$ 39,258,303	\$ 37,506,189	\$ 35,598,943	\$ 35,018,425	\$ 34,636,021	\$ 35,558,671	\$ 35,506,301
Net pension liability as a percentage of covered payroll	15.42%	23.69%	21.74%	19.15%	20.04%	24.29%	23.20%	21.31%	20.61%	21.93%

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2022**

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**NOTE 1 – RIPTA EMPLOYEE’S PENSION PLAN**

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

**Changes in Benefit Terms:**

- All pensioners as of July 1, 2020 will receive an additional \$10 a month benefit, surviving spouses \$5.

**Actuarially Determined Contributions:**

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

- Actuarial cost method – frozen Entry Age Actuarial Cost Method
- Amortization method – Level dollar, closed
- Remaining amortization period – 30 years
- Asset valuation method – Assets are equal to the value reported by insurance companies; guaranteed deposit accounts are valued at contract value; separate accounts are valued at fair value; plus due and accrued contributions
- Inflation – 3%
- Investment return – 6.75%, net of expenses, including inflation
- Salary increases – 3% per annum
- Retirement age – later of age 62 or the completion of 10 years of service
- Mortality – Pri-2012 Blue collar with MP-2020 generational improvements (Male/Female) (previously Pri-2012 Blue Collar with MP-2019 generational improvements-Male/Female)

**NOTE 2 – RIPTA EMPLOYEE’S POST EMPLOYMENT BENEFIT PLAN**

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

## **SUPPLEMENTARY INFORMATION**

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**ATTACHMENT B - SCHEDULE OF NET POSITION**

**JUNE 30, 2022**

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	<i><u>Attachment B</u></i>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 15,851,240
Investments	725,267
Net receivables	5,355,429
Due from primary government	6,213,981
Inventories	1,720,789
Other assets	<u>354,552</u>
<b>Total Current Assets</b>	<u>30,221,258</u>
<b>Noncurrent Assets</b>	
Investments	4,252,714
Capital assets, non-depreciable	33,725,424
Capital assets, depreciable - net of depreciation	95,096,031
Other assets	<u>1,947,258</u>
<b>Total Noncurrent Assets</b>	<u>135,021,427</u>
<b>Total Assets</b>	<u>165,242,685</u>
<b>Deferred Outflows of Resources</b>	
Deferred pension amounts	15,593,880
Deferred other postemployment benefit amounts	<u>3,197,122</u>
<b>Total Deferred Outflows of Resources</b>	<u>18,791,002</u>

*See independent auditors' report on supplementary information.*

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**ATTACHMENT B - SCHEDULE OF NET POSITION (CONTINUED)**

**JUNE 30, 2022**

**Liabilities**

**Current Liabilities**

Accounts payable	7,824,288
Line of credit	2,000,000
Due to primary government	833,537
Accrued expenses	7,626,040
Compensation absences	110,411
Unearned revenue	<u>460,325</u>

<b>Total Current Liabilities</b>	<u>18,854,601</u>
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**Noncurrent Liabilities**

Due to primary government	7,191,499
Net pension liability	52,054,428
Net other post employment benefit liability	64,665,633
Compensated absences	<u>259,766</u>
Other liabilities	<u>9,010,000</u>

<b>Total Noncurrent Liabilities</b>	133,181,326
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<b>Total Liabilities</b>	152,035,927
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**Deferred Inflows of Resources**

Deferred lease	137,071
Deferred pension amounts	20,271,878
Deferred other post employment benefit amounts	<u>17,159,884</u>

<b>Total Deferred Inflows of Resources</b>	<u>37,568,833</u>
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**Net Position**

Net investment in capital assets	120,796,419
Restricted - other	3,231,085
Unrestricted (deficit)	<u>(129,598,577)</u>

<b>Total Net Position</b>	<u><u>\$ (5,571,073)</u></u>
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*See independent auditors' report on supplementary information.*

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## ATTACHMENT C - SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	<u><i>Attachment C</i></u>
<b>Expenses</b>	<u>\$ 128,640,361</u>
<b>Program revenues:</b>	
Charges for services	15,415,561
Operating grants and contributions	94,747,595
Capital grants and contributions	<u>6,102,807</u>
<b>Total program revenues</b>	<u>116,265,963</u>
<b>Net (expenses) revenues</b>	<u>(12,374,398)</u>
<b>General revenues:</b>	
Interest and investment earnings	(108,896)
Miscellaneous revenue	<u>2,457,773</u>
<b>Total general revenues</b>	<u>2,348,877</u>
<b>Change in net position</b>	<u>6,102,807</u>
<b>Changes in Net Position</b>	(10,025,521)
<b>Total net position - beginning</b>	<u>4,454,448</u>
<b>Total net position - ending</b>	<u><u>\$ (5,571,073)</u></u>

*See independent auditors' report on supplementary information.*

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**ATTACHMENT E – SCHEDULE OF CHANGES IN LONG – TERM LIABILITIES**

**JUNE 30, 2022**

	Beginning Balance	Additions	Removals	Ending Balance	Amounts Due Within One Year	<i><u>Attachment E</u></i> Amounts Due thereafter
Bonds payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Bonds payable - direct payment	--	--	--	--	--	--
Net unamortized premium/discount	--	--	--	--	--	--
<b>Bond payable</b>	--	--	--	--	--	--
Notes payable	--	--	--	--	--	--
Notes payable - direct borrowings	--	--	--	--	--	--
Loans payable	--	--	--	--	--	--
Obligations under capital leases	--	--	--	--	--	--
Net pension liability	78,513,300	--	26,458,872	52,054,428	--	--
Net other post employment benefit liability	73,871,192	--	9,205,559	64,665,633	--	--
Due to primary government	8,993,036	--	968,000	8,025,036	833,537	7,191,499
Due to component units	--	--	--	--	--	--
Due to other governments and agencies	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Compensated absences	349,204	20,973	--	370,177	110,411	259,766
Arbitrage rebate	--	--	--	--	--	--
Pollution remediation	--	--	--	--	--	--
Funds held for others	--	--	--	--	--	--
Accrued self insured claims	10,752,000	3,127,493	4,369,493	9,510,000	500,000	9,010,000
Total other liabilities	172,478,732	3,148,466	41,001,924	134,625,274	1,443,948	16,461,265
	<u>\$ 172,478,732</u>	<u>\$ 3,148,466</u>	<u>\$ 41,001,924</u>	<u>\$ 134,625,274</u>	<u>\$ 1,443,948</u>	<u>\$ 16,461,265</u>

*See independent auditors' report on supplementary information.*



**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF TRAVEL AND ENTERTAINMENT EXPENSES**

**YEAR ENDED JUNE 30, 2022**

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<b>Travelers Name</b>	<b>Destination</b>	<b>Purpose</b>	<b>TOTAL</b>
Scott Avedisian	Salt Lake City	ABBG annual mtg	\$ 300
Greg Nordin	Salt Lake City	ABBG annual mtg	575
Greg Nordin	Salt Lake City	ABBG annual mtg	300
Greg Nordin	Salt Lake City	ABBG annual mtg	848
Tom Cabral	South Bend, IN	Bus Inspection	6,104
Tom Cabral	South Bend, IN	Bus Inspection	250
Tom Cabral	South Bend, IN	Bus Inspection	250
Tom Cabral	South Bend, IN	Bus Inspection	250
Tom Cabral	South Bend, IN	Bus Inspection	250
Marc Ebuna	Washington DC	TRB Annual Meeting	1,081
Marc Ebuna	Washington DC	TRB Annual Meeting	794
Cristy Raposo	Washington DC	Creative Pro Week	239
Scott Avedisian	Tucson	Transit Bus Summit	786
Steve Colantuono	Tampa Fl	Labor & Arbitration Law Trng	333
Tom Cabral	South Bend, IN	Bus Inspection	(2,020)
Tom Cabral	South Bend, IN	Bus Inspection	660
Tom Cabral	South Bend, IN	Bus Inspection	660
Tom Cabral	South Bend, IN	Bus Inspection	2,112
Scott Avedisian	Tucson	Transit Bus Summit	(450)
Scott Avedisian	Tucson	Transit Bus Summit	60
Steve Colantuono	Tampa	Labor & Arbitration Law Trng	250
Steve Colantuono	Dallas	P3 Conference	200
Steve Colantuono	Tampa	Labor & Arbitration Law Trng	637
Scott Avedisian	Tucson	Transit Bus Summit	150
Scott Avedisian	Tucson	Transit Bus Summit	321
Greg Nordin	Dallas, TX	The P3 Conference	200
Sarah Ingle	Wash DC	APTA Legislative Conf	125
Chris Durand	Wash DC	APTA Legislative Conf	125
Chris Durand	Wash DC	APTA Legislative Conf	135
John Chadwick	Dallas	P3 Conference	225
John Chadwick	Dallas	P3 Conference	1,019
Tom Cabral	Oxford AL	Bus Inspection	876
Chris Durand	Wash DC	APTA Legislative Conf	2,273
Sarah Ingle	Wash DC	APTA Legislative Conf	2,229
Greg Nordin	Dallas, TX	The P3 Conference	2,281

*See independent auditors' report on supplementary information.*

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## SCHEDULE OF TRAVEL AND ENTERTAINMENT EXPENSES (CONTINUED)

**YEAR ENDED JUNE 30, 2022**

<b>Travelers Name</b>	<b>Destination</b>	<b>Purpose</b>	<b>TOTAL</b>
Tom Cabral	Oxford AL	Bus Inspection	(17)
John Chadwick	Dallas	P3 Conference	1,262
Steve Colantuono	Dallas, TX	The P3 Conference	2,281
Steve Colantuono	Tampa	Labor & Arbitration Law Trng	588
Sara Ingle	Louisville KY	CTAA Expo 2022	175
Joelle Kanter	Louisville KY	CTAA Expo 2022	175
Sara Ingle	Louisville KY	CTAA Expo 2022	602
Joelle Kanter	Louisville KY	CTAA Expo 2022	733
Sara Ingle	Louisville KY	CTAA Expo 2022	610
Joelle Kanter	Louisville KY	CTAA Expo 2022	610
Joelle Kanter	Louisville KY	CTAA Expo 2022	446
Sara Ingle	Louisville KY	CTAA Expo 2022	446
Maribeth Pacillo	Worcester	MA DOT Tran Innovation Conf	75
Dan Bannister	Chicago	Assoc Comm Trans Intl Conf	357
Cristy Raposo	Washington DC	Creative Pro Week	300
Peter Michaud	Chicago	Assoc Comm Trans Intl Conf	357
Peter Michaud	Chicago	Assoc Comm Trans Intl Conf	725
Thomas Cabral	Anninston AL	New Flyer - elec bus	225
Scott Avedisian	Atlanta	Transit Conf	721
Scott Avedisian	Atlanta	Transit Conf	150
Scott Avedisian	Atlanta	Transit Conf	60
Cristy Raposo	Washington DC	Creative Pro Week	1,326
Ed Brown	Pittsburgh	Hastus	945
Brian Marquis	Pittsburgh	Hastus	945
Mark Ebuna	Pittsburgh	Hastus	945
Ed Brown	Pittsburgh	Hastus	273
Brian Marquis	Pittsburgh	Hastus	273
Mark Ebuna	Pittsburgh	Hastus	499
Zach Agush	Pittsburgh	APTA Sustainability Conf	1,972
Zach Agush	Anaheim, CA	Intl Zero Emission Bus Conf	1,237
Sarah Ingle	Pittsburgh	APTA Sustainability Conf	1,499
Greg Nordin	Pittsburgh	APTA Sustainability Conf	1,234
Matt Salisbury	Denver CO	APTAtch	1,473
Tom Cabral	Livermore CA	Gillig, Bus Insoection	2,133
Tom Cabral	Livermore CA	Gillig, Bus Insoection	1,588
William King	Pittsburgh	Hastus	945
Paul Harrington	Pittsburgh	Hastus	945
Edward King	Pittsburgh	Hastus	945
William King	Pittsburgh	Hastus	358
Paul Harrington	Pittsburgh	Hastus	358
Edward King	Pittsburgh	Hastus	358
Gary Jarvis	Pittsburgh	Hastus	358
<b>TOTAL</b>			<b>\$ 55,915</b>

*See independent auditors' report on supplementary information.*

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**  
**SCHEDULE OF CHANGES OF TANGIBLE PROPERTY**

**JUNE 30, 2022**

	Beginning Balance	Additions & Transfers	Reductions & Transfers	Ending Balance	Beginning Balance	Additions & Transfers	Reductions & Transfers	Ending Balance	Net Book Value
Land and land rights	\$ 2,626,129	\$ --	\$ --	\$ 2,626,129	\$ --	\$ --	\$ --	\$ --	\$ 2,626,129
Shops, garages and office buildings	103,119,769	82,416	--	103,202,185	60,021,194	3,222,913	--	63,244,107	39,958,078
Tunnels	1,592,774	--	--	1,592,774	1,052,562	1,329	--	1,053,891	538,883
Communication system	10,173,719	--	--	10,173,719	10,025,869	35,259	--	10,061,128	112,591
Revenue equipment - buses	122,780,482	151,192	8,870,866	114,060,808	69,552,725	9,413,113	8,245,082	70,720,756	43,340,052
Revenue equipment - electric buses	3,431,252	1,072,555	--	4,503,807	428,906	330,626	--	759,532	3,744,275
Trolleys	6,931,795	--	--	6,931,795	6,065,320	577,649	--	6,642,969	288,826
Fare boxes	4,006,215	--	--	4,006,215	4,006,215	--	--	4,006,215	--
Service cars and equipment	3,183,761	242,676	--	3,426,437	3,081,510	86,613	--	3,168,123	258,314
Shops and garage equipment	3,934,057	227,975	1,219	4,160,813	3,213,079	254,486	1,219	3,466,346	694,467
Furniture and office equipment	1,534,822	--	111,082	1,423,740	1,481,894	19,997	111,081	1,390,810	32,930
Miscellaneous equipment	9,064,445	10,190	--	9,074,635	6,106,906	548,716	--	6,655,622	2,419,013
Management information system	16,791,401	185,949	222,127	16,755,223	13,194,754	1,675,490	222,125	14,648,119	2,107,104
Security equipment	3,402,892	--	--	3,402,892	2,870,266	113,537	--	2,983,803	419,089
Paratransit vans	9,116,519	--	972,515	8,144,004	7,445,391	488,720	972,516	6,961,595	1,182,409
Total capital assets	<u>\$ 301,690,032</u>	<u>\$ 1,972,953</u>	<u>\$ 10,177,809</u>	<u>\$ 293,485,176</u>	<u>\$ 188,546,591</u>	<u>\$ 16,768,448</u>	<u>\$ 9,552,023</u>	<u>\$ 195,763,016</u>	<u>\$ 97,722,160</u>
Federal grant projects in process	26,548,703	4,550,592	--	31,099,295	--	--	--	--	31,099,295
Total tangible property	<u>\$ 328,238,735</u>	<u>\$ 6,523,545</u>	<u>\$ 10,177,809</u>	<u>\$ 324,584,471</u>	<u>\$ 188,546,591</u>	<u>\$ 16,768,448</u>	<u>\$ 9,552,023</u>	<u>\$ 195,763,016</u>	<u>\$ 128,821,455</u>

*See independent auditors' report on supplementary information.*

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2022

### ***Administration:***

Salaries	\$ 1,350,658
Fringes	390,353
Legal	163,226
Supplies	6,206
Other services	232,857
Travel	12,323
<b><i>Total administration</i></b>	<u>2,155,623</u>

### ***Finance:***

Salaries	\$ 512,475
Fringes	548,654
Office expense/supplies	310,445
Utilities	1,659,050
Other services	413,658
Retiree health	2,037,681
Travel	32,676
Lease	797,616
<b><i>Total finance</i></b>	<u>6,312,255</u>

### ***Operations:***

Wages - drivers	\$ 34,633,438
Wages - other	13,600,814
Fringe benefits	16,461,366
Other services	104,925
Supplies	606,643
Travel	11,786
Uniforms	203,524
Hazardous waste disposal	24,909
Fuel	3,400,329
Antifreeze and lubricants	167,741
Vehicle Parts	4,718,746
Ticket/passes	98,217
Maintenance agreement	176,449
Tires and tubes	698,693
<b><i>Total operations</i></b>	<u>74,907,580</u>

### ***Marketing:***

Salaries	\$ 183,133
Fringes	43,977
Advertising	540
Services	537,998
Supplies	729,831
Printing	40,846
Travel	2,093
<b><i>Total marketing</i></b>	<u>1,538,418</u>

*See independent auditors' report on supplementary information.*

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2022

### ***Human resources:***

Salaries	\$ 527,234
Fringes	195,018
Supplies	120,027
Miscellaneous	83,700
<b><i>Total human resources</i></b>	<u>925,979</u>

### ***Administrative Services:***

Salaries	\$ 1,065,363
Fringes	428,101
Supplies	10,890
Uniforms	1,028
Miscellaneous	28,327
<b><i>Total human resources</i></b>	<u>1,533,709</u>

### ***Risk management:***

Salaries	\$ 71,048
Fringes	23,232
Office expense/supplies	3,103
Insurance	1,061,081
Settlements	711,636
Workers' compensation medical	301,866
Workers' compensation	1,505,815
Legal	286,316
Miscellaneous	128,665
<b><i>Total risk management</i></b>	<u>4,092,762</u>

### ***Planning and Scheduling:***

Salaries	\$ 1,318,327
Fringes	535,151
Professional services	1,059,465
Travel	32,704
Office expense/supplies	76,063
<b><i>Total planning and scheduling</i></b>	<u>3,021,710</u>

*See independent auditors' report on supplementary information.*

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2022

### ***Specialized transportation:***

Salaries	\$ 772,016
Fringe	350,617
Travel	1,806
Services	268,442
Supplies	1,091
Utilities	68,492
<b><i>Total specialized transportation</i></b>	<u>1,462,464</u>

### ***Paratransit operations:***

Salaries	\$ 4,267,804
Fuel	289,767
Fringe	4,241,421
Insurance	320,096
Supplies	6,785
Uniforms/laundry	28,861
Tax ride providers	336,074
Travel	44,337
Miscellaneous	29,320
<b><i>Total paratransit</i></b>	<u>9,564,465</u>

### ***Purchasing:***

Salaries	\$ 1,053,146
Fringe	362,527
Supplies	13,153
Other services	164,588
<b><i>Total purchasing</i></b>	<u>1,593,414</u>

### ***MIS:***

Salaries	\$ 718,997
Fringes	253,728
Services	314,045
Maintenance agreements	838,380
Supplies	70,239
Travel	1,831
<b><i>Total MIS</i></b>	<u>2,197,220</u>

*See independent auditors' report on supplementary information.*

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**SCHEDULE OF OPERATING EXPENSES**

**YEAR ENDED JUNE 30, 2022**

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***Centralized Maintenance:***

Salaries	\$ 943,918
Fringes	357,656
Services	41,449
Lubricants	10,435
Tire mileage	1,537
Supplies	4,394
Repair parts	465,007
<b><i>Total Centralized Maintenance</i></b>	<b><u>1,824,396</u></b>

***State of Rhode Island - DOT:***

Salaries	\$ 180,292
Fringes	68,380
Repair parts	30,550
Insurance	60,227
<b><i>Total State of Rhode Island - DOT</i></b>	<b><u>339,449</u></b>

***Depreciation:***

Shops, garages and office buildings	\$ 3,222,913
Communication system	35,259
Revenue equipment	9,413,113
Electric bus	330,626
Service cars and equipment	86,613
Shop and garage equipment	254,486
Furniture and office equipment	19,997
Trolleys	577,649
Miscellaneous equipment	548,716
Tunnel improvements	1,329
MIS equipment	1,675,490
Security equipment	113,537
Leased paratransit vans	488,720
<b><i>Total depreciation</i></b>	<b><u>16,768,448</u></b>

<b><i>TOTAL OPERATING EXPENSES</i></b>	<b><u><u>\$ 128,237,892</u></u></b>
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*See independent auditors' report on supplementary information.*

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDING JUNE 30, 2022

	Fund 01	Fund 02	Total	Total
<b>Operating Revenues</b>				
Passenger	\$ 13,502,973	\$ --	\$ 13,502,973	\$ 13,502,973
Paratransit	--	366,124	366,124	366,124
Rental	115,021	--	115,021	115,021
Advertising	835,503	--	835,503	835,503
RIDE	--	595,940	595,940	595,940
Other	<u>2,457,773</u>	<u>--</u>	<u>2,457,773</u>	<u>2,457,773</u>
<b>Total Operating Revenues</b>	<u>16,911,270</u>	<u>962,064</u>	<u>17,873,334</u>	<u>17,873,334</u>
<b>Operating Expenses</b>				
Administration	2,155,623	--	2,155,623	2,155,623
Finance	6,312,255	--	6,312,255	6,312,255
Operations	74,907,580	--	74,907,580	74,907,580
Marketing	1,538,418	--	1,538,418	1,538,418
Human resources	925,979	--	925,979	925,979
Administrative services	1,533,709	--	1,533,709	1,533,709
Risk management	4,092,762	--	4,092,762	4,092,762
Planning and scheduling	3,021,710	--	3,021,710	3,021,710
Specialized transportation	1,462,464	--	1,462,464	1,462,464
Paratransit operations	--	9,564,465	9,564,465	9,564,465
Purchasing	1,593,414	--	1,593,414	1,593,414
Information technology	2,197,220	--	2,197,220	2,197,220
RIDE	--	--	--	--
Centralized maintenance	1,824,396	--	1,824,396	1,824,396
State of Rhode Island - DOT & RITBA	339,449	--	339,449	339,449
Depreciation	<u>16,768,448</u>	<u>--</u>	<u>16,768,448</u>	<u>16,768,448</u>
<b>Total Operating Expenses</b>	<u>118,673,427</u>	<u>9,564,465</u>	<u>128,237,892</u>	<u>128,237,892</u>
<b>Operating loss</b>	(101,762,157)	(8,602,401)	(110,364,558)	(110,364,558)
<b>Nonoperating revenues (expenses)</b>				
State of RI gas tax	41,786,019	--	41,786,019	41,786,019
State of RI - DEA gas tax	3,393,405	--	3,393,405	3,393,405
Operating grants	49,568,171	--	49,568,171	49,568,171
Investment income	(108,896)	--	(108,896)	(108,896)
Interest expense	<u>(402,469)</u>	<u>--</u>	<u>(402,469)</u>	<u>(402,469)</u>
<b>Total nonoperating revenues (expenses)</b>	<u>94,236,230</u>	<u>--</u>	<u>94,236,230</u>	<u>94,236,230</u>
<b>Loss before capital contributions</b>	(7,525,927)	(8,602,401)	(16,128,328)	(16,128,328)
<b>Capital contributions</b>	<u>6,102,807</u>	<u>--</u>	<u>6,102,807</u>	<u>6,102,807</u>
<b>Changes in Net Position</b>	<u>\$ (1,423,120)</u>	<u>\$ (8,602,401)</u>	<u>\$ (10,025,521)</u>	<u>\$ (10,025,521)</u>

*See independent auditors' report on supplementary information.*



## **STATISTICAL SECTION**

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## CAPITAL ASSETS – LAST TEN YEARS (UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Shops, garages, and office buildings	\$ 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	\$103,202,185
Tunnels	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	1,592,774
Communication system	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	10,173,719
Revenue equipment-buses	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	114,060,809
Revenue equipment- electric buses	-	-	-	-	-	-	-	-	3,431,252	4,503,803
Trolleys	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	6,931,795
Fare boxes	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	4,006,215
Service cars and equipment	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	3,426,437
Shops and garage equipment	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	4,160,813
Furniture and office equipment	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	1,423,740
Miscellaneous equipment	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	9,074,635
Management information systems	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	16,755,222
Security Equipment	-	-	451,909	2,549,672	2,667,109	2,667,109	3,402,412	3,415,602	3,402,892	3,402,892
Leased Paratransit vans	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	8,144,003
Total capital assets being depreciated	<u>242,497,236</u>	<u>240,785,084</u>	<u>242,504,433</u>	<u>259,247,181</u>	<u>270,239,603</u>	<u>268,977,336</u>	<u>269,907,462</u>	<u>287,290,253</u>	<u>299,063,903</u>	<u>290,859,042</u>
Accumulated depreciation	(92,019,611)	(98,425,285)	(112,223,266)	(127,479,824)	(133,476,532)	(149,800,258)	(165,563,483)	(177,906,535)	(188,546,591)	(195,763,011)
Total capital assets being depreciated, net	<u>150,477,625</u>	<u>142,359,799</u>	<u>130,281,167</u>	<u>131,767,357</u>	<u>136,763,071</u>	<u>119,177,078</u>	<u>104,343,979</u>	<u>109,383,718</u>	<u>110,517,312</u>	<u>95,096,031</u>
Land	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,145,924	2,626,129	2,626,129
Federal grant projects in process	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	31,099,295
Total Invested in Capital Assets	<u>\$ 167,530,084</u>	<u>\$ 158,459,945</u>	<u>\$ 146,663,431</u>	<u>\$ 144,359,056</u>	<u>\$ 140,481,681</u>	<u>\$ 125,765,473</u>	<u>\$ 119,657,631</u>	<u>\$ 131,459,964</u>	<u>\$ 139,692,144</u>	<u>\$ 128,821,455</u>

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

**CONDENSED SUMMARY OF NET POSITION – LAST TEN YEARS**

**(UNAUDITED)**

	2013	2014	(1) 2015	2016	2017	(2) 2018	2019	2020	Revised 2021	2022
<b>ASSETS:</b>										
Capital Assets	\$ 167,530,084	\$ 158,459,945	\$ 146,663,431	\$ 144,359,056	\$ 140,481,681	\$ 125,765,373	\$ 119,657,631	\$ 131,459,964	\$ 139,692,144	\$ 128,821,455
Other Assets	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	36,421,230
Total Assets	190,653,749	180,331,711	165,239,302	162,313,036	161,469,016	153,189,678	152,814,721	164,518,617	176,842,917	165,242,685
<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	15,593,880
Deferred other post employment benefits amount	-	-	-	-	-	806,647	1,956,236	2,099,481	4,150,130	3,197,122
Total deferred outflow of resources	-	-	14,904,214	16,445,594	27,033,223	21,280,443	19,662,178	22,733,960	26,637,303	18,791,002
<b>LIABILITIES:</b>										
Current Liabilities	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	18,854,601
Long-term Liabilities	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	133,181,326
Total Liabilities	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	152,035,927
<b>Deferred inflows of resources</b>										
Deferred lease amounts	-	-	-	-	-	-	-	-	-	137,071
Deferred pension amounts	-	-	5,096,214	4,266,339	516,768	1,384,369	1,637,044	1,179,384	903,239	20,271,878
Deferred other post employment benefits amount	-	-	-	-	-	610,773	2,658,992	7,154,331	8,411,295	17,159,884
Total deferred inflows of resources	-	-	5,096,214	4,266,339	516,768	1,995,142	4,296,036	8,333,715	9,314,534	37,568,833
<b>NET POSITION:</b>										
Restricted	-	-	-	-	-	-	2,667,167	4,880,314	4,054,674	3,231,085
Unrestricted Net Position(Deficit)	(35,797,468)	(43,793,950)	(93,584,150)	(99,822,138)	(106,411,740)	(123,372,251)	(134,467,583)	(142,857,221)	(127,296,987)	(129,598,577)
Investment In Capital Assets	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	120,796,419
Total Net Position	\$ 115,824,992	\$ 99,561,141	\$ 39,041,325	\$ 30,889,918	\$ 21,072,942	\$ (9,667,778)	\$ (23,319,785)	\$ (16,611,943)	\$ 4,454,449	\$ (5,571,073)

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>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>	<u>2022</u>
Operating Revenues:										
Passenger Revenue	\$ 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	\$ 13,502,973
Other Revenues	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	4,370,361
Total Operating Revenue	<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>	<u>17,873,334</u>
Operating Expenses	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	111,469,444
Depreciation Expense/Amortization	<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>	<u>16,768,448</u>
Operating Loss	(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)	(110,364,558)
Non-operating Revenues(Expenses):										
Transfer from State	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	41,786,019
Grants	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	49,568,171
Investment Income	(4,527)	7,690	44,129	18,033	(2,568)	12,997	177,829	187,677	(1,138)	(108,896)
Contract Revenue	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	3,393,405
Other Non-operating Revenue				353,956	111,000	-	-	-	-	-
Loss on disposal of assets	(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	-	-	-	-	-	(546,725)	(537,500)	(491,775)	(422,791)	(402,469)
Total Non-operating Revenues(Expenses)	<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>	<u>94,236,230</u>
Net Loss	(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)	(16,128,328)
Capital Contribution	<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>	<u>6,102,807</u>
Change in Net Position	<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>	<u>\$ (10,025,521)</u>

Source: RIPTA Annual Audited Financial Statements

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## EXPENSES BY FUNCTION – LAST TEN YEARS (UNAUDITED)

Operating Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	\$ 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	\$ 2,155,623
Finance	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	6,312,255
Operations	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	74,907,580
Marketing	684,955	712,898	666,310	799,351	634,211	723,379	853,614	1,655,782	1,493,858	1,538,418
Human Resources	505,275	562,255	566,928	658,430	771,079	1,197,464	1,424,648	1,032,720	1,264,826	925,979
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	1,533,709
Risk Management	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	4,092,762
Planning & Scheduling	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	3,021,710
Specialized Transportation	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	1,462,464
Paratransit Operations	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	9,564,465
Purchasing	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	1,593,414
Flex	-	-	-	-	-	-	-	-	-	-
MIS	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	2,197,220
RIDE	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	2,520,425	2,277,039	2,091,705	1,918,155	1,814,095	1,752,245	1,984,264	1,935,697	1,872,234	1,824,396
**State of RI-DOT & RIBTA	726,046	757,431	753,636	688,838	463,087	469,656	458,215	502,591	442,715	339,449
Depreciation	15,169,685	15,629,521	15,587,461	16,299,930	18,041,344	18,489,888	17,194,709	17,342,500	18,470,904	16,768,448
<b>Operating Expenses</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>133,750,444</b>	<b>128,237,892</b>
<b>Non-operating Expenses</b>										
Debt Service	-	-	-	-	-	546,725	537,500	491,775	422,791	402,469
	-	-	-	-	-	546,725	537,500	491,775	422,791	402,469
<b>Total Expenses</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>\$ 134,173,235</b>	<b>\$ 128,640,361</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)

Operating Revenues	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Passenger Fares	\$ 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	\$ 13,502,973
Paratransit	1,052,140	1,003,013	1,140,886	1,082,260	1,130,267	404,749	412,368	358,858	263,599	366,124
Rental	193,285	186,128	174,423	165,879	150,691	124,166	112,181	113,470	114,861	115,021
Advertising	583,272	530,023	676,607	517,792	521,717	555,301	525,000	630,906	788,172	835,503
RIDE	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	595,940
Other	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	2,457,773
Total operating revenues	33,239,375	33,030,634	24,588,208	22,691,981	23,425,486	23,248,918	24,817,077	22,396,045	18,333,621	17,873,334
<b>Non-operating Revenues</b>										
Transfers From State	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	41,786,019
Federal and State Grants	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	49,568,171
Investment Income	(4,527)	7,690	44,129	18,033	(2,568)	12,997	177,829	187,677	(1,138)	(108,896)
Contract Revenue	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	3,393,405
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	(24,367)	(527)	(2,672)	(238)	(823,819)	(138)	(113)	(156,516)	-	-
Total non-operating revenues	66,008,812	64,877,318	67,914,473	76,510,947	78,882,651	83,826,596	87,028,751	95,224,362	114,530,093	94,638,700
<b>Total Revenues</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>	<b>\$ 112,512,034</b>

Source: RIPTA Annual Audited Financial Statements

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

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

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<u>Year</u>	<u>Due To Primary Govt</u>	<u>Population(1)</u>	<u>Personal Income(2)</u>	<u>Percentage of Personal Income</u>	<u>Debt per Capita</u>
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	1,095,610	67,865	0.0121%	8.21
2022	8,025,036	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 – LAST TEN YEARS (UNAUDITED)

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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>
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	1,095,610	67,865	61,942	538,500	138,566	6.20%
2022	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

## FARE STRUCTURE – LAST TEN YEARS (UNAUDITED)

### Fare Products

	2013	2014	2015	*2016	2017	2018	2019	2020	2021	2022
<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	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00
1 Day Pass	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
7 Day Pass	\$ 23.00	\$ 23.00	\$ 23.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
10 Ride Pass	\$ -	\$ -	\$ -	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
15 Ride Pass	\$ 26.00	\$ 26.00	\$ 26.00	N/A	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Transfers</b>										
Cash-Transfer	\$ 0.50	\$ 0.50	\$ 0.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Cash Half Fare Transfer	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.50	\$ 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PASSENGERS(RIDERSHIP)										
BUS	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	9,367,431
DEMAND RESPONSE	698,290	668,452	402,751	373,629	332,759	360,436	332,010	268,730	177,925	233,049
	<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>	<u>9,600,480</u>
REVENUE MILES										
BUS	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	9,627,384
DEMAND RESPONSE	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	2,238,938
	<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>	<u>11,866,322</u>
REVENUE HOURS										
BUS	603,704	633,454	658,848	673,409	672,788	678,861	671,155	697,552	721,992	741,612
DEMAND RESPONSE	309,214	296,754	220,473	179,245	167,075	162,988	150,720	132,659	109,776	128,104
	<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>	<u>869,716</u>
PASSENGER PER REVENUE MILE										
BUS	2.45	2.39	2.13	2.08	1.90	1.84	1.80	1.42	0.82	0.97
DEMAND RESPONSE	0.14	0.14	0.13	0.13	0.12	0.13	0.14	0.13	0.10	0.10
	<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>	<u>0.81</u>
PASSENGER PER REVENUE HOUR										
BUS	32.77	31.23	27.43	26.45	24.14	24.07	23.88	18.76	10.68	12.63
DEMAND RESPONSE	2.26	2.25	1.83	2.08	1.99	2.21	2.20	2.03	1.62	1.82
	<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>	<u>11.04</u>
Operating Expenses**	<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>\$ 115,702,331</u>	<u>\$ 111,471,013</u>
Operating expenses per mile	\$ 8.03	\$ 8.00	\$ 8.83	\$ 9.04	\$ 9.59	\$ 9.77	\$ 10.36	\$ 10.68	\$ 10.33	\$ 9.39
Operating expenses per hour	\$ 114.85	\$ 112.03	\$ 116.98	\$ 122.20	\$ 129.40	\$ 135.13	\$ 143.02	\$ 146.05	\$ 139.10	\$ 128.17
Operating expenses per passenger	\$ 5.12	\$ 5.10	\$ 5.57	\$ 5.73	\$ 6.56	\$ 6.81	\$ 7.18	\$ 9.08	\$ 14.66	\$ 11.61
Peak Fleet Request										
BUS	192	191	196	195	194	201	196	203	203	199
DEMAND RESPONSE	118	115	101	104	91	90	80	80	85	76
Total Active Fleet										
BUS	246	229	230	249	243	237	232	247	254	254
DEMAND RESPONSE	147	144	122	126	96	94	92	102	98	102
Number of Employees										
BUS	599	611	641	638	655	665	666	683	693	688
DEMAND RESPONSE	167	152	153	138	132	137	141	121	111	121

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

Source: National Transit Database

# RHODE ISLAND PUBLIC TRANSIT AUTHORITY

## TOP TEN RHODE ISLAND EMPLOYERS (UNAUDITED)

2022				2013			
Rank	Name of Company	Employees	% of Total Employment	Rank	Name of Company	Employees	% of Total Employment
1	Lifespan Corp	16,564	23.20%	1	Rhode Island	13,900	22.26%
2	Rhode Island	13,454	18.84%	2	Lifespan	11,559	18.52%
3	CVS Health Corp	8,600	12.04%	3	Care New England	6,350	10.17%
4	Care New England Health System	7,548	10.57%	4	CVS Caremark, Corp	6,200	9.93%
5	Providence	4,747	6.65%	5	Providence	5,603	8.97%
6	Brown University	4,709	6.59%	6	Royal Bank of Scotland(Citizens Bank)	5,389	8.63%
7	Citizens Financial Group	4,571	6.40%	7	Brown University	4,288	6.87%
8	General Dynamics Electric Boat	4,500	6.30%	8	Fidelity Invesments/Roman Catholic Church	3,600	5.77%
9	Naval Undersea Warfare Center	3,515	4.92%	9	Charter Care Health Partners	2,981	4.77%
10	Fidelity Investments	3,200	4.48%	10	Electric Boat	2,560	4.10%

Source: 2013 Providence Business News

Source: 2022 Providence Business News