

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the  
Massachusetts Department of Transportation)

**ANNUAL FINANCIAL STATEMENTS**

For the Year Ended June 30, 2024

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Advisory Board of the Southeastern Regional Transit Authority  
New Bedford, Massachusetts

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Southeastern Regional Transit Authority ("the Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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 the 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.

*Continued*

## **SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**

### ***Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain pension and other post-employment information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

## SOUTHEASTERN REGIONAL TRANSIT AUTHORITY

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying budgetary comparison, the statement of revenue and cost of service and the statement of unreimbursed cost of service, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying budgetary comparison, the statement of revenue and cost of service and the statement of unreimbursed cost of service are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

*Hague, Sahady & Co., CPAs, P.C.*

**Hague, Sahady & Co., CPAs, P.C.**

Fall River, Massachusetts  
October 24, 2024

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis (Unaudited) (Continued)

For the Year Ended June 30, 2024

The Authority's discussion and analysis of Southeastern Regional Transit Authority's financial performance provides an overview of the Authority's financial activities for the years ended June 30, 2024 and June 30, 2023. This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. The summary should not be taken as a replacement for the audit which consists of the financial statements and other supplementary information that presents all the Authority's revenues and expenses.

Please read this management discussion and analysis in conjunction with the Authority's basic financial statements, which begin on page 13.

**FINANCIAL Highlights:**

- Total operating revenue decreased from \$2,158,719 in fiscal year 2023 to \$1,198,691 in fiscal year 2024 (a 44.5% decrease). The decrease is largely due to the Authority being "fare free" since January 1, 2024. This program is being funded by the Commonwealth of Massachusetts.
- Total operating and administrative expenses increased from \$28,288,545 in fiscal year 2023 to \$30,564,728 in fiscal year 2024 (a 8.0% increase). The increase is due to increases in demand caused by Sunday Service, "fare free" ridership and changes in pension expense required by GAAP.
- Operating assistance from the Commonwealth increased \$6,156,490 and Federal operating assistance decreased \$2,996,729 during fiscal year 2024 versus fiscal year 2023.
- During fiscal years 2020 and 2021, the Authority received Federal CARES Act operating assistance under 49 USC Section 5307 direct funding. The Federal CARES Act 5307 funding expended by the Authority during fiscal 2024 was \$1,997,016. Total funding awarded was \$21,043,483.
- Capital assistance from the Commonwealth increased \$1,923,688 during fiscal year 2024 and Federal capital assistance decreased \$1,966,982 during fiscal year 2024 versus fiscal year 2023.

*Using the Annual Report:*

This annual report consists of four parts - *management discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *supplementary information*.

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority is a special purpose government engaged in only business-type activities.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements consist of the statement of net position, the statement of activities and the statement of cash flows. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position of Southeastern Regional Transit Authority. The statement of net position presents the assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. The statement of activities shows in broad terms how the net position changed during the fiscal year. The statement of cash flows summarizes the movement of cash and the utilization of resources during the year. The notes to the financial statements provide additional information that is essential to the understanding of the data provided in the basic financial statements.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. There are three allowable categories of net position as prescribed under GASB 34; net position invested in capital assets, net of related debt; net position that is restricted in use, and net position that is unrestricted.



**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis (Unaudited) (Continued)

For the Year Ended June 30, 2024

**CONDENSED FINANCIAL INFORMATION**

**Net Position.** The Authority's net position increased between fiscal years ended June 30, 2024 and June 30, 2023 by \$1,683,987 on the GAAP basis. The largest contributing factors to this increase in 2024 was continued capital investments, as the Authority placed six 35-foot hybrid Gillig buses into service during fiscal year 2024. Operating assistance from Federal and State sources also was increased by \$3,159,761 over the prior year.

Any cost of service in excess of revenue is reimbursed by Commonwealth of Massachusetts operating assistance (currently formula based and forward-funded), with a portion of net cost of service assessed to the cities and towns served by the Authority. The remainder is funded through federal operating assistance pursuant to Section 9 of the Urban Mass Transportation Act of 1964. See Table 1.

*Table 1*

	<u>2024</u>	<u>2023</u>	<u>Total Dollar Change</u>	<u>Total Percentage Change</u>
Assets:				
Current assets	\$ 13,015,319	\$ 17,972,121	\$ (4,956,802)	-27.6%
Capital assets	28,378,515	25,899,417	2,479,098	9.6%
Total assets	41,393,834	43,871,538	(2,477,704)	-5.6%
Deferred outflows:				
Deferred outflows	8,273,846	10,438,361	(2,164,515)	-20.7%
Total deferred outflows of resources	8,273,846	10,438,361	(2,164,515)	-20.7%
Liabilities:				
Current liabilities	10,382,847	15,455,899	(5,073,052)	-32.8%
Long-term liabilities	11,119,531	12,633,255	(1,513,724)	-12.0%
Total liabilities	21,502,378	28,089,154	(6,586,776)	-23.4%
Deferred inflows:				
Deferred inflows	5,106,469	4,845,899	260,570	5.4%
Total deferred inflows of resources	5,106,469	4,845,899	260,570	5.4%
Net position:				
Unrestricted	(6,858,873)	(6,045,879)	(812,994)	13.4%
Restricted	1,539,191	1,521,308	17,883	1.2%
Investment in capital assets, net of related debt	28,378,515	25,899,417	2,479,098	9.6%
Total net position	<u>\$ 23,058,833</u>	<u>\$ 21,374,846</u>	<u>\$ 1,683,987</u>	<u>7.9%</u>

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis (Unaudited) (Continued)

For the Year Ended June 30, 2024

**Changes in Net Position.** The Authority's total operating revenue decreased by 44.5% to \$960,028. This decrease is due to the Authority being "fare free" since January 1, 2024, which is being funded by the Commonwealth of Massachusetts.

Operating expenses increased by \$2,276,183 in the current year, primarily due increases in demand caused by Sunday Service, "fare free" ridership and changes in pension expense required by GAAP.

	<u>Table 2</u>		<b>Total Dollar Change</b>	<b>Total Percentage Change</b>
	<u>2024</u>	<u>2023</u>		
Operating revenue:				
Service revenue	\$ 1,032,967	\$ 1,858,230	\$ (825,263)	-44.4%
Other income	165,724	300,489	(134,765)	-44.8%
Total operating revenue	<u>1,198,691</u>	<u>2,158,719</u>	<u>(960,028)</u>	<u>-44.5%</u>
Operating expenses:				
Operator costs	18,880,151	17,941,678	938,473	5.2%
General and administrative	6,394,520	5,104,084	1,290,436	25.3%
Depreciation	3,347,157	3,153,325	193,832	6.1%
Other costs of service	1,942,900	2,089,458	(146,558)	-7.0%
Total operating expenses	<u>30,564,728</u>	<u>28,288,545</u>	<u>2,276,183</u>	<u>8.0%</u>
Operating gain (loss)	<u>(29,366,037)</u>	<u>(26,129,826)</u>	<u>(3,236,211)</u>	<u>12.4%</u>
Nonoperating revenues/(expenses):				
Local assessment	3,797,250	3,704,637	92,613	2.5%
State assistance	13,195,235	7,038,745	6,156,490	87.5%
Federal assistance	8,225,665	11,222,394	(2,996,729)	-26.7%
Other nonoperating revenue/(expense) net:	<u>(89,124)</u>	<u>(141,864)</u>	<u>52,740</u>	<u>-37.2%</u>
Total nonoperating revenues/(expenses)	<u>25,129,026</u>	<u>21,823,912</u>	<u>3,305,114</u>	<u>15.1%</u>
Net loss before capital grants	(4,237,011)	(4,305,914)	68,903	-1.6%
Capital grants and contributions	<u>5,920,998</u>	<u>6,005,898</u>	<u>(84,900)</u>	<u>-1.4%</u>
Increase (decrease) in net position	1,683,987	1,699,984	(15,997)	-0.9%
Net position, beginning of year	<u>21,374,846</u>	<u>19,674,862</u>	<u>1,699,984</u>	<u>8.6%</u>
Net position, end of year	<u>\$ 23,058,833</u>	<u>\$ 21,374,846</u>	<u>\$ 1,683,987</u>	<u>7.9%</u>

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis (Unaudited) (Continued)

For the Year Ended June 30, 2024

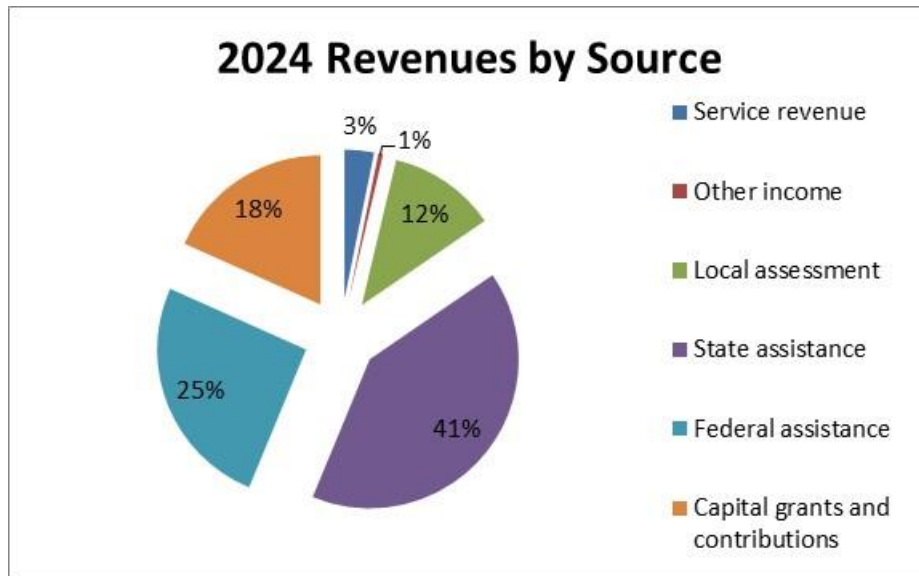
**ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

Approximately 84% for 2024 and 81% for 2023 of the Authority's support comes from federal and state operating assistance and from federal and state capital grants and contributions. The capital grants are to be used for various purposes connected with the planning, modernization and expansion of transportation and facilities. These grants are deferred until such time that the related facilities are put into service and are then amortized over the estimated useful life of the assets as a reduction of unreimbursed cost of service. The remaining revenues of service, other revenue and local assessments to member communities generate the remaining 16% for 2024 and 19% for 2023. See Table 3.

The operation of bus service is contracted to Southcoast Transit Management, Inc. and a management fee is paid. Transportation service expenses are reimbursed to Southcoast Transit Management weekly upon receipt of an invoice detailing the 2024 weekly expenses. Approximately 62% of the operating cost relates to the cost of transportation services (i.e., salaries and fringe benefits), with 11% of the operating cost representing non-cash depreciation and amortization costs for 2024, as well as 21% of the costs relating to general and administrative costs. See Table 4.

During the prior year, approximately 64% of the operating cost relates to the cost of transportation services (i.e. salaries and fringe benefits), with 11% of the operating cost representing non-cash depreciation and amortization costs, with the remaining 18% of the costs relating to general and administrative costs.

***Table 3***

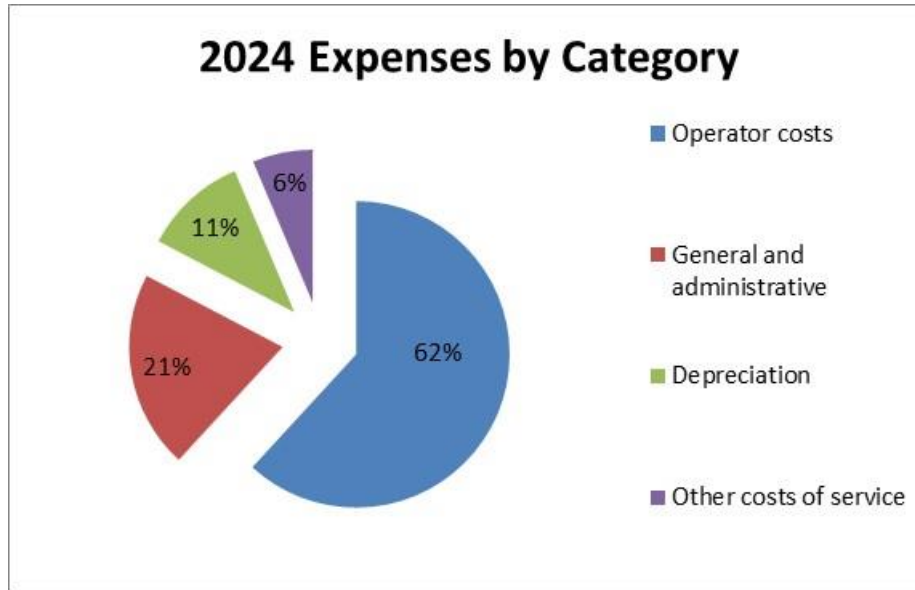


**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis (Unaudited) (Continued)

For the Year Ended June 30, 2024

**Table 4**



**DISCUSSION AND ANALYSIS OF BALANCES AND TRANSACTIONS**

The Authority finished the current year with an increase in net position of \$1,683,987. The increase is a result of increases in Federal and State operating grants and capital investments in new hybrid buses for the Authority, which were funded by Federal and State capital grants.

The Authority's capital improvement program provides for the replacement and expansion of the present bus fleet and other transportation equipment and the construction of the bus loading facilities, of which \$101,651,044 has been approved for grant spending through June 30, 2024. (See Note 2)

**DISCUSSION AND ANALYSIS OF SIGNIFICANT BUDGET VARIANCES**

The Authority did revise its budget during fiscal year 2024 as a result of overall operations. All categories had favorable variances. Overall, "total expenses" had a favorable variance of \$602,658. See the "Supplementary Information" section for more information.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

For the Year Ended June 30, 2024

**DISCUSSION OF SIGNIFICANT CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY DURING THE YEAR**

At the end of fiscal year 2024, the Authority had invested \$67,740,531 in property, plant and equipment. \$18,035,676 had been invested in buildings and improvements; \$841,241 is invested in non-depreciable assets (land and construction in progress) with the remaining \$48,863,614 in buses and equipment. This amount represents a 4.8% increase or \$3,078,435 over fiscal year 2023 when the Authority had \$64,662,096 invested in property, plant and equipment of which \$17,996,876 had been invested in buildings and improvements, \$585,254 was invested in non-depreciable assets, with the remaining \$46,079,966 in buses and equipment. More detailed information about the Authority's capital assets is presented in the notes to the basic financial statements.

	<b>2024</b>	<b>2023</b>	<b>Change in Balances</b>
Land	\$ 326,611	\$ 326,611	\$ -
Construction in progress	514,630	258,643	255,987
Building and improvements, net	6,027,794	6,555,065	(527,271)
Right-to-use lease assets - office space, net	175,848	222,404	(46,556)
Buses and equipment, net	17,717,324	14,639,595	3,077,729
Service equipment, net	400,398	379,443	20,955
Right-to-use lease assets - tire lease, net	212,686	277,969	(65,283)
Computers, net	2,335,167	2,628,961	(293,794)
Planning, net	668,057	610,726	57,331
Total	\$ 28,378,515	\$ 25,899,417	\$ 2,479,098

As of June 30, 2024 the Authority had \$6,005,990 in revenue bonds outstanding. The purpose of these bonds is to provide cash flow when the revenue from the FTA, Local Assessment and State Contract Assistance is received at a later date. Under Chapter 161B of the Massachusetts General Laws, the Commonwealth is required to pay principal and interest that is due on any of the Authority bonds issued when the Authority does not have the funds available. The amount of revenue bonds outstanding at June 30, 2024 provides necessary cash flow to cover the expanded services being provided during prior fiscal years for which local assessment receipts (i.e. the physical cash receipts) will not be collected until fiscal years 2025 and 2026.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

For the Year Ended June 30, 2024

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

SRTA's Federal formula funding has increased with the assistance of the Bipartisan Infrastructure Law. SRTA will receive an additional \$1 million in Small Urban funding compared to prior appropriations and continues to see an increase in its share of the Providence Urbanized area funding. SRTA continues to closely monitor the potential for future impacts to transportation funding as a result of the national election in November.

Funding from the Commonwealth continues to grow at a historic pace. The State budget for FY'25 includes an additional \$10 million in State Contract Assistance to support the Regional Transit Authorities. SRTA continues to work hard to advocate for future increases in RTA funding from the recently created Education and Transportation Fund.

SRTA's ridership has grown to near-historic numbers. The addition of Sunday service has provided more than 77,000 trips since its inception in late January. In addition, a 6-month fare free pilot has supercharged SRTA's ridership by 35% on the other 6 days of the week. The Governor and the Legislature have doubled the funding available for Fare Free Service in FY25, which should help SRTA build upon the success of FY24. While it normally takes two years to see the results, it is important to note that additional service and ridership growth will also increase our federal appropriation, further facilitating future investment in the service.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions or need additional information, contact Kristen A. Sniezek, Deputy Administrator and Chief Financial Officer, Southeastern Regional Transit Authority, 700 Pleasant Street, Fifth Floor, New Bedford, MA 02740-6263.

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Net Position

June 30, 2024

	<b>BUSINESS-TYPE ACTIVITIES</b>
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 2,901,949
Receivables:	
State grants receivable	285,779
Local assessment receivable	7,803,022
Federal grants receivable	640,129
Other receivables	20,012
Inventory	1,151,893
Prepaid expenses	212,535
Total current assets	13,015,319
Non-Current Assets:	
Land	326,611
Construction in progress	514,630
Building and improvements, net	6,027,794
Right-to-use lease assets - office space, net	175,848
Buses and equipment, net	17,717,324
Service equipment, net	400,398
Right-to-use lease assets - tire lease, net	212,686
Computers, net	2,335,167
Planning, net	668,057
Total non-current assets	28,378,515
Total assets	\$ 41,393,834
<b>Deferred outflows of resources</b>	
Pension related - New Bedford Plan	483,688
Pension related - Hourly Plan	4,276,986
Pension related - Salaried Plan	1,397,826
Related to the public-private partnership (operator)	2,048,604
OPEB related	66,742
Total deferred outflows of resources	8,273,846
Total assets and deferred outflows of resources	\$ 49,667,680

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



**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Net Position (Continued)

June 30, 2024

	<b>BUSINESS-TYPE ACTIVITIES</b>
<b>Liabilities</b>	
Current liabilities:	
Revenue anticipation notes payable	\$ 6,005,990
Accounts payable and other liabilities	1,607,526
Payable to operator	162,291
Public-private partnership liability	2,048,604
Accrued salaries payable	334,668
Accrued interest payable	223,768
	10,382,847
Total current liabilities	
Non-Current Liabilities:	
Right-to-use lease liability	374,777
Net OPEB obligation (NOO)	61,329
Net pension liability (NPL)	9,741,955
Compensated absences	941,470
	11,119,531
Total non-current liabilities	
Total liabilities	21,502,378
<b>Deferred inflows of resources</b>	
Pension related - New Bedford Plan	129,344
Pension related - Hourly Plan	3,934,096
Pension related - Salaried Plan	910,943
OPEB related	132,086
	5,106,469
Total deferred inflows of resources	
<b>Net Position</b>	
Unrestricted	\$ (6,858,873)
Restricted:	
Stabilization fund (MGL Ch.161B s.26)	798,262
Extraordinary repairs reserve (MGL Ch.161B s.6(q))	740,929
Investment in capital assets:	
Net of accumulated depreciation/amortization	28,378,515
Total net position	\$ 23,058,833

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2024

	<b>BUSINESS-TYPE ACTIVITIES</b>
Operating revenues:	
Service revenue	\$ 1,032,967
Advertising income	115,078
Other income	50,646
Total operating revenues	1,198,691
Operating expenses:	
Cost of service	
Salaries	14,656,601
Fringe	2,563,057
Materials and supplies	1,069,581
Miscellaneous	119,005
Utilities	259,544
Office expense and services	212,363
Subtotal - Cost of service	18,880,151
Additional costs of service:	
Depreciation	3,347,157
Diesel fuel and gasoline	1,418,028
Management fees paid to operator	524,872
Subtotal - additional costs of service:	5,290,057
Total operating expenses:	24,170,208
Administrative expenses:	
Salaries and fringe	1,033,049
Advertising	2,620
Professional fees	121,105
Office expense	242,139
Other administrative expense	520,550
Insurance expense	1,326,737
Pension and OPEB expense	3,148,320
Total administrative expenses:	6,394,520
Operating income (loss):	(29,366,037)

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

For the Year Ended June 30, 2024

	<b>BUSINESS-TYPE ACTIVITIES</b>
Nonoperating revenues (expenses):	
Local assessment (MGL Ch.161B s.9)	\$ 3,797,250
State operating assistance (MGL Ch.161B s.23)	11,715,766
Federal - operating assistance (49 USC 5307(d)(2))	8,225,665
Other state assistance	1,479,469
Disposition of capital assets	13,578
Interest income	119,045
Interest expense	(261,157)
Amortization of premium	39,410
Total nonoperating revenues (expenses)	25,129,026
Net loss before capital grants	(4,237,011)
Capital Grants:	
Federal	2,412,380
Commonwealth of Massachusetts	3,508,618
Total capital grants	5,920,998
Increase (decrease) in net position	1,683,987
Net position, beginning of year	21,374,846
Net position, end of year	\$ 23,058,833

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Cash Flows

For the Year Ended June 30, 2024

	<b>BUSINESS-TYPE ACTIVITIES</b>
Cash flows from operating activities:	
Cash received from federal, state and local governments	\$ (171,689)
Cash received from passenger fares	1,032,967
Cash received from rentals, parking and other	165,724
Cash paid to operators, other vendors and employees	(31,495,690)
Net cash provided (used) by operating activities	(30,468,688)
Cash flows from noncapital financing activities:	
Operating and contract assistance	26,357,972
Net proceeds from purchase of revenue anticipation notes	6,000,000
Principal payments made on revenue anticipation notes	(6,000,000)
Amortization of premium	35,940
Interest payments on bond anticipation notes	(224,375)
Net cash provided (used) in noncapital financing activities	26,169,537
Cash flows from capital and related financing activities:	
Capital revenue from state and federal capital grants	10,859,691
Asset dispositions	13,578
Purchase of capital assets	(5,826,255)
Net cash provided (used) by capital and related financing activities	5,047,014
Cash flows from investing activities:	
Interest income on invested funds	119,045
Net cash provided (used) in investing activities	119,045
Net increase (decrease) in cash	866,908
Cash and cash equivalents at beginning of year	2,035,041
Cash and cash equivalents at end of year	\$ 2,901,949

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2024

	<u><b>BUSINESS-TYPE ACTIVITIES</b></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (29,366,037)</u>
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation and amortization	3,347,157
(Increase) decrease in accounts receivable	(171,689)
(Increase) decrease in inventory	(41,306)
(Increase) decrease in prepaid expenses	(41,810)
(Increase) decrease in deferred outflows of resources	2,164,515
Increase (decrease) in accounts payable and accrued expenses	(4,837,050)
Increase (decrease) in accrued salaries payable	84,756
Increase (decrease) in accrued pay/compensated absences	98,176
Increase (decrease) in due to operator	(354,070)
Increase (decrease) in right-to-use lease liability	(94,741)
Increase (decrease) in net OPEB obligation (NOO)	(32,826)
Increase (decrease) in net pension liability (NPL)	(1,484,333)
Increase (decrease) in deferred inflows of resources	<u>260,570</u>
Subtotal	<u>(1,102,651)</u>
Net cash provided (used) by operating activities	<u>\$ (30,468,688)</u>

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Fiduciary Net Position – OPEB Trust Fund

June 30, 2024

ASSETS

Cash:	
Restricted	\$ 2,751
Investments:	
Restricted	<u>309,875</u>
Total assets	<u><u>\$ 312,626</u></u>

LIABILITIES

Accounts payable	<u>-</u>
Total liabilities	<u>-</u>

NET POSITION

Restricted	<u>312,626</u>
Total net position	<u><u>\$ 312,626</u></u>

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Statement of Changes in Fiduciary Net Position – OPEB Trust Fund

For the Year Ended June 30, 2024

Revenues:	
Employer contributions	<u>\$ 30,194</u>
Total revenue	<u>30,194</u>
Operating expenses:	
Benefits paid	<u>-</u>
Total operating expenses	<u>-</u>
Operating income	<u>30,194</u>
Nonoperating revenues (expenses):	
Investment income	<u>26,412</u>
Total nonoperating revenue (expenses)	<u>26,412</u>
Change in net position	56,606
Net position, beginning of year	<u>256,020</u>
Net position, end of year	<u><u>\$ 312,626</u></u>

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

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements

June 30, 2024

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the Southeastern Regional Transit Authority (“the Authority”) have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

***Reporting Entity***

The Southeastern Regional Transit Authority (“the Authority”) was established on April 24, 1974 and commenced operations on July 1, 1974, pursuant to Chapter 1141 of the Acts of 1973 of the Commonwealth of Massachusetts (“the Commonwealth”), Massachusetts General Law 161B to provide public transportation for the territory comprised of the cities of New Bedford and Fall River and the Towns of Acushnet, Dartmouth, Fairhaven, Freetown, Mattapoisett, Somerset, Swansea and Westport. Beginning in 1974, the Authority entered into an operating agreement with a contracted operator who would provide public transportation in the Authority’s service area at levels and on routes specified by the Authority, as required by MGL Chapter 161B, Section 25.

Such agreements are put out to bid in three year intervals, the most recent agreement beginning on June 1, 2022. The Authority has the exclusive right and option to extend the agreement for two additional one year terms. The Authority has the right to terminate the agreement in writing, 90 days prior to the end of the term or with 90 days’ notice upon termination based on good cause, for lack of funding for the transit system or for convenience. The Authority provides the full financial support necessary to reimburse the operator for losses sustained in the operating of service, plus an annual management fee for each year of the contract.

The financial statements present information on activities of the Authority for which the Advisory Board has oversight responsibility. The criteria, as established by the Governmental Accounting Standards Board, for inclusion of activities in the oversight entity’s financial statements are: selection of governing authority, designation of management, ability to significantly influence operations, accountability over fiscal matters and scope of public service. Accordingly, the accompanying statements of revenue, expenses and changes in net position include the revenues and expenses of the operator incurred in the operation of transportation services.

***Component Units***

In conformity with accounting principles generally accepted in the United States of America, management has evaluated any potential component units being considered for inclusion in the financial reporting entity.

GASB Statement No. 61 modified existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and applicable financial reporting entity disclosure requirements. Based on GASB Statement No. 61 guidance, organizations that previously were required to be included as a component units by meeting the fiscal dependence criterion now must also have a "financial benefit or burden relationship" present between the primary government and that organization for it to be included in the reporting entity as a component unit. Pursuant to this GASB pronouncement, no component units were identified based on management’s evaluation for inclusion in the accompanying financial statements. Additionally, the accompanying financial statements are incorporated into the financial statements of the Commonwealth as the Authority is a component unit of the Commonwealth’s Department of Transportation.

***Basis of Accounting***

The operations of the Authority are accounted for as an enterprise fund on the accrual basis in order to recognize the form of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operations of the Authority are included in the Statement of Net Position. Operating revenues and expenses result from providing transportation services to member communities. All other revenue and expenses are reported as nonoperating revenue and expenses.



**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

*Basis of Accounting (Continued)*

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities that use Proprietary Fund Accounting*, the Authority has adopted the option to apply only those Financial Accounting Standards Board (FASB) statements and interpretations issued before November 30, 1989, that do not conflict with or contradict GASB pronouncements. Only GASB pronouncements issued after this date will be followed.

*Budgeting*

Under Massachusetts General Law Chapter 161B, Section 8h, the Authority adopts an annual operating budget for the planning and administrative activities. The budgeting process enables the Authority to determine the annual contributions required from the member jurisdictions and the Commonwealth of Massachusetts to fund its planning and administrative activities. The budget is prepared on the accrual basis. Depreciation/amortization of grants are not recognized as an expense as these expenses are not budgeted each year. These expenses are reclassified for the purpose of preparing financial reports in accordance with GAAP.

*Unreimbursed Cost of Service*

Massachusetts General Law Chapter 161B Section 10, provides that the Commonwealth shall reimburse the Authority for the Net Cost of Service, as defined by MGL Chapter 161B Section 1. The Net Cost of Service includes a charge equal to the payments made on long-term debt during the period, but does not include charges for depreciation/amortization or grants for operating assistance from the Federal Department of Transportation. The Net Cost of Service is the remaining amount of the net operating expense after the local assessment is taken. This balance is the contracted amount owed by the Commonwealth as State Contract Assistance.

The cost of service in excess of revenue presented in the accompanying Statements of Revenue, Expenses and Changes in Net Position differs from the Net Cost of Service because the Authority follows generally accepted accounting principles for financial reporting purposes. The following table reconciles the Authority's cost of service in excess of revenue to its Net Cost of Service for the year ended June 30, 2024.

Balance at beginning of year	<u>\$</u>	-
Cost of service in excess of revenue		<u>(28,565,307)</u>
Expenses not reimbursable and other operating assistance:		
Depreciation and amortization in excess of principal payments on long-term debt		3,347,157
Local assistance		3,797,250
Federal operating assistance including associated capital maintenance and expanded services		<u>8,225,665</u>
Net cost of service		<u>(13,195,235)</u>
Net cost of service reimbursed by the Commonwealth		<u>13,195,235</u>
Over reimbursement of cost of service	<u>\$</u>	<u>-</u>

For financial reporting purposes, the Authority follows the generally accepted accounting principle of depreciating the cost of property over its estimated useful life. The cumulative excess and principal payments on long-term debt are charged to the unreimbursed cost of service account and are recovered in years when the sum of grant amortization and principal payments made on long-term debt exceed depreciation.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

*Cash and Cash Equivalents*

Cash and cash equivalents consist of cash on hand and amounts on deposit with banks, including certificates of deposit with maturities of 90 days or less.

*Grants and Other Receivables*

The Authority carries its accounts receivable at an amount equal to uncollected but earned revenue less write-offs. On a periodic basis, the Authority evaluates its accounts receivable and utilizes the direct write-off method. Accounts receivable are considered delinquent if not in accordance with the contractual terms. Receivables are written off after collection efforts have failed.

*Accrued Sick and Vacation*

Authority employees are granted vacation and sick leave in varying amounts. At the end of employment, an employee may be reimbursed for accumulated vacation days and sick days if certain conditions are met. The Authority records accrued sick and vacation costs as an accrued expense.

*Net Position*

The Authority reports net position as restricted when legally segregated for a specific use or for other special purposes. Otherwise, these balances are considered unrestricted.

Legal restrictions on net position as of June 30, 2024 consisted of the Authority's stabilization fund and its extraordinary repairs reserve. The "investment in capital assets" section of net position represent resources related to the capital assets of the Authority.

*Capital Assets*

Capital assets are recorded at historical cost, while donated fixed assets are recorded at fair market value as of the date of the gift with an aggregated cost of \$1,000 or more and a useful life of more than one year.

Depreciation is charged to operating expense, based on the straight-line method, at rates that are designed to amortize the cost of the property over its estimated useful life. The estimated useful lives on the depreciable portion of the major categories of transportation property are as follows:

	<u><b>Estimated Useful Life</b></u>
Buildings and improvements	10 - 40 years
Buses and equipment (including service equipment)	3 - 12 years
Furniture and fixtures	6 - 10 years
Planning	10 years

When property and equipment are disposed, depreciation is removed from the respective accounts, and the resulting gain or loss, if any, is recorded in operations. In fiscal year 2024, this gain/loss was immaterial to the Statement of Revenues, Expenses and Changes in Net Position.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

*Leases*

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the Underlying asset) for a period of time in an exchange or exchange like transaction. The Authority has contracts in which it is a lessee. Lessors recognize a lease receivable and a deferred inflow of resources (not applicable to the Authority). Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Authority uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than 1 year and an initial present value over \$50,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

*Grants*

The Authority receives grants from certain governmental agencies to be used for various purposes connected with the planning, modernization and expansion of transportation and facilities. These grants are deferred until such time as the related facilities are put into service. The grants are then amortized over the estimated useful lives of the assets as a reduction of the unreimbursed cost of service.

In addition, the Authority receives grants for operating assistance from the Federal Department of Transportation and the Commonwealth Department of Transportation. Those funds are credited to the Net Cost of Service, as they are a reduction of the amounts that would otherwise be paid by the 10 cities and towns constituting the Authority. Capital grants of the Authority are reported as revenue rather than contributed capital as required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

*Materials, Supplies and Inventory*

The Authority uses the weighted average cost method for valuation purposes. The costs of inventory items are recorded as expenditures when used.

*Income Taxes*

The Authority is exempt from Federal and Commonwealth of Massachusetts income taxes since it is a public body established by statute.

*Advertising*

Advertising costs are expensed as incurred. Advertising costs totaled \$2,620 for the year ended June 30, 2024.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes and disclosures. Actual results could differ from those estimates.

*Concentration of Credit Risk*

Financial instruments which potentially subject the Authority to concentrations of credit risk consist principally of investments, cash equivalents and grant receivables. The Authority's cash equivalents were with various credit-worthy financial institutions, investments consisted of grant receivables due from Federal, state and local assessments. The Authority considers the credit risk associated with financial instruments to be minimal.

*Implementation of New Accounting Principles*

For the year ending June 30, 2024, the Authority implemented GASB Statement Nos. 99 (*Omnibus 2022*) and 100 (*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*). The effects of the implementation of these statements had no material reporting impact on these financial statements.

*Summary of Significant Accounting Policies – City of New Bedford Contributory Retirement System*

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of New Bedford's Contributory Employees' Retirement System ("the System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Summary of Significant Accounting Policies – Hourly Plan*

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan of the Southeastern Regional Transit Authority and South Coast Transit Management Inc. for Employees Covered by Collective Bargaining ("the Hourly Plan") and additions to/deductions from the Hourly Plan's fiduciary net position have been determined on the same basis as they are reported by the Hourly Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Summary of Significant Accounting Policies – Salaried Plan*

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Salaried Employees' Pension Plan of the Southeastern Regional Transit Authority and South Coast Transit Management, Inc. ("the Salaried Plan"). Additions to/deductions from the Salaried Plan's fiduciary net position have been determined on the same basis as they are reported by the Salaried Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

2. ***CAPITAL IMPROVEMENT PROGRAM AND RELATED GRANTS***

The Authority's capital improvement program provides for the replacement and expansion of the present bus fleet and other transportation equipment and the construction of bus loading facilities. Grant spending net depreciation/amortization is as follows:

	<b>Federal</b>	<b>State, Local &amp; Other</b>	<b>Total</b>
Approved grant spending through June 30, 2024	\$ 72,037,089	\$ 29,613,955	\$ 101,651,044
Amortization	(56,144,968)	(17,993,611)	(74,138,579)
Net grants balance	\$ 15,892,121	\$ 11,620,344	\$ 27,512,466

Receivables for *capital grant* expenditures from the federal and state governments were \$438,737 as of June 30, 2024. The expenditures were funded by transportation bonds and operating funds.

3. ***CASH AND CASH EQUIVALENTS***

Cash and cash equivalents as of June 30, 2024 is classified in the accompanying financial statements as follows:

Cash and cash equivalents – business-type activities	\$2,901,949
Cash and cash equivalents – fiduciary funds	\$2,751

Deposits are in various financial institutions and are carried at cost which approximates market value. The carrying amount of deposits is displayed in the Statement of Net Position as "Cash". Petty cash is included in the presentation of cash on the Statement of Net Position in the amount of \$0 on June 30, 2024.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At year end the Authority's fiscal year, carrying amount of deposits (including OPEB) was \$3,214,552, including \$0 of petty cash and the bank balance was \$3,316,117. Of the bank balance, \$653,573 was covered by Federal Depository Insurance and \$1,703,082 was covered by the Depository Insurance Fund, and \$959,462 was uninsured.

The Authority has not formally adopted a deposit and investment policy that limits the Authority's allowable deposits and investments and addresses the specific types of risk to which the Authority is exposed.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

4. **INVESTMENTS – DEFINED BENEFIT PENSION PLANS AND OPEB TRUST FUND**

a.) **HOURLY PLAN**

The Hourly Plan is a defined benefit pension plan that holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the Plan's activities, the plan shows greater disaggregation in its disclosures. The Plan investments are presented in a tabular format for disclosing the levels within the fair value hierarchy as defined in GASB Statement No. 72. The assets of the Hourly Plan are held by the Operator.

The Hourly Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2023 (the measurement date):

	<u>Fair Value Measurements Using:</u>			
	<u>Measurement Date:</u> <u>June 30, 2023</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Investments by Fair Value Level:</b>				
Debt Securities				
None				
Fixed Income Securities				
Short-Term Fixed Income				
Principal Global Investors - Liquid Assets Separate Acct - Z	\$ 1,142,163	\$ 1,142,163	\$ -	\$ -
PIMCO Low Dur Income Inst Fd	1,721,449	1,721,449	-	-
Other Fixed Income				
Principal Global Investors - Core Plus Bond Separate Act-Z	1,433,533	1,433,533	-	-
Principal Real Estate Inv - US Property Separate Acct-Z	1,168,020	1,168,020	-	-
Lord Abbett & Co., LLC - Lord Abbett Bd Debenture R6 Fd	1,390,729	1,390,729	-	-
PGIM Investments, LLC - PGIM Total Ret Bond R6 Fd	1,443,083	1,443,083	-	-
PIMCO - PIM Com Real Ret Stra Instl Fd	1,152,497	1,152,497	-	-
Equity Securities				
Large US Equity				
Massachusetts Financial Svc Co - MFS Value R6 Fund	2,120,598	2,120,598	-	-
Fidelity Management & Research - Fidelity 500 Index Fund	1,678,004	1,678,004	-	-
T. Rowe Price Associates, Inc - T. Rowe Price Dividend Gr I Fund	1,904,265	1,904,265	-	-
T. Rowe Price Associates, Inc - T. Rowe Price Lg Cap Growth I Fund	2,183,364	2,183,364	-	-
Small/Mid US Equity				
LA Capital Mgmt/Victory - MidCap Value I Sep Acct-Z	236,288	236,288	-	-
Principal Global Investors - MidCap Separate Acct-Z	242,862	242,862	-	-
Fidelity Management & Research - Fidelity Mid Cp Index Fund	238,014	238,014	-	-
JP Morgan - Undisc Mgrs Behav Value R6 Fd	224,823	224,823	-	-
Fidelity Management & Research - Fidelity Sm Cap Index Fund	229,938	229,938	-	-
Legg Mason Institutional Funds - ClearBridge Sm Cp Gr A Fund	239,260	239,260	-	-
International Equity				
Hartford Mutual Funds - Hartford Schroder Intl Stk SDR	1,745,993	1,745,993	-	-
Invesco - Inv Dev Mark R6 Fd	1,140,604	1,140,604	-	-
Legg Mason Institutional Funds - ClearBridge Int Growth IS Fund	1,763,139	1,763,139	-	-
Total investments by fair value level	<u>\$ 23,398,626</u>	<u>\$ 23,398,626</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments measured at fair value	<u>\$ 23,398,626</u>	<u>\$ 23,398,626</u>	<u>\$ -</u>	<u>\$ -</u>

Debt, equity and fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Hourly Plan had no investments categorized as Level 2 or Level 3 at June 30, 2023 (the measurement date).

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Notes to Financial Statements (Continued)

June 30, 2024

4. **INVESTMENTS – DEFINED BENEFIT PENSION PLANS AND OPEB TRUST FUND (CONTINUED)**

**b.) SALARIED PLAN**

The Salaried Plan is a defined benefit pension plan that holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the Plan's activities, the plan shows greater disaggregation in its disclosures. The Plan investments are presented in a tabular format for disclosing the levels within the fair value hierarchy as defined in GASB Statement No. 72. The assets of the Salaried Plan are held by the Operator.

The Salaried Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2023 (the measurement date):

	Fair Value Measurements Using:			
	Measurement Date: June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level:</b>				
Debt Securities				
None				
Fixed Income Securities				
Short-Term Fixed Income				
PIMCO Low Dur Income Inst Fd	\$ 607,228	\$ 607,228	\$ -	\$ -
Principal Global Investors - Liquid Assets Separate Acct - Z	403,185	403,185	-	-
Other Fixed Income				
Lord Abbett & Co, LLC - Lord Abbett Bd Debenture R6 Fd	491,453	491,453	-	-
Fidelity Management & Research - Fid Adv High Inc Advant Z Fund	421	421	-	-
PIMCO - PIM Com Real Ret Stra Instl Fd	407,204	407,204	-	-
PGIM Investments, LLC - PGIM Total Ret Bon R6 Fd	510,539	510,539	-	-
Principal Global Investors - Core Plus Bond Separate Act-Z	503,494	503,494	-	-
Principal Real Estate Inv - U.S. Property Separate Acct-Z	419,432	419,432	-	-
Equity Securities				
Large US Equity				
Massachusetts Financial Svc Co - MFS Value R6 Fund	748,911	748,911	-	-
Fidelity Management & Research - Fidelity 500 Index Fund	592,940	592,940	-	-
T Rowe Price Associates, Inc. - T. Rowe Price Dividend Gr I Fund	672,898	672,898	-	-
T Rowe Price Associates, Inc. - T. Rowe Price Lg Cp Grwth I Fund	771,496	771,496	-	-
Small/Mid US Equity				
LA Capital Mgmt/Victory - MidCap Value I Sep Acct-Z	83,486	83,486	-	-
Fidelity Management & Research - Fidelity Mid Cp Index Fd	84,101	84,101	-	-
Virtus Investment Advisers, Inc - Virtus KAR MdCp Growth R6 Fd	85,593	85,593	-	-
JP Morgan Investment Mgmt Inc. - Undisc Mgrs Behav Value R6 Fd	79,434	79,434	-	-
Fidelity Management & Research - Fidelity Sm Cap Index Fund	81,241	81,241	-	-
AB/Brown/Emerald - SmallCap Growth I Sep Acct-Z	83,090	83,090	-	-
International Equity				
Capital Research and Mgmt Co. - Amer Funds New World R6	623,427	623,427	-	-
Hartford Mutual Funds - Hartford Schroder Intl Stk SDR	616,882	616,882	-	-
Legg Mason Institutional Funds - ClearBridge Int Growth FI Fund	415,319	415,319	-	-
Total investments by fair value level	<u>\$ 8,281,774</u>	<u>\$ 8,281,774</u>	<u>\$ -</u>	<u>\$ -</u>
Total investments measured at fair value	<u>\$ 8,281,774</u>	<u>\$ 8,281,774</u>	<u>\$ -</u>	<u>\$ -</u>

The equity and fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The Salaried Plan had no investments categorized as Level 2 or Level 3 at June 30, 2023 (the measurement date).

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4. ***INVESTMENTS – DEFINED BENEFIT PENSION PLANS AND OPEB TRUST FUND (CONTINUED)***

c.) **OPEB TRUST FUND**

The Authority holds investments that are measured at fair value on a recurring basis. Recurring fair value measurements are those that the GASB Statement requires or permits in the Statement of Net Position at the end of each reporting period. Because investing is not a core part of the Authority's mission, the Authority determined that the disclosures related to these investments only need to be disaggregated by major type. The Authority chose a narrative format for the fair value disclosures of the OPEB Trust Fund instead of using a tabular format for disclosing the levels within the fair value hierarchy.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and GASB Statement No. 72, Fair Value Measurement and Application. 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; Level 3 inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Authority has the following recurring fair value measurements as of June 30, 2024:

**Debt Securities:**

- Fixed Income Mutual Funds totaling \$145,039 are valued using quoted market prices (Level 1 inputs)

**Equity Securities:**

- Equities totaling \$164,836 are valued using quoted market prices (Level 1 inputs)

**Cash (Money Market Funds):**

- Uninvested cash of \$2,751. These funds are not classified within the fair value hierarchy as they are not measured at fair value.

The OPEB trust fund, which has a balance of \$312,626 at June 30, 2024, is not FDIC or DIF insured as it contains stocks, bonds, mutual funds and other securities that are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the FDIC, the Federal Reserve Board, or any government agency.



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5. ***DUE FROM COMMONWEALTH OF MASSACHUSETTS***

The Authority receives various forms of assistance from the Commonwealth for operating assistance as provided in enabling legislation under which the Commonwealth will pay the Authority a portion of its net cost of service. At June 30, 2024, the Authority was owed from the Commonwealth local assessments earned during fiscal years 2023 and 2024, as well as state capital grant funding. The department providing the Commonwealth this support is the Executive Office of Transportation.

The following is the amount due to the Authority as of June 30, 2024:

<u>Date Received</u>	<u>Commonwealth Appropriation Account Number</u>	<u>Commonwealth Department Name</u>	<u>Appropriation Number / Payment Ref</u>	<u>Fiscal Year of Appropriation</u>	<u>Amount</u>
7/9/2024	N/A	Treasurer	122387	FY24 Local Assessment	\$ 301,135
8/12/2024	MassDOT Tech Asst.	DOT	Fall River Maint. Study	2024	41,172
8/12/2024	RTACAP	DOT	#9	2024	62,993
7/30/2024	RTACAP	DOT	#10	2024	152,149
Open A/R	RTACAP	DOT	Fall River Maint. Study	2024	28,744
Open A/R	N/A	Treasurer	Misc Short Pays CF	N/A	721
Open A/R	N/A	Treasurer	Earned FY23	FY25 Local Assessment	3,704,637 *
Open A/R	N/A	Treasurer	Earned FY24	FY26 Local Assessment	<u>3,797,250 **</u>
Total amount due from the Commonwealth (June 30, 2024):					<u>\$ 8,088,801</u>

\* - To be collected on the fiscal year 2025 "Cherry Sheet" for amounts earned during the fiscal year 2023

\*\* - To be collected on the fiscal year 2026 "Cherry Sheet" for amounts earned during the fiscal year 2024

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**6. LOCAL ASSESSMENTS**

The Authority’s net cost of service is also funded through assessments to member municipalities, which may increase by no more than 2.5% annually *plus* the members’ share of any new services. (MGL Chapter 59 Section 20A). Any increase above 2.5% as noted below is as a result of votes of the Authority’s Advisory Board whereas the Board voted for expanded services to the participating communities.

Below is a comparison of local assessments to member communities under the provisions of MGL Chapter 161B Section 9 for the current and prior fiscal year as well as the upcoming fiscal year.

Please note – the fiscal year indicated below is based on the “Cherry Sheet” year, not the year in which the local assessments were *earned*. For example, the amount budgeted for local assessments in the fiscal year 2024 budget will not be assessed on the Cherry Sheets until fiscal year 2026.

<b>Member Communities</b>	<b>2023</b>	<b>2024</b>	<b>Percent Change*</b>	<b>2024 Member Allocation</b>
New Bedford	\$ 1,337,267	\$ 1,370,699	2.5%	37.9%
Fall River	1,548,879	1,616,350	4.4%	44.7%
Acushnet	35,260	36,142	2.5%	1.0%
Dartmouth	201,055	206,081	2.5%	5.7%
Fairhaven	38,199	39,154	2.5%	1.1%
Freetown	37,804	38,749	2.5%	1.1%
Mattapoissett	11,244	11,525	2.5%	0.3%
Somerset	113,749	116,594	2.5%	3.2%
Swansea	125,834	128,980	2.5%	3.6%
Westport	48,787	50,006	2.5%	1.4%
Subtotals:	<u>\$ 3,498,078</u>	<u>\$ 3,614,280</u>	<u>3.3%</u>	<u>100.0%</u>

Upcoming fiscal year (fiscal year 2025 and 2026 “Cherry Sheet”):

<b>Member Communities</b>	<b>2024</b>	<b>2025</b>	<b>Percent Change*</b>	<b>2025 Member Allocation</b>	<b>(earned during FY24) 2026</b>
New Bedford	\$ 1,370,699	\$ 1,404,966	2.5%	37.9%	\$ 1,440,090
Fall River	1,616,350	1,656,759	2.5%	44.7%	1,698,178
Acushnet	36,142	37,045	2.5%	1.0%	37,971
Dartmouth	206,081	211,233	2.5%	5.7%	216,514
Fairhaven	39,154	40,132	2.5%	1.1%	41,135
Freetown	38,749	39,718	2.5%	1.1%	40,711
Mattapoissett	11,525	11,813	2.5%	0.3%	12,108
Somerset	116,594	119,509	2.5%	3.2%	122,497
Swansea	128,980	132,204	2.5%	3.6%	135,509
Westport	50,006	51,258	2.5%	1.4%	52,537
Subtotals:	<u>\$ 3,614,280</u>	<u>\$ 3,704,637</u>	<u>2.5%</u>	<u>100.0%</u>	<u>\$ 3,797,250</u>

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June 30, 2024

**7. CAPITAL ASSETS AND DEPRECIATION**

	<b>July 01, 2023</b>			<b>June 30, 2024</b>
	<b>Beginning</b>			<b>Ending</b>
	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
<b>Not Being Depreciated:</b>				
Land	\$ 326,611	\$ -	\$ -	\$ 326,611
Construction in progress	258,643	255,987	-	514,630
Subtotal	<u>585,254</u>	<u>255,987</u>	<u>-</u>	<u>841,241</u>
<b>Other Capital Assets:</b>				
Building and improvements	17,996,876	38,800	-	18,035,676
Right-to-use lease assets - office spac	222,404	-	46,556	175,848
Buses and equipment	36,622,026	5,204,905	2,593,782	39,233,149
Service equipment	1,636,737	136,244	202,223	1,570,758
Right-to-use lease assets - tire lease	1,186,138	-	-	1,186,138
Furniture and fixtures	167,742	-	-	167,742
Computer equipment	4,166,741	119,473	-	4,286,214
Planning	2,078,178	165,587	-	2,243,765
Subtotal	<u>64,076,842</u>	<u>5,665,009</u>	<u>2,842,561</u>	<u>66,899,290</u>
<b>Accumulated Depreciation:</b>				
Building and improvements	11,441,811	566,071	-	12,007,882
Buses and equipment	21,982,431	2,127,176	2,593,782	21,515,825
Service equipment	1,257,294	67,104	154,038	1,170,360
Right-to-use lease assets - tire lease	908,169	65,283	-	973,452
Furniture and fixtures	167,742	-	-	167,742
Computer equipment	1,537,780	413,267	-	1,951,047
Planning	1,467,452	108,256	-	1,575,708
Subtotal	<u>38,762,679</u>	<u>3,347,157</u>	<u>2,747,820</u>	<u>39,362,016</u>
Net other capital assets	<u>25,314,163</u>	<u>2,317,852</u>	<u>94,741</u>	<u>27,537,274</u>
Net capital assets	<u>\$ 25,899,417</u>	<u>\$ 2,573,839</u>	<u>\$ 94,741</u>	<u>\$ 28,378,515</u>

Depreciation expense was \$3,347,157 for the fiscal year ended June 30, 2024.

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Notes to Financial Statements (Continued)

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8. **GASB 87 - LEASES**

**Right to Use Lease Assets and Liabilities**

*Goodyear Tire and Rubber Company – Tire Lease*

The Authority entered into a lease agreement for the purpose of the right to use tires provided by Goodyear Tire and Rubber Company for its fleet of buses. The initial term of the leases is for five (5) years beginning August of 2022. This contract was a renewal of the prior tire lease, also with Goodyear Tire and Rubber Company. For accounting purposes, the right to use lease asset and lease liability are reported at the present value of the future minimum lease payments using 3.75% interest rate. This rate was estimated based on the RAN issued in August of 2022.

The annual payments were used to calculate the present value of these leases. The leases do not convey ownership at the end of the lease, provide a purchase option or guaranteed residual value.

As of June 30, 2024, the principal and interest requirements to maturity for the *tire lease* are as follows:

<u>Year</u> <u>Ended</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
June 30 2025	\$ 69,075	\$ 61,615	\$ 7,460
2026	71,144	65,995	5,149
2027	73,993	71,319	2,674
	\$ 214,212	\$ 198,929	\$ 15,283

*Lease of Office Space*

The Authority has a lease agreement for office space for a total of seven years, beginning on July 1, 2020 with Bank Plaza LLC. For accounting purposes, the right to use leased asset and lease liability are reported at the present value of the future minimum lease payments using 3.75% interest rate. This rate was estimated based on the RAN issued in August of 2022.

The lease sets forth fixed monthly payments of \$5,266 throughout the life of the lease. The present value of the total payments under the lease were used to calculate the value of the leased asset and lease liability. The lease does not convey ownership at the end of the lease, provide a purchase option or guaranteed residual value.

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Notes to Financial Statements (Continued)

June 30, 2024

8. ***GASB 87 – LEASES (CONTINUED)***

As of June 30, 2024, the principal and interest requirements to maturity for the *office lease* are as follows:

<u>Year</u> <u>Ended</u> <u>June 30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 63,194	\$ 56,586	\$ 6,608
2026	63,194	58,354	4,840
2027	63,194	60,908	2,284
	<u>\$ 189,581</u>	<u>\$ 175,848</u>	<u>\$ 13,732</u>

The table below is the summary of the lease assets and the related accumulated amortization for the present value of the leases as presented in the business-type activities:

<u>Note Type</u>	<u>Interest Rates</u>	<u>Issuance Dates</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Acquisitions</u>	<u>Premium</u>	<u>Dispositions</u>	<u>Amortized Premium</u>	<u>Ending Balance</u>	<u>Interest Paid</u>
Lease	3.75%	8/1/22	8/1/27	\$ 247,114	\$ -	\$ -	\$ (48,185)	\$ -	\$ 198,929	\$ 18,881
Lease	3.75%	7/1/20	6/30/27	222,404	-	-	(46,556)	-	175,848	16,638
				<u>\$ 469,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,741)</u>	<u>\$ -</u>	<u>\$ 374,777</u>	<u>\$ 35,519</u>

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9. **NOTES PAYABLE AND LINES OF CREDIT**

The Authority is subsidized by the Commonwealth for its annual “Net Cost of Service” as defined in the legislation. These subsidies are funded subsequent to the year in which the costs are incurred. Therefore, the Authority issues revenue anticipation notes to cover cash from deficiencies until funding is received.

Under Chapter 161B of the Massachusetts General Laws, the Commonwealth is required to pay principal or interest that is due on any of the Authority’s bond or note issues if the Authority does not have the funds available.

At June 30, 2024, the Authority had a revenue anticipation note of \$6,000,000 outstanding with interest rate of 4.50% due to mature on August 16, 2024. Of the balance on the note, an unamortized premium of \$5,990 remains. The original premium on the note when issued was \$35,940.

The revenue anticipation notes acquired during 2024 were for the purposes of funding operating expenses. Interest expense for 2024 on revenue anticipation notes was \$182,345.

<u>Note Type</u>	<u>Interest Rates</u>	<u>Issuance Dates</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Acquisitions</u>	<u>Premium</u>	<u>Dispositions</u>	<u>Amortized Premium</u>	<u>Ending Balance</u>	<u>Interest Paid</u>
RAN	3.75%	8/19/22	8/18/23	\$ 6,009,460	\$ -	\$ -	\$ (6,000,000)	\$ (9,460)	\$ -	\$ 18,477
RAN	4.50%	8/18/23	8/16/24	-	6,000,000	35,940	-	(29,950)	6,005,990	163,868
				<u>\$ 6,009,460</u>	<u>\$ 6,000,000</u>	<u>\$ 35,940</u>	<u>\$ (6,000,000)</u>	<u>\$ (39,410)</u>	<u>\$ 6,005,990</u>	<u>\$ 182,345</u>

In fiscal year 2020, the Authority opened a revolving line of credit in the amount of \$1,500,000, with an interest rate equal to that of the Prime Rate as published by the Wall Street Journal minus 0.50%, with no floor rate, to cover short-term cash needs while State contracts were in process of being executed. In the current year, this line of credit remained the same at \$1,500,000. The terms of the interest rate were the same, with the exception of the fact that a floor rate was established at 2.75% upon renewal in July of 2024. The assets of the Authority act as collateral on the line of credit in the event of a default. At June 30, 2024, the Authority had an outstanding balance on the line of credit of \$0.

10. **FEDERAL CONTRACT ASSISTANCE**

The Authority is eligible for grants of operating assistance from the Federal Department of Transportation. Pursuant to Section 5307 of the Federal Transit Administration T21, as amended, the federal government will fund up to 50% of the Authority’s Net Cost of Service, as defined. Federal operating assistance amounted to \$8,225,665 for the year ended June 30, 2024.

The United States Department of Transportation approves capital grants to fund up to 80% of the Authority’s capital improvement projects. Capital grants of the Authority are reported as revenue rather than contributed capital as required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In addition, the Federal government may fund up to 80% of the Authority’s preventive maintenance and ADA services costs.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Notes to Financial Statements (Continued)

June 30, 2024

11. **STATE CONTRACT ASSISTANCE**

The Authority has a contract with the Commonwealth of Massachusetts for operating assistance (MGL Chapter 161B Section 23) providing the Authority with up to 50% of the Authority's net cost of service be paid by the Commonwealth and shall not be assessed upon the cities and towns constituting the Authority. Funding is determined in the Commonwealth's budget and is divided between RTAs based on a formula considering such factors as size and operating environment, as well as ridership and previous state funding levels. Total State Contract Assistance (SCA) for fiscal year 2024 totaled \$11,715,766, an increase of \$4,773,176 over the previous year. In fiscal year 2023, SRTA received SCA of \$6,942,590.

12. **NET POSITION - RESTRICTED FOR OTHER PURPOSES**

In accordance with Massachusetts General Laws Chapter 161 Section 6(q), the Authority has established a reserve for extraordinary expenses. Prior approval from state officials is required before any expenditures can be made from this reserve. At June 30, 2024, that reserve amounted to \$740,929. The Authority added \$18,071 to this reserve in the current fiscal year from its net position. This reserve is at its maximum allowable balance under the law at fiscal year end June 30, 2024.

13. **SRTA EMPLOYEE PENSION PLAN (CITY OF NEW BEDFORD CONTRIBUTORY RETIREMENT)**

**General Information about the Pension Plan**

*Plan description.* The System is a contributory defined benefit plan, as established by MGL Chapter 32, covering all City of New Bedford Retirement System member unit employees deemed eligible by the retirement board, with the exception of the school department employees who serve in a teaching capacity.

The System qualifies as a *cost-sharing multiple employer plan* since pension obligations exist for employees of more than one employer and plan assets can be used to pay the benefits of the employees of any employer. Five employers currently participate in the System, the City of New Bedford, the New Bedford Housing Authority, the Greater New Bedford Regional Technical Vocational High School, the Greater New Bedford Regional Refuse Management District, and the Southeastern Regional Transit Authority. Each employer contributes into the plan annually as determined by the Public Employee Retirement Administration Commission ("PERAC"). Please see the section below entitled "Contributions" for more information.

The PERAC issues a publicly available report on the City of New Bedford Retirement System pursuant to MGL Chapter 32 Section 21 that can be obtained at [www.mass.gov/perac](http://www.mass.gov/perac). This report contains additional information with respect to the System.

*Benefits provided.* The System provides retirement, disability, and death benefits. Retirement benefits vest after ten years of creditable service and are determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year average salary (for employees hired prior to April 2, 2012) or 80% of the member's highest five year average (for employees hired on or after April 2, 2012). The benefit rate also varies with the member's retirement age and group classification (see below). Members may elect to receive their retirement allowances in one of three forms of payment (Options A, B and C) per MGL Chapter 32.

*Benefits provided (continued).* Members of the System are eligible for two types of disability benefits (ordinary and accidental disability) for which allowances are determined based on the date the member entered the System along with the "group" the member belongs to. Death benefits are also available for members who die as a result of a work-related injury if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

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**13. SRTA EMPLOYEE PENSION PLAN (CITY OF NEW BEDFORD CONTRIBUTORY RETIREMENT)**  
*(Continued)*

Allowances for death benefits consist of immediate payments to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary. Other allowances are also available to those surviving spouses of the police or fire departments.

Chapter 17 of the Acts of 1997 was adopted by the New Bedford Contributory Retirement System. The result of such adoption allows the Retirement Board to vote to pay a cost of living increase (COLA) for that year, with the percentage determined by the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%.

*Contributions.* Member contributions vary depending on the most recent date of membership. Members who entered the system prior to 1975 contribute 5% of regular compensation. Members who entered between 1975 and 1983 contribute 7% of regular compensation. Members who entered between 1984 and June 30, 1996 contribute 8% of regular compensation. Members who entered after July 1, 1996 will contribute 9% of regular compensation. Also, members who joined after 1978 are required to make extra contributions equal to 2% of all compensation exceeding \$30,000 annually.

Under Chapter 32 Section 22F of the Massachusetts Laws, employers are required to make the necessary contributions to the trust such that the plan reaches a full funding status by 2040. Thereafter, annual contributions equal to the normal cost will keep the Plan's assets and liabilities in balance. Contributions to the pension plan from participating employers was \$43,500,840 for the fiscal year ended June 30, 2024 as determined by PERAC. Of the total contributed, \$242,765 represents contributions from the Southeastern Regional Transit Authority ("the Authority"). PERAC establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of the benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability.

***Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The System's net pension liability was measured as of December 31, 2023 (i.e. the "measurement date" as defined by GASB Statement No. 68), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to the measurement date.

At June 30, 2024 (i.e. the "reporting date" as defined by GASB Statement No. 68), the System reported a net pension liability of \$416,471,815 while the Authority reported a liability of \$2,324,204 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of the participating employers, actuarially determined.



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Notes to Financial Statements (Continued)

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**13. SRTA EMPLOYEE PENSION PLAN (CITY OF NEW BEDFORD CONTRIBUTORY RETIREMENT)  
(Continued)**

The following chart illustrates each employers' proportionate share used at the measurement date:

<b>Employer</b>	<b>Fiscal Year 2024 Actual Employer Contributions</b>	<b>Employer Allocation Percentage</b>
City of New Bedford	\$ 38,055,975	87.4833%
New Bedford Housing Authority	2,839,480	6.5274%
Greater NB Regional Voc. Tech HS	1,976,798	4.5443%
Greater NB Regional Refuse Mgmt. District	385,822	0.8869%
Southeastern Regional Transit Authority	242,765	0.5581%
	\$ 43,500,840	100.0000%

At December 31, 2023, the Authority's proportion was 0.5581 percent, which was 0.0186 more than its proportion measured as of December 31, 2022, when it was 0.5395 percent. Under GASB Statement No. 68, that change in proportion is noted in deferred outflows / inflows (below).

For the year ended June 30, 2024, the Authority recognized pension expense of \$270,645. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 89,935	\$ 16,138
Changes of assumptions	121,188	-
Net difference between projected and actual earnings on pension plan investments	92,754	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	179,811	113,206
	\$ 483,688	\$ 129,344

<b>Measurement period ending December 31</b>	
2024	\$ 105,993
2025	119,712
2026	118,496
2027	(6,887)
2028	17,030
<b>Total</b>	\$ 354,344

\$0 was reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date of December 31, 2023. There were no employer contributions after December of 2023. Had employer contributions been made subsequent to the December 31, 2023 measurement date, it would have been recognized as a deferred outflow of resources in the year ended June 30, 2024 (per GASB Statement No. 71).

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Notes to Financial Statements (Continued)

June 30, 2024

**13. SRTA EMPLOYEE PENSION PLAN (CITY OF NEW BEDFORD CONTRIBUTORY RETIREMENT)**  
*(Continued)*

*Actuarial assumptions.* The total pension liability in the January 1, 2024 actuarial valuation (updated for the June 30, 2023 measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement (not a list of all assumptions):

Inflation	2.5% per year
Salary increases	Group 1: 6% - 4.25%, based on service Group 4: 7% - 4.75%, based on service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2020. For disabled members, the mortality rates were based on the RP-2014 Blue Collar Mortality Table, set forward one year, with full generational mortality improvement using Scale MP-2020. For further details on the assumptions used, please refer to the January 1, 2024 actuarial valuation.

The actuarial assumptions used in the January 1, 2024 valuation were prepared using generally accepted actuarial principles and practices and meet the parameters set by GASB Statement No. 68. The assumptions used represent the best estimate of anticipated experience of the system.

The long-term expected rate of return on pension 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 pension 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 (2.5% per year, as indicated above). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	28.00%	5.00%
International Equities	9.00%	5.00%
Emerging Markets Equities	9.00%	5.50%
Fixed Income	20.00%	1.70%
Real Estate	10.00%	2.60%
Alternatives (GTAA)	5.00%	2.80%
Private Equity	9.00%	7.00%
Timber	4.00%	2.80%
Infrastructure	4.00%	5.20%
Cash	2.00%	1.00%
Total	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.00 percent (as selected by the Retirement Board; this discount rate approximates the long-term expectation of investment returns). The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made in accordance with Sections 22D and 22F of Chapter 32 of the Massachusetts General Laws. Under Chapter 32 of the Massachusetts Laws, employers are required to make the necessary contributions to the trust such that the plan reaches a fully funded status by 2040. In addition, Chapter 32 also gives the Retirement Board the right to go directly to the Assessors of the community and add an additional property tax to bills for amounts not paid by employer. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

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**13. SRTA EMPLOYEE PENSION PLAN (CITY OF NEW BEDFORD CONTRIBUTORY RETIREMENT)**  
*(Continued)*

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
Authority's proportionate share of the net pension liability	\$ 2,873,416	\$ 2,324,204	\$ 1,860,074

*Pension plan fiduciary net position.* Detailed information about the System's fiduciary net position is available in the City of New Bedford financial statements.

**Payables to the pension plan**

At June 30, 2024, the Authority reported a payable of \$6,578 to the System for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**14. DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED)**

**a.) HOURLY PLAN**

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

*Plan description.* The Hourly Plan's defined benefit pension plan provides pensions for all employees covered by the collective bargaining agreement between the Union and the Operating Company. The Hourly Plan is a *single-employer defined benefit pension plan* administered by the Southeast Regional Transit Authority and South Coast Transit Management. The Authority has agreed under terms of the operating agreement, to provide retirement benefits to the employees of the Operator and to continue playing benefits to those retired employees who were eligible to collect benefits. The Hourly Plan's provisions were last approved on July 1, 2019. There were no nonemployer contributing entities or special funding situations, as defined by GASB 68, for this plan.

*Benefits provided.* The Hourly Plan provides retirement, termination, disability, and death benefits. Retirement benefits for general employees are calculated as 1.5 percent of the employee's average compensation times the employee's years of service. Employees with 5 years of continuous service are eligible to retire at age 62. Termination benefits are 100% vested after 5 years of vesting service and are the same as normal retirement benefits with income deferred until Normal Retirement Date. Termination benefits equal the accrued benefit on the date of termination multiplied by the vesting percentage. All employees are eligible for disability benefits after 10 years of service with monthly income payable until normal retirement, death, or recovery and a deferred annuity payable at the Normal Retirement Date. Death benefits equal a monthly annuity payable to spouse, deferred to participant's earliest retirement date if later than the date of death. The amount paid for death benefits equal the amount that would have been paid had the participant terminated employment on the date of death and survived to his/her earliest retirement age, retired with a qualified joint and 50% survivor annuity in effect, then died the next day.

There have been no changes in plan provisions during the measurement period (July 1, 2022 to June 30, 2023) or between the measurement date and the fiscal year end (June 30, 2024).

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June 30, 2024

14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

*Employees covered by benefit terms.* At June 30, 2023 (the measurement date), the following employees were covered by the benefit terms:

Active plan members	138
Inactive plan members entitled to but not yet receiving benefits	24
Disabled plan members entitled to benefits	1
Retired plan members or beneficiaries currently receiving benefits	118
Subtotal	281

*Contributions.* The basis for determining contributions is an actuarially determined contribution rate that is calculated each year in the plan's actuarial valuation report. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with additional amounts to finance any unfunded accrued liability and plan administrative expenses. The actuarially determined contribution for the measurement period ending June 30, 2023 is \$1,385,332 for employer contributions. The actuarially determined contribution for the upcoming measurement period ending June 30, 2024 is \$1,412,695. Currently, there is no written funding policy. It is assumed that the past contribution pattern will continue.

***Net Pension Liability***

The Hourly Plan's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement (not a complete list of all assumptions used):

Inflation	2.40% increase per year
Salary increases	4.00% increase each year until retirement
Investment rate of return	6.50% (long-term)
Discount rate	6.45% (single rate)

Mortality rates were based on the 2023 IRS Prescribed Mortality – Optional Combined Table for Small Plans, male and female, both during and before the benefit payment period.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target allocation of the plan and the Long-Term Capital Market Assumptions (CMA) May 2023 Version. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of the pension obligations, the investment horizon for the CMA 2023 is 20-30 years.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Notes to Financial Statements (Continued)

June 30, 2024

14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

<u>Asset Class</u>	<u>Expected Arithmetic Return</u>	<u>Expected Geometric Return</u>	<u>Target Allocation</u>
US Equity - Large Cap	7.80%	6.35%	39.09%
US Equity - Mid Cap	8.35%	6.35%	3.50%
US Equity - Small Cap	8.70%	6.35%	3.40%
Non-US Equity	8.00%	6.35%	20.61%
US Private Real Estate	6.65%	6.00%	5.43%
High Yield Bond	6.25%	5.80%	4.20%
Cash	2.80%	2.80%	3.32%
TIPS	3.35%	3.20%	2.37%
Core Bond	4.15%	4.05%	17.12%
Intermediate IG Credit	4.35%	4.25%	0.96%
Total			<u>100.00%</u>

*Discount rate.* The discount rate used to determine the total pension liability was 6.45%. The discount rate used for the prior measurement date was 6.10%.

The plan's fiduciary net position and benefit payments were projected to determine if the plan's fiduciary net position was greater than or equal to the expected benefit payments for each period from 2023 to 2118. Benefit payments after 2118 are projected to be \$0.

The long-term rate of return of 6.45% is used to calculate the actuarial present value of projected payments for each future period when the projected fiduciary net position is greater than the projected benefit payments. Otherwise, a municipal bond rate of 3.90% is used. The municipal bond rate from Barclays Municipal GO Long Term (17+ Y) Index, which includes 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher securities, as of the measurement date.

The discount rate of 6.45% is the single rate that incorporates the long-term rate of return and municipal bond rate assumptions as described above.

**Changes in the Net Pension Liability**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
<b>Balances at the beginning of the period</b>	\$ 28,491,092	\$ 21,880,879	\$ 6,610,213
<b>Changes for the year:</b>			
Service cost	900,373	-	900,373
Interest	1,745,308	-	1,745,308
Differences between expected and actual experience	(1,341,972)	-	(1,341,972)
Changes in assumptions	184,256	-	184,256
Contributions - employer	-	932,049	(932,049)
Net investment income	-	2,178,725	(2,178,725)
Benefit payments, including refunds of employee contributions	(1,488,213)	(1,488,213)	-
Administrative expense	-	(104,814)	104,814
<b>Net changes</b>	<u>(248)</u>	<u>1,517,747</u>	<u>(1,517,995)</u>
<b>Balances at the end of the period</b>	<u>\$ 28,490,844</u>	<u>\$ 23,398,626</u>	<u>\$ 5,092,218</u>

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Notes to Financial Statements (Continued)

June 30, 2024

14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the Hourly Plan, calculated using the discount rate of 6.45 percent, as well as what the Hourly Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.45 percent) or 1 percentage point higher (7.45 percent) than the current rate:

	<b>1% Decrease (5.45%)</b>	<b>Current Discount Rate (6.45%)</b>	<b>1% Increase (7.45%)</b>
Hourly Plan Net Pension Liability	\$ 8,177,336	\$ 5,092,218	\$ 2,464,716

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the Hourly Plan recognized pension expense of \$1,484,182. At June 30, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,908	\$ 1,338,259
Changes of assumptions	869,970	281,348
Net difference between projected and actual earnings on pension plan investments	3,369,108	2,314,489
	\$ 4,276,986	\$ 3,934,096

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

<b>Year ended June 30:</b>	
2025	\$ (37,061)
2026	(55,018)
2027	792,000
2028	(357,031)
2029	-
Thereafter	-
Subtotal - all years	\$ 342,890

**Payable to the Pension Plan**

At June 30, 2024, the Hourly Plan did not report any payables for outstanding amounts of contributions to the pension plan required for the year ended June 30, 2024.

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Notes to Financial Statements (Continued)

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14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

**b.) SALARIED PLAN**

**General Information about the Pension Plan**

*Plan description.* The Salaried Employees' Pension Plan is a *single-employer defined benefit pension plan* administered by the Southeast Regional Transit Authority and South Coast Transit Management. The Salaried Plan's provisions were last approved on July 1, 2015. There were no nonemployer contributing entities or special funding situations, as defined by GASB 68, for this plan.

*Benefits provided.* The Hourly Plan provides retirement, termination, disability, and death benefits. Retirement benefits for general employees are calculated as 2.15% of the employee's average compensation times the employee's years of service, with maximum service of 40 years. For participants employed after November 1, 2015, the benefit amount changes to 1.65% of average compensation times service. Employees with 5 years of service are eligible to retire at age 62. Termination benefits are 100% vested after 5 years of vesting service and are the same as normal retirement benefits with income deferred until Normal Retirement Date. Termination benefits equal the accrued benefit on the date of termination multiplied by the vesting percentage. Totally and permanently disabled employees are eligible for disability benefits at attained age 55 after 10 years of service with monthly income payable until normal retirement reduced by 2% for a participant that does not qualify for social security disability for each year that the early retirement date precedes the normal retirement date with a max reduction of 20%. Death benefits equal a monthly annuity payable to spouse, deferred to participant's earliest retirement date if later than the date of death. The amount paid for death benefits equal the amount that would have been paid had the participant terminated employment on the date of death and survived to his/her earliest retirement age, retired with a qualified joint and 50% survivor annuity in effect, then died the next day.

There have been no changes in plan provisions during the measurement period (July 1, 2022 to June 30, 2023) and no changes in plan provisions were made between the measurement date and the fiscal year end (June 30, 2024).

*Employees covered by benefit terms.* At June 30, 2023 (the measurement date), the following employees were covered by the benefit terms:

Active plan members	26
Inactive plan members entitled to but not yet receiving benefits	12
Disabled plan members entitled to benefits	0
Retired plan members or beneficiaries currently receiving benefits	31
Subtotal	69

*Contributions.* The basis for determining contributions is an actuarially determined contribution rate that is calculated each year in the plan's actuarial valuation report. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with additional amounts to finance any unfunded accrued liability and plan administrative expenses. The actuarially determined contribution for the measurement period ending June 30, 2023 is \$542,677 for employer contributions. The actuarially determined contribution for the upcoming measurement period ending June 30, 2024 is \$525,854. Currently, there is no written funding policy. It is assumed that the past contribution pattern will continue.

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June 30, 2024

14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

**Net Pension Liability**

The Salaried Plan's net pension liability was measured as of June 30, 2023 (for the employers' fiscal year ended June 30, 2024), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% increase per year
Salary increases	3.50% increase each year until retirement
Investment rate of return	6.50% (long-term)
Discount rate	6.50% (single rate)

Mortality rates were based on the 2023 IRS Prescribed Mortality – Optional Combined Table for Small Plans, male and female, during the benefit payment period.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target allocation of the plan and the Long-Term Capital Market Assumptions (CMA) May 2023 Version. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of the pension obligations, the investment horizon for the CMA 2023 is 20-30 years.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Expected Arithmetic Return</u>	<u>Expected Geometric Return</u>	<u>Target Allocation</u>
US Equity - Large Cap	7.80%	6.35%	39.33%
US Equity - Mid Cap	8.35%	6.35%	3.47%
US Equity - Small Cap	8.70%	6.35%	3.48%
Non-US Equity	8.00%	6.35%	20.86%
Real Estate (direct property)	6.55%	6.00%	5.48%
High Yield Bond	6.25%	5.80%	4.05%
Cash	2.80%	2.80%	2.94%
TIPS	3.35%	3.20%	2.38%
Core Bond	4.15%	4.05%	17.06%
Intermediate IG Credit	4.35%	4.25%	0.95%
Total			<u>100.00%</u>

*Discount rate.* The discount rate used to determine the total pension liability was 6.50%. The discount rate used for the prior measurement date was 6.50%.

The plan's fiduciary net position and benefit payments were projected to determine if the plan's fiduciary net position was greater than or equal to the expected benefit payments for each period from 2023 to 2109. Benefit payments after 2109 are projected to be \$0.



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Notes to Financial Statements (Continued)

June 30, 2024

14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

The long-term rate of return of 6.50% is used to calculate the actuarial present value of projected payments for each future period when the projected fiduciary net position is greater than the projected benefit payments. Otherwise, a municipal bond rate of 3.90% is used. The municipal bond rate is from Barclays Municipal GO Long Term (17+ Y) Index, which includes 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher securities, as of the measurement date.

The discount rate of 6.50% is the single rate that incorporates the long-term rate of return and municipal bond rate assumptions as described above.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at the beginning of the period</b>	\$ 10,215,990	\$ 7,897,410	\$ 2,318,580
<b>Changes for the year:</b>			
Service cost	225,733	-	225,733
Interest	656,305	-	656,305
Differences between expected and actual experience	149,799	-	149,799
Changes in assumptions	17,227	-	17,227
Contributions - employer	-	308,278	(308,278)
Net investment income	-	822,859	(822,859)
Benefit payments, including refunds of employee contributions	(657,747)	(657,747)	-
Administrative expense	-	(89,026)	89,026
<b>Net changes</b>	<u>391,317</u>	<u>384,364</u>	<u>6,953</u>
<b>Balances at the end of the period</b>	<u>\$ 10,607,307</u>	<u>\$ 8,281,774</u>	<u>\$ 2,325,533</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the Salaried Plan, calculated using the discount rate of 6.50 percent, as well as what the Salaried Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1 percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Salaried Plan Net Pension Liability	\$ 3,474,737	\$ 2,325,533	\$ 1,360,084

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the Salaried Plan recognized pension expense of \$648,668. At June 30, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements (Continued)

June 30, 2024

14. **DEFINED BENEFIT PENSION PLANS (HOURLY AND SALARIED) (Continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 171,028	\$ -
Changes of assumptions	17,441	7,894
Net difference between projected and actual earnings on pension plan investments	1,209,357	903,049
	\$ 1,397,826	\$ 910,943

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

<b>Year ended June 30:</b>	
2025	\$ 146,180
2026	57,680
2027	347,818
2028	(64,795)
2029	-
Thereafter	-
Subtotal - all years	\$ 486,883

***Payable to the Pension Plan***

At June 30, 2024, the Salaried Plan did not report any payables for outstanding amounts of contributions to the pension plan required for the year ended June 30, 2024.

15. **PENSION INFORMATION**

As required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the table below presents the aggregate amount of pension expenses, pension liabilities (assets), and deferred inflows and outflows for the three defined benefit pension plans.

	<b>New Bedford Contributory Retirement Plan</b>	<b>Hourly Plan</b>	<b>Salaried Plan</b>	<b>Total</b>
Pension Expenses	\$ 270,645	\$ 1,484,182	\$ 648,668	\$ 2,403,495
Net Pension Liability (Asset)	2,324,204	5,092,218	2,325,533	9,741,955
Deferred Outflows	483,688	4,276,986	1,397,826	6,158,500
Deferred Inflows	129,344	3,934,096	910,943	4,974,383

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Notes to Financial Statements (Continued)

June 30, 2024

16. **OTHER POST EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan description.* The Authority provides health, life and dental insurance benefits to actives, retirees, their dependents and beneficiaries in accordance with Chapter 32B of Massachusetts General Laws under various contributory plans. Specific benefit provisions and contribution rates are established by collective-bargaining agreements, state laws and the Authority. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume and pay all claims for specific plans. The Plan does not issue a standalone financial report.

GASB Statement No. 75 requires the following disclosures in the financial statements:

*Benefits provided.* The Authority provides retiree medical, dental and life insurances. Employees are eligible for the retiree medical plan at age 55 and the completion of 10 years of service (if hired before April 2, 2012) or with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of credible service. Retirees shall pay 25% of the premiums in retirement.

The eligibility requirements for the dental and life insurance plans are the same as they are for the medical plan. However, employees will pay 0% of the premiums in retirement for the dental plan and 25% of the premiums in retirement for the life insurance plan.

*Employees covered by benefit terms.* At June 30, 2024 (the measurement date), the following employees were covered by the benefit terms:

Active plan members	8
Subtotal	8

*Contributions.* The contribution requirements of plan members and the Authority are established and may be amended through Authority ordinances. For the period ending on the June 30, 2024 measurement date, total Authority premiums plus implicit costs for the retiree medical program are \$870. The Authority has also made a contribution to the OPEB Trust of \$30,194 for a total contribution of \$31,064.

**Net OPEB Liability**

The Authority's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to the measurement date.

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16. **OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Actuarial assumptions.* The total OPEB liability at the measurement date of June 30, 2024 (valuation date of July 1, 2023) was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Valuation Date:</b>	July 1, 2023
<b>Measurement Date:</b>	June 30, 2024
<b>Reporting Date:</b>	June 30, 2024
<b>Actuarial Cost Method:</b>	Individual Entry Age Normal
<b>Single Equivalent Discount Rate:</b>	6.12%, net of OPEB plan investment expense, including inflation (increased from 5.37%)
<b>Compensation Increases:</b>	3.00% per year
<b>Inflation Rate:</b>	2.50% per year
<b>Healthcare Cost Trend Rates (including dental plans):</b>	Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans: Initial Trend of 9.00% for 2024 and an ultimate trend rate of 3.63% in fiscal year 2060.
<b>Mortality Tables:</b>	RP-2014 Blue Collar Employees projected generationally with scale MP-2016
<b>Participation:</b>	80% of future retirees are assumed to participate in the retiree medical plan upon retirement. 100% of future retirees are expected to elect life insurance.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results the experience of the plan and reasonable expectations and, in combination, represent the best estimate of the anticipated experience under the plan.

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16. **OTHER POST EMPLOYMENT BENEFITS (Continued)**

The long-term expected rate of return on OPEB 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 OPEB 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 (assumed at 2.5% per year). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity - Large Cap	36.00%	4.91%
Domestic Equity - Small/Mid Cap	3.75%	5.29%
International Equity - Developed Market	5.25%	5.32%
International Equity - Emerging Market	2.00%	6.13%
Domestic Fixed Income	40.50%	2.30%
International Fixed Income	3.75%	2.02%
Alternatives	5.75%	6.35%
Real Estate	2.00%	6.25%
Cash & Cash Equivalents	1.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>3.87%</b>

*Discount rate.* The single equivalent discount rate used to measure the total OPEB liability was 6.12 percent (up from 5.17 percent at the prior measurement date). The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's Fiduciary Net Position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate would be applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 4.21% as of June 30, 2024. The S&P Municipal Bond 20 - Year High Grade Index is the index rate for 20 – Year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

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Notes to Financial Statements (Continued)

June 30, 2024

16. **OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balances at the beginning of the period (GASB 75)</b>	\$ 350,175	\$ 256,020	\$ 94,155
<b>Changes for the year:</b>			
Service cost	28,564	-	28,564
Interest on Total OPEB Liability, Service Cost, and Benefit Payments	19,559	-	19,559
Differences between expected and actual experience	37,353	-	37,353
Changes in assumptions	(60,826)	-	(60,826)
Contributions - employer	-	31,064	(31,064)
Net investment income	-	26,412	(26,412)
Benefit payments withdrawn from the Trust	-	(870)	870
Benefit payments excluding Implicit Cost	(670)	-	(670)
Implicit Cost amount	(200)	-	(200)
<b>Net changes</b>	<u>23,780</u>	<u>56,606</u>	<u>(32,826)</u>
<b>Balances at the end of the period</b>	<u>\$ 373,955</u>	<u>\$ 312,626</u>	<u>\$ 61,329</u>

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.12 percent) or 1-percentage-point higher (7.12 percent) than the current discount rate:

	1% Decrease (5.12%)	Current Discount Rate (6.12%)	1% Increase (7.12%)
Net OPEB Liability (Asset)	\$ 143,175	\$ 61,329	\$ (2,010)

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability (Asset)	\$ (16,139)	\$ 61,329	\$ 166,521

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in this report on the "Fiduciary Fund" page.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Notes to Financial Statements (Continued)

June 30, 2024

16. ***OTHER POST EMPLOYMENT BENEFITS (Continued)***

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

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$18,586. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 32,017	\$ 69,663
Changes of assumptions	34,725	56,358
Net difference between projected and actual earnings on pension plan investments	-	6,065
	\$ 66,742	\$ 132,086

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

<b>Year ended June 30:</b>	
2025	\$ (15,826)
2026	(11,284)
2027	(11,613)
2028	(16,275)
2029	(4,034)
Thereafter	(6,312)
Subtotal - all years	\$ (65,344)

**Payable to the OPEB Plan**

At June 30, 2024, the Authority reported a payable of \$31,612 for the outstanding amount of contributions to the OPEB Trust required for the year ended June 30, 2024.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Notes to Financial Statements (Continued)

June 30, 2024

17. ***DEFERRED COMPENSATION PLANS***

Certain employees of the Authority are eligible to contribute to a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code (“IRC”). Under this plan, the Authority withholds the amount of compensation mutually agreed upon with each participant up to a prescribed limit outlined in the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights shall be held in one or more annuity contracts, issued by an insurance company qualified to do business in the state where the contract was issued, for the exclusive benefit of participants and beneficiaries under the plan. The Authority disclaims any and all rights with respect to entitlement to proceeds of any plan as set and deems them reserved solely for the benefit of participants under the terms of the plan.

Certain employees of the Authority are eligible to contribute to a deferred compensation plan pursuant to Section 401 of the IRC and ERISA Section 501. At the end of the plan year there were eight (8) participants and the net plan assets totaled \$352,282.

18. ***RISK MANAGEMENT***

In conjunction with its normal operations, the Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of property and injuries to employees. The Authority purchases commercial insurance from independent third parties to cover these risks. There have been no claims that have exceeded insurance coverage.

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, requires that liabilities for self-insured claims be reported when it is probable that a loss has been incurred and the amounts can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The estimated liability for all self-insured losses incurred but not reported is not material at June 30, 2024.

19. ***LEGAL AND OTHER***

The Authority is involved in numerous lawsuits, claims and grievances arising in the normal course of business, including claims for personal injury and personnel practices, property damage, and disputes. In the opinion of the General Counsel to the Authority, payment of claims by the Authority, for amounts not covered by insurance, in the aggregate, are not expected to have a material adverse effect on the Authority’s financial position.

20. ***ECONOMIC DEPENDENCY***

The Authority received a substantial amount of its support from federal and state governments. A significant reduction of this support, if this were to occur, may have an effect on operations.



**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Notes to Financial Statements (Continued)

June 30, 2024

21. **TRANSIT SERVICE – PUBLIC PRIVATE PARTNERSHIP (GASB STATEMENT NO. 94)**

*First Transit, Inc. – Public-Private Partnership*

The Authority entered into a public-private partnership with First Transit, Inc. for the purpose of obtaining transit management services, as the Authority may not directly operate its mass transportation service in accordance with MGL Chapter 161B, Section 25. Under this partnership, First Transit, Inc. serves as an operator through its wholly owned subsidiary South Coast Transit Management, Inc. (SCTM), which provides the performance of the actual fixed route and ADA paratransit operations for the Authority; however, the routes and schedules of the services provided are still defined by the Authority. In return, the Authority agrees to pay First Transit, Inc. a management fee and additionally agrees to reimburse SCTM for all costs and expenses which are reasonable and necessary for the efficient operations of the service. The initial term of the partnership is for five (5) years beginning June of 2022.

For accounting purposes, the partnership liability and associated deferred outflows of resources are reported at the present value of the future partnership installment payments using 3.75% interest rate. This rate was estimated based on the recent RAN issued in August of 2022.

The monthly installment payments were used to calculate the present value of the partnership liability. As of June 30, 2024, the principal and interest requirements to maturity for the partnership are as follows:

<u>Year</u> <u>Ended</u> <u>June 30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 550,331	\$ 473,508	\$ 76,823
2025	565,702	506,636	59,066
2026	581,537	541,470	40,067
2027	546,751	526,989	19,762
	<u>\$ 2,244,321</u>	<u>\$ 2,048,603</u>	<u>\$ 195,718</u>

The initial present value of the monthly installment payments was \$2,490,615. The balance of the liability at June 30, 2024 was \$2,048,603.

22. **SUBSEQUENT EVENTS**

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events which have occurred subsequent to June 30, 2024, and through October 24, 2024, the date on which the financial statements were available to be issued.

Massachusetts Department of Transportation signed the 2024 fiscal year's contract assistance in the amount of \$6,399,729 of which \$4,799,797 was received by the Authority on August 16, 2024.

The Authority issued a Revenue Anticipation Note (RAN) dated August 16, 2024 in the amount of \$6,500,000, with an interest rate of 4.25%. The due date of the RAN is August 15, 2025 and is to be used to fund operating expenses.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Notes to Financial Statements (Continued)

June 30, 2024

23. ***FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS***

The GASB has issued the following statements:

- GASB Statement No. 101, *Compensated Absences*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 102, *Certain Risk Disclosures*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, which is required to be implemented during fiscal year 2026. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

These pronouncements will be implemented by their respective implementation dates.

24. ***810 CMR 53.03(2) DISCLOSURE***

The Administrator (CEO), date of hire November 30, 2011, compensation for fiscal year 2024 was \$146,865. The CEO was paid \$5,654 for two weeks of unused vacation time buyback as per the Authority's personnel policies. The CEO receives a family health insurance plan and contributes 25% of the cost of the premium.

The Deputy Administrator & CFO, date of hire October 5, 2011, compensation for fiscal year 2024 was \$131,130. The Deputy Administrator & CFO was paid \$5,048 for one week of unused vacation time buyback as per the Authority's personnel policies. The Deputy Administrator & CFO receives a family health insurance plan and contributes 25% of the cost of the premium.

Advisory Board members and officers do not receive compensation.

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability –  
New Bedford Contributory Retirement

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Authority's proportion of the net pension liability (asset)	0.5581%	0.5395%	0.5900%	0.5200%	0.5200%
Authority's proportionate share of the net pension liability (asset)	\$ 2,324,204	\$ 2,297,495	\$ 2,007,508	\$ 1,811,336	\$ 1,964,750
Authority's covered employee payroll	\$ 773,461	\$ 622,433	\$ 554,213	\$ 529,562	\$ 499,350
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	300.49%	369.12%	362.23%	342.04%	393.46%
Plan fiduciary net position as a percentage of the total pension liability	52.70%	49.44%	58.30%	54.09%	49.20%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability (asset)	0.4900%	0.4995%	0.4609%	0.4954%	0.4300%
Authority's proportionate share of the net pension liability (asset)	\$ 2,023,934	\$ 1,872,431	\$ 1,619,608	\$ 1,652,859	\$ 1,435,210
Authority's covered employee payroll	\$ 488,915	\$ 412,299	\$ 466,665	\$ 425,766	\$ 394,711
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	413.96%	454.14%	347.06%	388.21%	363.61%
Plan fiduciary net position as a percentage of the total pension liability	43.05%	47.29%	46.29%	44.37%	46.00%

See independent auditor's report

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Required Supplementary Information

Schedule of Employer Contributions –  
New Bedford Contributory Retirement

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Authority's contractually required contribution	\$ 242,765	\$ 220,470	\$ 228,542	\$ 191,107	\$ 181,316
Authority's contributions in relation to the contractually required contribution	<u>242,765</u>	<u>220,470</u>	<u>228,542</u>	<u>191,107</u>	<u>181,316</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 773,461	\$ 622,433	\$ 554,213	\$ 529,562	\$ 499,350
Contributions as a percentage of covered-employee payroll	31.39%	35.42%	41.24%	36.09%	36.31%

**Notes to Schedule**

Valuation Date:

The January 1, 2024 actuarial valuation was used, in accordance with the parameters of GASB Statement No. 68, rolled forward for the December 31, 2023 measurement date.

Methods and assumptions used to determine contribution rates:

Contribution rates are recommended by the System's independent actuary and are approved by PERAC in order to comply with the applicable funding statute (MGL Chapter 32 Section 22F)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's contractually required contribution	\$ 162,112	\$ 160,188	\$ 147,741	\$ 147,741	\$ 121,415
Authority's contributions in relation to the contractually required contribution	<u>162,112</u>	<u>160,188</u>	<u>147,741</u>	<u>147,741</u>	<u>121,415</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 488,915	\$ 412,299	\$ 466,665	\$ 425,766	\$ 394,711
Contributions as a percentage of covered-employee payroll	33.16%	38.85%	31.66%	34.70%	30.76%

See independent auditor's report

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios – Hourly Plan

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>					
Service cost	\$ 900,373	\$ 671,673	\$ 782,619	\$ 701,801	\$ 612,517
Interest	1,745,308	1,667,612	1,632,693	1,584,667	1,573,589
Differences between expected and actual experience	(1,341,972)	(113,538)	(747,492)	318,704	(498,377)
Changes in assumptions	184,256	1,105,426	(1,008,977)	754,615	529,718
Changes in benefit terms	-	826,281	-	-	-
Benefit payments, including refunds of employee contributions	(1,488,213)	(1,390,178)	(1,376,496)	(1,267,214)	(1,211,457)
<b>Net change in total pension liability</b>	(248)	2,767,276	(717,653)	2,092,573	1,005,990
Total pension liability - beginning	28,491,092	25,723,816	26,441,469	24,348,896	23,342,906
<b>Total pension liability - ending (a)</b>	<u>\$ 28,490,844</u>	<u>\$ 28,491,092</u>	<u>\$ 25,723,816</u>	<u>\$ 26,441,469</u>	<u>\$ 24,348,896</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 932,049	\$ 1,289,476	\$ 1,152,359	\$ 1,005,742	\$ 832,409
Other contributions <sup>(1)</sup>	-	-	-	-	-
Net investment income	2,178,725	(3,548,956)	5,537,200	98,037	1,042,955
Benefit payments, including refunds of employee contributions	(1,488,213)	(1,390,178)	(1,376,496)	(1,267,214)	(1,211,457)
Administrative expense	(104,814)	(97,031)	(33,606)	(14,744)	(16,745)
<b>Net change in plan fiduciary net position</b>	1,517,747	(3,746,689)	5,279,457	(178,179)	647,162
Plan fiduciary net position - beginning	21,880,879	25,627,568	20,348,111	20,526,290	19,879,128
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 23,398,626</u>	<u>\$ 21,880,879</u>	<u>\$ 25,627,568</u>	<u>\$ 20,348,111</u>	<u>\$ 20,526,290</u>
<b>Hourly Plan's net pension liability - ending (a) - (b)</b>	<u>\$ 5,092,218</u>	<u>\$ 6,610,213</u>	<u>\$ 96,248</u>	<u>\$ 6,093,358</u>	<u>\$ 3,822,606</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.13%	76.80%	99.63%	76.96%	84.30%
<b>Covered-employee payroll</b>	\$ 7,995,519	\$ 7,756,952	\$ 6,825,779	\$ 7,658,584	\$ 6,961,306
<b>Hourly Plan's net pension liability as a percentage of covered employee payroll</b>	63.69%	85.22%	1.41%	79.56%	54.91%

<sup>(1)</sup> A transfer of assets and liabilities was made for participants who moved from a bargained to a salaried status under the normal operation of the plan.

**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Schedule of Changes in the Net Pension Liability and Related Ratios – Hourly Plan

Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>					
Service cost	\$ 551,377	\$ 666,967	\$ 499,413	\$ 478,461	\$ 428,907
Interest	1,483,051	1,397,531	1,405,327	1,342,457	1,274,483
Differences between expected and actual experience	137,727	(720,682)	(110,703)	(14,150)	147,415
Changes in assumptions	1,091,647	(2,036,526)	2,125,310	129,136	37,856
Changes in benefit terms	-	130,984	-	-	-
Benefit payments, including refunds of employee contributions	(1,179,095)	(1,136,275)	(1,114,642)	(1,040,049)	(852,624)
<b>Net change in total pension liability</b>	2,084,707	(1,698,001)	2,804,705	895,855	1,036,037
Total pension liability - beginning	21,258,199	22,956,200	20,151,495	19,255,640	18,219,603
<b>Total pension liability - ending (a)</b>	<u>\$ 23,342,906</u>	<u>\$ 21,258,199</u>	<u>\$ 22,956,200</u>	<u>\$ 20,151,495</u>	<u>\$ 19,255,640</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 870,050	\$ 658,392	783,617	817,454	940,181
Other contributions <sup>(1)</sup>	-	(2,819)	(159,760)	-	-
Net investment income	1,562,065	2,792,716	(848,314)	45,708	2,679,160
Benefit payments, including refunds of employee contributions	(1,179,095)	(1,136,275)	(1,114,642)	(1,040,049)	(852,624)
Administrative expense	(20,622)	(10,972)	(26,662)	(16,424)	(10,722)
<b>Net change in plan fiduciary net position</b>	1,232,398	2,301,042	(1,365,761)	(193,311)	2,755,995
Plan fiduciary net position - beginning	18,646,730	16,345,688	17,711,449	17,904,760	15,148,765
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 19,879,128</u>	<u>\$ 18,646,730</u>	<u>\$ 16,345,688</u>	<u>\$ 17,711,449</u>	<u>\$ 17,904,760</u>
<b>Hourly Plan's net pension liability - ending (a) - (b)</b>	<u>\$ 3,463,778</u>	<u>\$ 2,611,469</u>	<u>\$ 6,610,512</u>	<u>\$ 2,440,046</u>	<u>\$ 1,350,880</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.16%	87.72%	71.20%	87.89%	92.98%
<b>Covered-employee payroll</b>	\$ 6,449,524	\$ 5,990,897	\$ 5,989,703	\$ 5,654,202	\$ 5,545,429
<b>Hourly Plan's net pension liability as a percentage of covered employee payroll</b>	53.71%	43.59%	110.36%	43.15%	24.36%

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Schedule of Contributions – Hourly Plan and the  
Schedule of Money-Weighted Rate of Return for the Hourly Plan

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,385,332	\$ 999,140	\$ 1,193,188	\$ 1,141,661	\$ 1,042,554
Contributions in relation to the actuarially determined contribution	932,049	1,289,476	1,152,359	1,005,742	832,409
Contribution deficiency (excess)	<u>\$ 453,283</u>	<u>\$ (290,336)</u>	<u>\$ 40,829</u>	<u>\$ 135,919</u>	<u>\$ 210,145</u>
Covered-employee payroll	\$ 7,995,519	\$ 7,756,952	\$ 6,825,779	\$ 7,658,584	\$ 6,961,306
Contributions as a percentage of covered-employee payroll	11.66%	16.62%	16.88%	13.13%	11.96%

**Notes to Schedule**

Valuation Date:

A measurement date of June 30, 2023 has been used for the fiscal year ending June 30, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Cost Method, level percent of pay
Asset Valuation Method	Market value of assets as of the measurement date
Inflation	2.40% long-term
Salary Increases	4.00% increase each year until retirement
Investment Rate of Return	6.50% (weighted average rate)
Retirement Age	Active and inactive participants are assumed to retire at normal retirement age, or current age if later, as defined in the Summary of Plan Provisions.
Mortality	2023 IRS Prescribed Mortality - Optional Combined Table for Small Plans, male and female, before and during benefit payment period

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 821,682	\$ 886,046	\$ 790,070	\$ 783,617	\$ 817,454
Contributions in relation to the actuarially determined contribution	870,050	658,392	783,617	817,454	940,181
Contribution deficiency (excess)	<u>\$ (48,368)</u>	<u>\$ 227,654</u>	<u>\$ 6,453</u>	<u>\$ (33,837)</u>	<u>\$ (122,727)</u>
Covered-employee payroll	\$ 6,449,524	\$ 5,990,897	\$ 5,990,897	\$ 5,989,703	\$ 5,654,202
Contributions as a percentage of covered-employee payroll	13.49%	10.99%	13.08%	13.65%	16.63%

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Required Supplementary Information

Schedule of Contributions – Hourly Plan and the  
Schedule of Money-Weighted Rate of Return for the Hourly Plan

Last 10 Fiscal Years

**Schedule of Money-Weighted Rate of Return – Hourly Plan**

Money-weighted rate of return	<u>2024</u> 10.13%	<u>2023</u> -13.92%	<u>2022</u> 27.43%	<u>2021</u> 0.48%	<u>2020</u> 5.32%
Money-weighted rate of return	<u>2019</u> 8.46%	<u>2018</u> 17.35%	<u>2017</u> -5.78%	<u>2016</u> 0.26%	<u>2015</u> 17.73%

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios – Salaried Plan

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>					
Service cost	\$ 225,733	\$ 225,423	\$ 216,555	\$ 221,576	\$ 193,671
Interest	656,305	634,804	615,334	595,325	580,460
Differences between expected and actual experience	149,799	79,337	67,348	85,247	87,586
Changes in assumptions	17,227	9,297	(26,392)	(26,862)	195,123
Change in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(657,747)</u>	<u>(585,867)</u>	<u>(568,812)</u>	<u>(563,727)</u>	<u>(479,166)</u>
<b>Net change in total pension liability</b>	391,317	362,994	304,033	311,559	577,674
Total pension liability - beginning	<u>10,215,990</u>	<u>9,852,996</u>	<u>9,548,963</u>	<u>9,237,404</u>	<u>8,659,730</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 10,607,307</u>	<u>\$ 10,215,990</u>	<u>\$ 9,852,996</u>	<u>\$ 9,548,963</u>	<u>\$ 9,237,404</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 308,278	\$ 486,416	\$ 381,358	\$ 365,779	\$ 259,992
Other contributions <sup>(1)</sup>	-	-	-	-	-
Net investment income	822,859	(1,277,201)	2,087,803	79,988	395,899
Benefit payments, including refunds of employee contributions	(657,747)	(585,867)	(568,812)	(563,727)	(479,166)
Administrative expense	(89,026)	(66,882)	(42,192)	(31,683)	(35,601)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	384,364	(1,443,534)	1,858,157	(149,643)	141,124
Plan fiduciary net position - beginning	<u>7,897,410</u>	<u>9,340,944</u>	<u>7,482,787</u>	<u>7,632,430</u>	<u>7,491,306</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 8,281,774</u>	<u>\$ 7,897,410</u>	<u>\$ 9,340,944</u>	<u>\$ 7,482,787</u>	<u>\$ 7,632,430</u>
<b>Salaried Plan's net pension liability - ending (a) - (b)</b>	<u>\$ 2,325,533</u>	<u>\$ 2,318,580</u>	<u>\$ 512,052</u>	<u>\$ 2,066,176</u>	<u>\$ 1,604,974</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	78.08%	77.30%	94.80%	78.36%	82.63%
<b>Covered-employee payroll</b>	\$ 2,013,845	\$ 1,991,209	\$ 1,737,323	\$ 1,620,648	\$ 1,447,120
<b>Salaried Plan's net pension liability as a percentage of covered employee payroll</b>	115.48%	116.44%	29.47%	127.49%	110.91%

<sup>(1)</sup> A transfer of assets and liabilities was made for participants who moved from a bargained to a salaried status under the normal operation of the plan.

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
(A Component Unit of the Massachusetts Department of Transportation)

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios – Salaried Plan

Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>					
Service cost	\$ 154,180	\$ 183,518	\$ 144,110	\$ 158,780	\$ 147,089
Interest	544,420	517,265	484,292	479,405	468,215
Differences between expected and actual experience	173,816	(146,902)	156,886	(185,781)	(170,036)
Changes in assumptions	381,871	13,657	13,315	(42,284)	12,347
Change in benefit terms	-	236,148	-	-	-
Benefit payments, including refunds of employee contributions	<u>(450,573)</u>	<u>(329,325)</u>	<u>(365,720)</u>	<u>(320,244)</u>	<u>(292,084)</u>
<b>Net change in total pension liability</b>	803,714	474,361	432,883	89,876	165,531
Total pension liability - beginning	<u>7,856,016</u>	<u>7,381,655</u>	<u>6,948,772</u>	<u>6,858,896</u>	<u>6,693,365</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 8,659,730</u>	<u>\$ 7,856,016</u>	<u>\$ 7,381,655</u>	<u>\$ 6,948,772</u>	<u>\$ 6,858,896</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 343,163	203,002	237,824	259,296	201,848
Other contributions <sup>(1)</sup>	-	-	159,760	-	-
Net investment income	615,300	1,056,344	(209,692)	38,093	836,221
Benefit payments, including refunds of employee contributions	(450,573)	(329,325)	(365,720)	(320,244)	(292,084)
Administrative expense	(39,913)	(30,263)	(43,263)	(30,013)	(22,092)
Other	<u>-</u>	<u>2,819</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	467,977	902,577	(221,091)	(52,868)	723,893
Plan fiduciary net position - beginning	<u>7,023,329</u>	<u>6,120,752</u>	<u>6,341,843</u>	<u>6,394,711</u>	<u>5,670,818</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 7,491,306</u>	<u>\$ 7,023,329</u>	<u>\$ 6,120,752</u>	<u>\$ 6,341,843</u>	<u>\$ 6,394,711</u>
<b>Salaried Plan's net pension liability - ending (a) - (b)</b>	<u>\$ 1,168,424</u>	<u>\$ 832,687</u>	<u>\$ 1,260,903</u>	<u>\$ 606,929</u>	<u>\$ 464,185</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.51%	89.40%	82.92%	91.27%	93.23%
<b>Covered-employee payroll</b>	\$ 1,443,635	\$ 1,284,184	\$ 1,451,933	\$ 1,272,201	\$ 1,301,056
<b>Salaried Plan's net pension liability as a percentage of covered employee payroll</b>	80.94%	64.84%	86.84%	47.71%	35.68%

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Schedule of Contributions – Salaried Plan and the  
Schedule of Money-Weighted Rate of Return for the Salaried Plan

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 542,677	\$ 323,884	\$ 460,490	\$ 418,460	\$ 359,143
Contributions in relation to the actuarially determined contribution	<u>308,278</u>	<u>486,416</u>	<u>381,358</u>	<u>365,779</u>	<u>259,992</u>
Contribution deficiency (excess)	<u>\$ 234,399</u>	<u>\$ (162,532)</u>	<u>\$ 79,132</u>	<u>\$ 52,681</u>	<u>\$ 99,151</u>
Covered-employee payroll	\$ 2,013,845	\$ 1,991,209	\$ 1,737,323	\$ 1,620,648	\$ 1,447,120
Contributions as a percentage of covered-employee payroll	15.31%	24.43%	21.95%	22.57%	17.97%

**Notes to Schedule**

Valuation Date:

A measurement date of June 30, 2023 has been used for the fiscal year ending June 30, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Cost Method, level percent of pay
Asset Valuation Method	Market value of assets as of the measurement date
Inflation	2.40% long-term
Salary Increases	3.5% increase each year until retirement
Investment Rate of Return	6.50% (weighted average rate)
Retirement Age	Active and inactive participants are assumed to retire at normal retirement age, or current age if later.
Mortality	2023 IRS Prescribed Mortality - Optional Combined Table for Small Plans, male and female, during benefit payment period 2023 IRS Prescribed Mortality - Optional Combined Table for Small Plans, male and female, before benefit payment period

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 265,973	\$ 363,075	\$ 243,602	\$ 237,824	\$ 259,296
Contributions in relation to the actuarially determined contribution	<u>343,163</u>	<u>203,002</u>	<u>237,824</u>	<u>259,296</u>	<u>201,848</u>
Contribution deficiency (excess)	<u>\$ (77,190)</u>	<u>\$ 160,073</u>	<u>\$ 5,778</u>	<u>\$ (21,472)</u>	<u>\$ 57,448</u>
Covered-employee payroll	\$ 1,443,635	\$ 1,284,184	\$ 1,451,933	\$ 1,272,201	\$ 1,301,056
Contributions as a percentage of covered-employee payroll	23.77%	15.81%	16.38%	20.38%	15.51%

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Schedule of Contributions – Salaried Plan and the  
Schedule of Money-Weighted Rate of Return for the Salaried Plan

Last 10 Fiscal Years

**Schedule of Money-Weighted Rate of Return – Salaried Plan**

	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>
Money-weighted rate of return	10.72%	-13.79%	28.37%	1.07%	5.39%
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Money-weighted rate of return	8.86%	17.55%	-3.36%	0.60%	14.90%

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Required Supplementary Information

Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years\*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB liability</b>					
Service cost	\$ 28,564	\$ 26,016	\$ 21,043	\$ 16,448	\$ 15,810
Interest on total OPEB liability, service cost and benefit payments	19,559	16,928	18,004	16,066	17,340
Differences between expected and actual experience	37,353	-	(76,491)	-	(24,896)
Changes in assumptions	(60,826)	17,466	7,429	42,003	(14,766)
Benefit payments, including implicit cost	(870)	(65)	(4,027)	(3,867)	(3,730)
<b>Net change in total OPEB liability</b>	<b>23,780</b>	<b>60,345</b>	<b>(34,042)</b>	<b>70,650</b>	<b>(10,242)</b>
Total OPEB liability - beginning	350,175	289,830	323,872	253,222	263,464
<b>Total OPEB liability - ending (a)</b>	<b>\$ 373,955</b>	<b>\$ 350,175</b>	<b>\$ 289,830</b>	<b>\$ 323,872</b>	<b>\$ 253,222</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 31,064	\$ 24,633	\$ 23,884	\$ 22,269	\$ 22,847
Contributions - employee	-	-	-	-	-
Net investment income	26,412	19,239	(17,290)	32,400	4,782
Benefit payments, including refunds of employee contributions	(870)	(65)	(4,027)	(3,867)	(3,730)
<b>Net change in plan fiduciary net position</b>	<b>56,606</b>	<b>43,807</b>	<b>2,567</b>	<b>50,802</b>	<b>23,899</b>
Plan fiduciary net position - beginning	256,020	212,213	209,646	158,844	134,945
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 312,626</b>	<b>\$ 256,020</b>	<b>\$ 212,213</b>	<b>\$ 209,646</b>	<b>\$ 158,844</b>
<b>Authority's net OPEB liability - ending (a) - (b)</b>	<b>\$ 61,329</b>	<b>\$ 94,155</b>	<b>\$ 77,617</b>	<b>\$ 114,226</b>	<b>\$ 94,378</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>83.60%</b>	<b>73.11%</b>	<b>73.22%</b>	<b>64.73%</b>	<b>62.73%</b>
<b>Covered-employee payroll</b>	<b>\$ 821,040</b>	<b>\$ 643,594</b>	<b>\$ 624,849</b>	<b>\$ 479,314</b>	<b>\$ 465,353</b>
<b>Authority's net OPEB liability as a percentage of covered employee payroll</b>	<b>7.47%</b>	<b>14.63%</b>	<b>12.42%</b>	<b>23.83%</b>	<b>20.28%</b>

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>			
Service cost	\$ 19,738	\$ 14,925	\$ 24,539
Interest on total OPEB liability, service cost and benefit payments	15,932	14,791	16,087
Differences between expected and actual experience	-	-	(41,081)
Changes in assumptions	-	-	-
Benefit payments, including implicit cost	<u>(14,537)</u>	<u>(17,951)</u>	<u>(3,609)</u>
<b>Net change in total OPEB liability</b>	21,133	11,765	(4,064)
Total OPEB liability - beginning	<u>242,331</u>	<u>230,566</u>	<u>234,630</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 263,464</u>	<u>\$ 242,331</u>	<u>\$ 230,566</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 34,187	\$ 124,037	\$ 3,609
Contributions - employee	-	-	(3,609)
Net investment income	8,126	1,083	-
Benefit payments, including refunds of employee contributions	<u>(14,537)</u>	<u>(17,951)</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	27,776	107,169	-
Plan fiduciary net position - beginning	<u>107,169</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 134,945</u>	<u>\$ 107,169</u>	<u>\$ -</u>
<b>Authority's net OPEB liability - ending (a) - (b)</b>	<u>\$ 128,519</u>	<u>\$ 135,162</u>	<u>\$ 230,566</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	51.22%	44.22%	0.00%
<b>Covered-employee payroll</b>	\$ 479,918	\$ 465,940	\$ 465,940
<b>Authority's net OPEB liability as a percentage of covered employee payroll</b>	26.78%	29.01%	49.48%

\*\* - Per GASB Statement No. 75, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 75.

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Schedule of the Authority's OPEB Contributions and the  
Schedule of Money-Weighted Rate of Return for the OPEB Trust Fund

Last 10 Fiscal Years\*

**Schedule of the OPEB Authority's Contributions**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 31,612	\$ 30,194	\$ 24,568	\$ 21,567	\$ 22,278
Contributions in relation to the actuarially determined contribution	<u>31,064</u>	<u>24,633</u>	<u>23,884</u>	<u>22,269</u>	<u>22,847</u>
Contribution deficiency (excess)	<u>\$ 548</u>	<u>\$ 5,561</u>	<u>\$ 684</u>	<u>\$ (702)</u>	<u>\$ (569)</u>
Covered-employee payroll	\$ 821,040	\$ 643,594	\$ 624,849	\$ 479,314	\$ 465,353
Contributions as a percentage of covered-employee payroll	3.78%	3.83%	3.82%	4.65%	4.91%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Actuarially determined contribution	\$ 28,762	\$ 34,843	\$ 47,233		
Contributions in relation to the actuarially determined contribution	<u>34,187</u>	<u>124,037</u>	<u>3,609</u>		
Contribution deficiency (excess)	<u>\$ (5,425)</u>	<u>\$ (89,194)</u>	<u>\$ 43,624</u>		
Covered-employee payroll	\$ 479,918	\$ 465,940	\$ 465,940		
Contributions as a percentage of covered-employee payroll	7.12%	26.62%	0.77%		

\*\* - Per GASB Statement No. 75, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 75.

**Schedule of Money-Weighted Rate of Return – OPEB Trust**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Money-weighted rate of return	10.32%	8.58%	-8.25%	20.40%	3.39%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Money-weighted rate of return	7.58%	1.54%	N/A		

\*\* - Per GASB Statement No. 75, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 75.

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Supplementary Information

Statement of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2024

	<b>Budget As Adopted</b>	<b>Appropriations and Transfers</b>	<b>Total Available</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Revenues:					
Cash Fares:					
Farebox revenue - fixed route	\$ 1,581,000	\$ (671,770)	\$ 909,230	\$ 916,010	\$ 6,780
Farebox revenue - paratransit	190,000	(73,043)	116,957	116,957	-
Auxiliary revenue	287,500	2,500	290,000	298,347	8,347
<b>Total revenues</b>	<b>2,058,500</b>	<b>(742,313)</b>	<b>1,316,187</b>	<b>1,331,314</b>	<b>15,127</b>
Expenses:					
Operating/Cost of Service:					
Fixed Route	15,711,366	449,015	16,160,381	16,100,718	59,663
Paratransit	4,488,598	134,121	4,622,719	4,534,832	87,887
Intermodal Centers	325,041	-	325,041	172,601	152,440
Fuel	1,650,000	(35,000)	1,615,000	1,418,028	196,972
Insurance	1,271,492	63,508	1,335,000	1,326,737	8,263
Management fees	550,331	(25,331)	525,000	524,872	128
SRTA administration	2,503,732	47,178	2,550,910	2,453,605	97,305
<b>Total expenses</b>	<b>26,500,560</b>	<b>633,491</b>	<b>27,134,051</b>	<b>26,531,393</b>	<b>602,658</b>
Other financing sources (uses):					
Transfer to Reserve Fund	-	-	-	(18,071)	(18,071)
Net Cost of Service:					
Federal Grants	13,116,543	(4,289,083)	8,827,460	8,225,665	(601,795)
State Contract Assistance	7,433,267	4,282,499	11,715,766	11,715,766	-
Other State Assistance	95,000	1,382,388	1,477,388	1,479,469	2,081
Local Assessments	3,797,250	-	3,797,250	3,797,250	-
<b>Total other financing sources (uses):</b>	<b>24,442,060</b>	<b>1,375,804</b>	<b>25,817,864</b>	<b>25,200,079</b>	<b>(617,785)</b>
Excess (deficiency) of revenues and other financing sources over expenses and other financing uses					
	\$ -	\$ -	\$ -	-	\$ -
Budgetary retained earnings at the beginning of year				\$ -	
Budgetary retained earnings at the end of year				\$ -	

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Notes to the Statement of Revenues and Expenses - Budgetary Basis

For the Year Ended June 30, 2024

The accompanying Statement of Revenues and Expenses - Budget and Actual presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on the budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis do not differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the excess (deficiency) of revenues over expenses for the year ended June 30, 2024 are as follows:

Increase (decrease) in net position - GAAP basis	\$ 1,683,987
Capital grants and contributions	(5,920,998)
Depreciation	3,347,157
Pension expense (GAAP only)	920,404
OPEB expense (GAAP only)	(12,478)
Transfer to extraordinary repairs reserve	(18,071)
Rounding and other adjustments	(1)
Increase (decrease) in net position - Budget basis	<u><u>\$ -</u></u>

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Statement of Revenue and Cost of Service

For the Year Ended June 30, 2024

Transportation revenue	<u>\$ 1,032,967</u>
Operating expenses:	
Fixed route	16,100,718
Paratransit	4,534,832
Intermodal centers	172,601
Amortization of grants	3,347,157
Fuel	1,418,028
Insurance	1,326,737
SRTA administration	2,453,605
Management fees	<u>524,872</u>
Total operating expenses	<u>29,878,550</u>
Net operating loss	(28,845,583)
Other income (expenses):	
Transfer to extraordinary reserve	(18,071)
Interest income	119,045
Auxiliary income	<u>179,302</u>
Cost of service in excess of revenue	<u><u>\$ (28,565,307)</u></u>

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**SOUTHEASTERN REGIONAL TRANSIT AUTHORITY**  
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Statement of Unreimbursed Cost of Service

For the Year Ended June 30, 2024

Balance at beginning of year	\$ <u>          -</u>
Cost of service in excess of revenue	<u>(28,565,307)</u>
Add:	
Net cost of service reimbursable by the Commonwealth of Massachusetts, a portion of which is to be assessed to the cities and towns served by the Authority:	
Commonwealth of Massachusetts - State Contract Assistance	11,715,766
Local assessments	3,797,250
Federal operating assistance pursuant to Section 9 of the Urban Mass Transportation Act of 1964	8,225,665
Other state assistance	<u>1,479,469</u>
Total operating net cost of service reimbursements	25,218,150
Amortization of grants	<u>3,347,157</u>
Total subsidy	<u>28,565,307</u>
Balance at end of year	<u><u>          -</u></u>

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