



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2023 and 2022

SALEM, OR

SALEM AREA MASS TRANSIT DISTRICT

Annual Comprehensive Financial Report

For the years ended

June 30, 2023 and 2022

Marion County, Oregon

Prepared by

**Denise LaRue, Chief Financial Officer
Dorrene Edwards, Controller**

Salem Area Mass Transit District
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Introductory Section



February 29, 2024

Board of Directors of Salem Area Mass Transit District
Citizens of Marion and Polk Counties

It is our pleasure to submit to you the Annual Comprehensive Financial Report of the Salem Area Mass Transit District for the fiscal year that ended June 30, 2023. Oregon Statutes require that the District publish, within six months of the close of each fiscal year (FY), a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States, and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the District. Consequently, responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard the District's assets against loss, theft, or misappropriation, and to ensure the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure has been designed to provide reasonable, but not absolute, assurance that these objectives are being met. The concept of reasonable assurance recognizes that (1) the cost of the control structure should not exceed the benefits likely to be derived; and (2) the evaluation of cost and benefits requires estimates and judgments by management. We believe that the District's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. To the best of our knowledge and belief, the enclosed data is presented accurately, in all material respects, along with disclosures necessary to provide the reader with a reasonable understanding of the District's finances.

This report was prepared in accordance with the Governmental Accounting Standards Board (GASB) and includes:

- A narrative introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found following the independent auditor's report on the

basic financial statements, beginning on Page 5 of this report.

- Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows and related notes for the District as a whole on the full accrual basis.
- Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget to Actual is presented as supplementary information.

Grove, Mueller & Swank, a firm of licensed certified public accountants, audited the District's financial statements. The goal of this independent audit was to provide reasonable assurance that the financial statements of the District for the FY that ended June 30, 2023, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the FY that ended June 30, 2023, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented in the Financial Section of this report beginning on Page 2.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget's (OMB) Super Circular 2 Code of Federal Regulations (CFR) Part 200, the Uniform Guidance. These standards require the independent government's internal controls to be established and maintained effectively and the District to be in compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. The results of the independent audit for the FY that ended June 30, 2023, indicated no significant violations of applicable laws and regulations. The independent auditor's reports, related specifically to the Single Audit and OMB Super Circular 2 CFR Part 200, the Uniform Guidance, are contained in a separate report.

District Overview

Cherriots, officially known as the Salem Area Mass Transit District (SAMTD), provides public transportation services to the Salem and Keizer communities, as well as many communities throughout Oregon's Mid-Willamette Valley. SAMTD was established in 1979, under the provisions of Oregon Revised Statutes Chapter 267 that allowed for the

formation of transit districts as special taxing entities. Prior to that time, the Cherriots fixed route bus system had been part of the city of Salem.

The District has a memorandum of understanding with Marion and Polk counties to provide transit services within these two counties. SAMTD provides fixed route, paratransit, shop and ride, and regional services. District buses provide service over a 76-square mile area in Salem-Keizer and the Mid-Willamette Valley. The population of the Cherriots service area is about 441,863.

The District's mission is Creating Community Connections. We do this through a variety of services throughout the region.

In addition to local fixed-route, the District operates Cherriots Regional and Cherriots LIFT. Cherriots Regional routes provide express bus service to help riders travel between cities in Marion and Polk counties. Moreover, Cherriots provides an express commuter route to Wilsonville and now also has a new express commuter route to connect Keizer, Woodburn, and Wilsonville.

In FY 2023, annual Cherriots ridership among all services was nearly 3 million, averaging more than 9,965 riders per weekday, 5,118 on Saturday, and 2,769 on Sunday. The District maintains 64 active buses for fixed route service, Cherriots Local; 37 buses for the paratransit service, Cherriots LIFT; and 13 buses for the Cherriots Regional service. Cherriots LIFT is a paratransit service provided to seniors and people with disabilities that operates throughout the Salem-Keizer urban growth boundary. Riders must be certified eligible to use the Cherriots LIFT service in advance of scheduling a trip.

Lastly, Cherriots Shop and Ride is a dial-a-ride service for seniors and people with disabilities. It operates throughout the Salem-Keizer urban growth boundary. There is no formal eligibility process to use the service.

The District's Board of Directors sets policy, appropriates funds, adopts budgets and reviews contracts. The current board members have all been governor-appointed. Before July 1, 2019, board members were citizen-elected. With its range of different social and ethnic backgrounds, the current Board of Directors is more diverse than any prior configuration.

The District is authorized to levy taxes and charge fares to pay for operations. Forty percent of general fund revenue comes from local property taxes. Sixteen percent of the general fund are funds received from the state.

For financial planning and control, the District prepares and adopts an annual budget in accordance with Oregon Revised Statutes Chapters 294.305 through 294.565. The legally adopted budget is at the fund/division level for current expenditures, with separate appropriations established for the division levels of General Manager, Deputy General Manager, Finance, Technology and Program Management, Human Resources, Operations, Communication, Unallocated – General Administration, and internal transfers for each fund. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons for each individual fund for which an appropriated annual budget has been adopted are provided as other supplementary information in this report.

Local Economy

The District is located within the Salem Metropolitan Statistical Area (MSA). The Salem MSA, as defined by the U.S. Census Bureau, is an area consisting of two counties in western Oregon, Marion and Polk. The principal city is Salem, which has a population of 182,726 according to the 2023 U.S. Census estimate. In 2023, there were an estimated 439,209 living in the Salem MSA compared with a population of 433,353 in the 2020 census. Marion and Polk counties are located south of the Portland metropolitan area in the center of the Willamette Valley. The District's boundaries are contiguous with the urban growth boundaries and include the city of Salem and the city of Keizer. The District also provides regional services to Marion and Polk counties and commuter services to Wilsonville in Clackamas County.

Salem is the capital of Oregon and the county seat for Marion County. Population estimates from Portland State University's Population Research Center rank Salem as the second largest city. The Salem MSA had the second largest population in the state at July 1, 2022. The major industries in the Salem MSA are agribusiness, health care, technology, government, and education.

The average unemployment rate in the Salem MSA in 2023 was 3.6 percent.

The county(s) do provide a property tax abatement in which Salem Area Mass Transit District participates to stimulate economic growth in the District. In FY 2023, the abatement resulted in a .008% reduction in property tax revenues as compared to a .007% reduction in property tax revenues in FY 2022. This reduction in revenue does not cause budgetary concerns for the District.

Fixed Route Transportation

Approximately 7.1 million passenger miles were traveled annually, with total ridership of 2,762,649 for FY 2023. This total ridership represents an increase of 36 percent from FY 2022. For FY 2023, the operating costs per revenue mile for the fixed route service amounted to \$15.68 compared to a cost of \$14.27 for FY 2022 (a 10 percent increase), while the average cost per ride decreased from \$15.87 in FY 2022 to \$13.53 for FY 2023 (a 14.7 percent decrease). The decrease in the cost per ride is driven by the recovery of the pandemic – increased operating costs, similar operating revenue miles, and increased ridership.

Alternative Transportation

Ridership in the demand response programs increased during FY 2023. The total rides provided in FY 2023 were 84,798 compared to 71,900 rides provided in FY 2022. The average cost of providing demand response rides in FY 2023 was \$53.10 compared with \$62.49 for FY 2022. This decrease in cost per ride is the result of equivalent expenses to operate the programs and increased ridership for FY2023 versus FY2022.

A small portion of the cost of providing these alternative transportation services is typically covered with fare revenue. There was \$198,854 collected in fares for FY23, as compared to \$190,516 collected for fares in FY 2022.

Major Initiatives

The adoption of the Strategic Plan and DEI Plan marked the beginning of a transformational change for the District. These plans signaled the beginning of transitioning away from pandemic operations to a forward-looking mindset. The strategic plan outlines a road map for specific initiatives and programs the Cherriots team is undertaking. It also established four focus areas we call success outcomes: Community Value, Customer Satisfaction, Culture of Ownership, and Financial Sustainability. This past year, our focus was establishing baseline data for employee engagement, customer satisfaction and community value. The baseline results validated Cherriots as a well-respected organization that delivers valued mobility options that inspire community pride.

The District also began the transition of modernizing for the future. Major projects include the zero emission buses, an electronic fare payment system, intelligent transportation system, transit signal prioritization, the South Salem Transit Center, and enterprise resource planning (ERP).

One measure of value to a community is transit ridership. Cherriots continues to show ridership gains, as we move away from the pandemic years. We returned to 100% service levels in May 2023.

Additionally, the Salem-Keizer community sponsored a free bus pass program for youth aged 0 to 18 that resulted in an 89 percent increase in youth ridership. This initiative, born from a grassroots movement, aimed to provide free, reliable transportation to all young residents, fostering greater independence and accessibility to education, work, and community activities.

Initially funded by Salem-Keizer Public Schools and the cities of Salem and Keizer, the program quickly gained traction. Perhaps the most telling sign of success was in the feedback from the youth themselves. Stories emerged of teenagers who, for the first time, could independently visit friends, go to after-school activities, get to part-time jobs, or explore their city. Parents expressed gratitude for the financial relief and the life skills their children were acquiring. The impact of this program has been profound and multifaceted. The marked increase in bus ridership among the youth has led to a more vibrant and diverse group of riders. Environmental benefits include reduced car emissions and a smaller carbon footprint. The social impact is equally significant, with the program fostering a sense of independence among young people and promoting equal access to transportation regardless of economic background. By making buses accessible and appealing to children and teenagers, Oregon also is nurturing environmentally conscious young citizens and developing the next generation of public transit users.

Future

Customer Experience

The primary focus is the improvement of the customer experience through the modernization of equipment and services. These projects include:

- Introduction of 10 zero-emission buses and the debut of the Electric Corridor (Route 11 Lancaster Drive)
- Ongoing implementation of elements of the electronic fare payment system
- Continuation of the South Salem Transit Center
- Intelligent Transportation System
- Transit Signal Prioritization
- Introduction of the new HR/Finance software to improve efficiency, financial reporting, and reduce redundant activity.

Security Enhancements

The District also is enhancing our commitment to safety and security this year for our employees and customers.

We have all experienced an increase in unsheltered individuals and people experiencing mental health crises throughout our community and country. These societal issues have encroached into the transit space and have taken an emotional toll on our frontline employees and customers. Recent survey results have shown community, customer, and employee concern for safety at transit facilities. This has an impact on ridership that must be addressed.

The board approved a new security contract that commits \$11 million over the next seven years for expanded security services. This contract provides for ongoing security services at the downtown and Keizer transit centers to foster a safe and secure environment for customers and employees. In addition, the District will be adding new security services, including enhanced staffing levels at both the downtown and Keizer transit centers and a mobile patrol component that will enable the contractor to provide security support to the operations throughout the local service area. This will include mobile security patrols and response to shelters and park and ride lots. Finally, the increase in staffing will allow the contractor to expand the security presence on board buses.

Additional future security efforts include:

- Increased facility maintenance staffing to address cleanliness at our bus stops and facilities.
- Reconvening of the regional security workgroup.
- Working with our community partners to minimize the impact of societal issues on the transit space.
- Improve security related data collection and analysis.

Long-Term Financial Planning

One of the District's strategic priorities is to ensure organizational viability. One important factor in this priority is financial viability. Now that we are receiving a new sustainable revenue source (STIF) it is important that we can fiscally maintain this new service long-term. We are continuing work to ensure we are able to fund our 10-year capital improvement plan.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the FY that ended June 30, 2023. This was the 11th consecutive year that the District received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The timely preparation of the ACFR was made possible by the efforts of the entire staff of the Finance Division. The Finance Division appreciates and thanks the staff who assisted and contributed to the report's presentation. They also thank the Board of Directors and the General Manager for their interest and support in managing the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



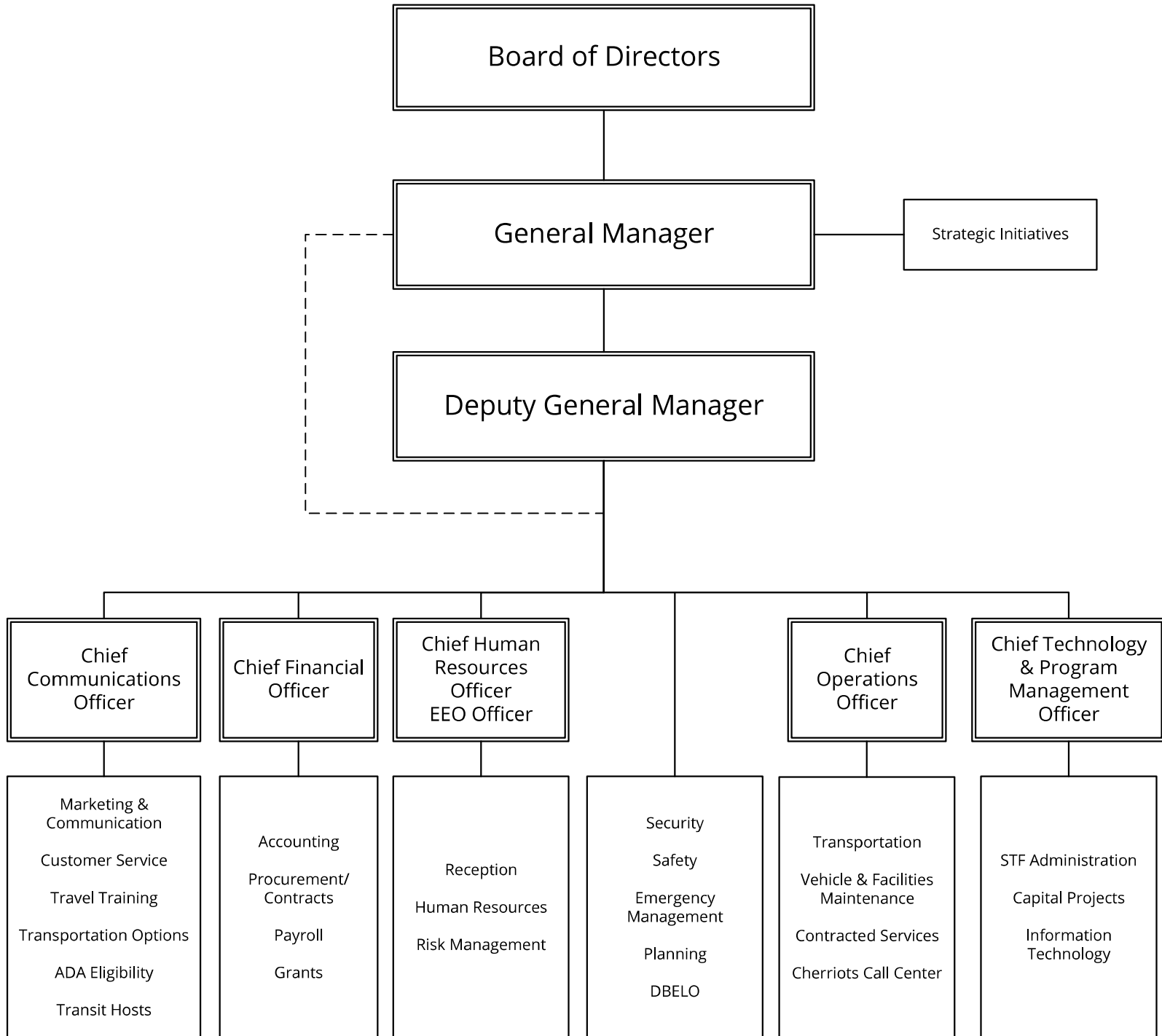
Allan Pollock
General Manager/CEO



Denise LaRue
Chief Financial Officer



SALEM AREA MASS TRANSIT DISTRICT





Salem Area Mass Transit District

Board of Directors
July 2022 - June 2023

VACANT (Subdistrict #1)

Term Expires 6/30/2023



RAMIRO "RJ" NAVARRO JR (Subdistrict #2)

(He/His/Him/El)

P: (971)388-5943 **E:** ramiro.navarro@cherriots.org

Appointed: 07/01-2021-06/30/2025



SADIE CARNEY (Subdistrict #3)

(She/Her)

P: (917)887-8896 **E:** sadie.carney@cherriots.org

Appointed: 07/01/2019-06/30/2023



MARIA HINOJOS PRESSEY (Subdistrict #4)

(She/Her/Ella)

P: (505)800-9142 **E:** maria.hinojos@cherriots.org

Appointed: 09/21/2020, Reappointed 07/01/2021-06/30/2025



IAN DAVIDSON (Subdistrict #5)

(He/Him)

P: (253)797-0164 **E:** ian.davidson@cherriots.org

Appointed: 07/01/2019-06/30/2023



SARA DUNCAN (Subdistrict #6)

(She/They)

P: (503)949-5413 **E:** sara.duncan@cherriots.org

Appointed: 07/01/2021-06/30/2025



BILL HOLMSTROM (Subdistrict #7)

(He/Him)

P: (503)720-6837 **E:** bill.holmstrom@cherriots.org

Appointed: 09/30/2022-06/30/2023



Government Finance Officers Association

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Oregon**

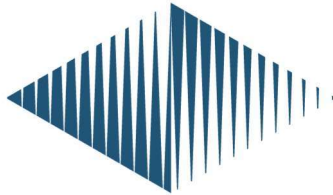
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Salem Area Mass Transit District
Salem, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Salem Area Mass Transit District (the District), as of and for the year ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District 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

The District's 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 District'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.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 District'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 District'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 (MD&A) and required supplementary information, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial

statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards


In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024 on our consideration of the District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 29, 2024, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS**

By: 
Ryan T. Pasquarella, Principal
February 29, 2024



Salem Area Mass Transit District Management's Discussion and Analysis

The management of Salem Area Mass Transit District (District) presents this narrative overview and analysis to facilitate both a short-term and long-term analysis of the financial activities of the District for the fiscal years ended June 30, 2023 and 2022. This Management's Discussion and Analysis (MD&A) is based on facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Overview of the Financial Statements

The District's financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. They have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred, regardless of the related cash flows.

Financial Highlights

The District's total assets increased in FY 2023 from \$109.3 million to \$127.4 million, due to an increase in unrestricted cash, federal grants receivable, and state grants receivable. The District's total assets increased in FY 2022 from \$91.4 million to \$109.3 million, due to an increase in unrestricted cash, federal grants receivable, and state grants receivable, partially offset by the net pension asset – non-bargaining.

The District's deferred outflows decreased in FY 2023 by approximately \$5.4 million and the District's deferred outflows increased in FY 2022 by approximately \$7.0 million. These changes are due to actuarial assumption changes and other activities in the District's retirement plans.

The District's total liabilities decreased in FY 2023 by \$1.9 million, due mostly to a decrease in net pension liabilities of the District. The District's total liabilities increased in FY 2022 by \$11.4 million, due mostly to an increase in unearned revenue and net pension liabilities of the District.

In FY 2023, the District's total net position increased by \$17.2 million. Restricted net position for capital projects increased by \$4.3 million and restricted net position for special transportation increased by \$4.0 million. Unrestricted net position increased by approximately \$4.1 million.

In FY 2022, the District's total net position increased by \$13.9 million. Restricted net position for capital projects increased by \$2.1 million and restricted net position for special transportation increased by \$2.4 million. Unrestricted net position increased by approximately \$9.3 million.

Net position investment in capital assets consists of land, land improvements, buildings, vehicles, and office and shop equipment, net of accumulated depreciation.

Net position restricted for capital projects and net position restricted for transportation programs represent amounts restricted for use for capital expenditures, and for transportation programs and projects, respectively.

	<i>June 30,</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Assets			(As Restated)
Current and restricted assets	\$ 74,559,161	\$ 61,147,609	\$ 42,598,827
Noncurrent assets	-	-	789,730
Capital assets, net of depreciation	52,886,041	48,119,928	48,051,619
Total assets	127,445,202	109,267,537	91,440,176
Deferred outflows of resources	5,054,031	10,409,616	3,385,624
Total assets and deferred outflows of resources	132,499,233	119,677,153	94,825,800
Liabilities			
Current liabilities	9,695,500	8,916,341	2,770,397
Noncurrent liabilities	8,641,633	11,348,104	6,044,845
Total liabilities	18,337,133	20,264,445	8,815,242
Deferred inflows of resources	1,676,069	4,127,360	4,635,383
Net position			
Investment in capital assets	52,886,041	48,119,928	48,051,619
Restricted for capital projects	8,471,874	4,130,496	2,024,612
Restricted for transportation programs	6,978,986	2,941,080	522,928
Unrestricted	44,149,130	40,093,844	30,776,016
Total net position	112,486,031	95,285,348	81,375,175
Total liabilities, deferred inflows of resources and net position	<u>\$ 132,499,233</u>	<u>\$ 119,677,153</u>	<u>\$ 94,825,800</u>

In FY 2023, operating revenue increased approximately \$511 thousand from \$3.2 million from the prior year. This increase was due to increasing service levels. Non-operating revenues, including capital contributions, increased approximately \$9.6 million from the prior year. This increase is due to an increase in federal assistance and property taxes. Operating expenses increased by approximately \$6.8 million from the prior year, mainly due to an increase in personnel services as a result of a new labor contract and increased materials and services expenses due to increased services levels.

In FY 2022, operating revenue increased approximately \$2.3 million from \$929 thousand from the prior year. This increase was due to resuming passenger fare collection for all modes of service. Non-operating revenues, including capital contributions, increased approximately \$5.1 million from the prior year. This increase is due to an increase in state assistance and federal assistance. Operating expenses increased by approximately \$2.1 million from the prior year, mainly due to an increase in personnel services, as we return to normal services levels after the pandemic.

The District's total revenue increased approximately \$7.8 million, or 14.3 percent, during FY 2023, primarily from non-operating sources, such as federal assistance (up \$5.8 million) for COVID-19 pandemic-related costs, and earnings on investments, \$1.1 million. Property tax revenues increased by 4.1 percent. The District's total revenue increased approximately \$7.4 million, or 15.8 percent, during FY 2022.

	<i>Year Ended June 30,</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Operating revenues			(As Restated)
Passenger fares	\$ 2,466,510	\$ 2,015,718	\$ 1,532
Accessible services and medicaid	765,427	465,018	168,502
Other revenues	460,271	700,695	759,409
Non-operating revenues			
Property taxes	14,810,245	14,227,455	13,540,219
State assistance	18,166,795	18,411,572	17,254,069
Federal assistance	24,061,671	18,251,835	14,866,738
Other revenues	1,334,817	221,492	300,425
Total revenue	62,065,736	54,293,785	46,890,894
Operating expenses	(48,450,934)	(41,606,235)	(39,502,564)
Changes in net position before capital contributions	13,614,802	12,687,550	7,388,330
Capital contributions	3,585,881	1,222,623	1,677,890
Changes in net position	17,200,683	13,910,173	9,066,220
Beginning net position	95,285,348	81,375,175	68,926,976
Restatement	-	-	3,381,979
Beginning net position (restated)	95,285,348	81,375,175	72,308,955
Ending net position	<u>\$ 112,486,031</u>	<u>\$ 95,285,348</u>	<u>\$ 81,375,175</u>

Capital Assets

The District's investment in capital assets amounts to \$52.9 million and \$48.1 million net of accumulated depreciation as of June 30, 2023 and 2022 respectively. This investment in capital assets includes land, construction in progress, buildings, land improvements, revenue rolling stock, and equipment. The total increase in the District's investment in capital assets for FY 2023 was 9.9 percent. The total increase in the District's investment in capital assets for FY 2022 was 0.1 percent.

Major capital projects during FY 2023 included the Cherriots regional vehicles and other equipment including charging stations and security equipment. Construction in progress at the end of the year was approximately \$9.7 million for various projects.

Major capital projects during FY 2022 included the Cherriots regional vehicles and bus stop improvements. Construction in progress at the end of the year was approximately \$8.1 million for various projects.

	2023	June 30, 2022	2021	Increase/(decrease)	
				2023-2022	2022-2021
Land	\$ 3,039,566	\$ 3,039,566	\$ 3,039,566	\$ -	\$ -
Construction in progress	9,722,333	8,077,725	6,754,110	1,644,608	1,323,615
Land improvements, net	3,531,427	3,693,577	3,855,728	(162,150)	(162,151)
Buildings, net	15,112,960	15,606,758	16,116,021	(493,798)	(509,263)
Revenue rolling stock, net	17,488,711	15,815,692	16,350,488	1,673,019	(534,796)
Equipment, net	3,991,044	1,886,610	1,935,706	2,104,434	(49,096)
	<u>\$ 52,886,041</u>	<u>\$ 48,119,928</u>	<u>\$ 48,051,619</u>	<u>\$ 4,766,113</u>	<u>\$ 68,309</u>

Additional information on the District's capital assets can be found in note 5 on page 24 of this report.

Economic Factors

The economy of the District and its major initiatives are discussed in detail in the accompanying Transmittal Letter.

Request for Information

This financial report is designed to provide a general overview of the District's finances for those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to:

Salem Area Mass Transit District
555 Court Street NE, Suite 5230
Salem, Oregon 97301-3980

Basic Financial Statements



Salem Area Mass Transit District
Statements of Net Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 42,082,766	\$ 39,810,256
Accounts receivable	482,367	165,166
Property taxes receivable	492,105	471,457
Prepaid items	1,199,553	982,875
Inventories	826,872	956,357
Restricted cash and cash equivalents	15,450,860	7,071,576
Federal grants receivable	9,276,298	8,688,521
State grants receivable	4,748,340	3,001,401
Total current assets	74,559,161	61,147,609
Capital assets		
Land	3,039,566	3,039,566
Construction in progress	9,722,333	8,077,725
Land improvements (net of depreciation)	3,531,427	3,693,577
Buildings and improvements (net of depreciation)	15,112,960	15,606,758
Revenue rolling stock (net of depreciation)	17,488,711	15,815,692
Equipment (net of depreciation)	3,991,044	1,886,610
Total capital assets	52,886,041	48,119,928
Total noncurrent assets	52,886,041	48,119,928
Total assets	127,445,202	109,267,537
Deferred outflows of resources		
Related to total pension	4,374,614	9,631,291
Related to total OPEB liability	679,417	778,325
Total deferred outflows of resources	5,054,031	10,409,616
Total assets and deferred outflows of resources	\$ 132,499,233	\$ 119,677,153

	2023	2022
Liabilities		
Current liabilities		
Accounts payable	\$ 627,126	\$ 808,913
Accounts payable from restricted assets	1,094,692	648,303
Payroll, withholdings and payroll taxes	1,183,469	974,026
Construction retainage	118,816	113,773
Due to other governments from restricted assets	338,701	64,162
Accrued vacation and sick leave - current portion	404,212	378,680
Unearned revenue	5,928,484	5,928,484
Total current liabilities	<u>9,695,500</u>	<u>8,916,341</u>
Noncurrent liabilities		
Net pension liability	3,267,764	5,867,084
Total OPEB liability	4,161,234	4,344,979
Accrued vacation and sick leave, net of current portion	1,212,635	1,136,041
Total noncurrent liabilities	<u>8,641,633</u>	<u>11,348,104</u>
Total liabilities	<u>18,337,133</u>	<u>20,264,445</u>
Deferred inflows of resources		
Related to pensions	421,916	3,002,220
Related to total OPEB liability	1,254,153	1,125,140
Total deferred outflows of resources	<u>1,676,069</u>	<u>4,127,360</u>
Net position		
Investment in capital assets	52,886,041	48,119,928
Restricted for capital projects	8,471,874	4,130,496
Restricted for transportation programs	6,978,986	2,941,080
Unrestricted	44,149,130	40,093,844
Total net position	<u>112,486,031</u>	<u>95,285,348</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 132,499,233</u>	<u>\$ 119,677,153</u>

Salem Area Mass Transit District
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues		
Passenger fares	\$ 2,466,510	\$ 2,015,718
Accessible services and medicaid	765,427	465,018
Other revenues	460,271	688,689
OPEB revenue	-	12,006
Total operating revenues	<u>3,692,208</u>	<u>3,181,431</u>
Operating expenses		
Personnel services	30,593,046	26,154,684
Materials and services	15,033,329	12,712,260
Depreciation	2,780,383	2,739,291
OPEB expense	44,176	-
Total operating expenses	<u>48,450,934</u>	<u>41,606,235</u>
Operating loss	(44,758,726)	(38,424,804)
Non-operating revenues		
Property taxes	14,810,245	14,227,455
State assistance	18,166,795	18,411,572
Federal assistance	24,061,671	18,251,835
Earnings on investments	1,369,510	192,345
Gain on disposal of capital assets	(34,693)	29,147
Total non-operating revenues	<u>58,373,528</u>	<u>51,112,354</u>
Change in net position before capital contributions	13,614,802	12,687,550
Capital contributions		
Federal and state grants for capital acquisition	<u>3,585,881</u>	<u>1,222,623</u>
Changes in net position	17,200,683	13,910,173
Total net position - beginning of year	<u>95,285,348</u>	<u>81,375,175</u>
Total net position - end of year	<u>\$ 112,486,031</u>	<u>\$ 95,285,348</u>

Salem Area Mass Transit District
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Cash received from customers	\$ 3,375,007	\$ 8,975,541
Payments to employees for services	(31,516,944)	(27,683,542)
Cash paid to suppliers for good and services	(14,855,920)	(13,031,506)
Net cash used for operating activities	(42,997,857)	(31,739,507)
Cash flows from noncapital financing activities		
Receipts from property taxes	14,789,597	14,217,121
Receipts from state assistance	16,694,395	17,893,942
Receipts from federal assistance	24,663,389	17,459,662
Net cash provided by noncapital financing activities	56,147,381	49,570,725
Cash flows from capital and related financing activities		
Receipts from capital grants	3,708,906	1,345,648
Acquisition and construction of capital assets	(7,576,146)	(2,807,600)
Proceeds from sale of capital assets	-	29,147
Net cash provided by capital and related financing activities	(3,867,240)	(1,432,805)
Cash flows from investing activities		
Interest received	1,369,510	192,345
Net change in cash and cash equivalents	10,651,794	16,590,758
Cash and cash equivalents, beginning of year	46,881,832	30,291,074
Cash and cash equivalents, end of year	\$ 57,533,626	\$ 46,881,832
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	\$ (44,738,306)	\$ (38,424,804)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	2,780,383	2,739,291
Change in net pension liability and related deferrals	3,139,147	(1,312,520)
Change in OPEB obligation and related deferrals	(4,330,438)	(12,006)
(Increase) decrease in accounts receivable	(317,201)	(90,755)
(Increase) decrease in prepaid items	(216,678)	(461,239)
(Increase) decrease in inventories	129,485	(144,756)
Increase (decrease) in accounts payable	(181,787)	292,896
Increase (decrease) in accounts payable from restricted assets	446,389	(6,147)
Increase (decrease) in payroll, withholdings and payroll taxes	189,023	(51,665)
Increase (decrease) in accrued vacation and sick leave	102,126	(152,667)
Increase (decrease) in unearned revenue	-	5,884,865
Net cash used for operating activities	\$ (42,997,857)	\$ (31,739,507)

Salem Area Mass Transit District
Statements of Fiduciary Net Position
For the Years Ended June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 2,155,289	\$ 1,099,960
Investments		
Fixed Income	17,911,523	17,806,263
Stocks	21,338,909	18,555,466
Total investments	39,250,432	36,361,729
Total assets	41,405,721	37,461,689
Fiduciary net position - Restricted	\$ 41,405,721	\$ 37,461,689

Salem Area Mass Transit District
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2023 and 2022

	2023	2022
Additions		
ICMA Transfers	\$ 53,137	\$ 1,369,646
Employer contributions	3,805,356	3,680,400
Total contributions	3,858,493	5,050,046
Net increase in fair value of investments	2,765,231	(4,878,720)
Investment expense	(213,007)	(221,789)
Net investment income	2,552,224	(5,100,509)
Total additions	6,410,717	(50,463)
Deductions		
Service benefits	2,466,685	2,284,811
Net increase in fiduciary net position	3,944,032	(2,335,274)
Fiduciary net position - Restricted - beginning of year	37,461,689	39,796,963
Fiduciary net position - Restricted - end of year	<u>\$ 41,405,721</u>	<u>\$ 37,461,689</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies

The financial statements of the Salem Area Mass Transit District (District) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations that, by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, the District is considered a primary government and does not have any component unit relationships. Conversely, the District is not considered a component unit of any primary government.

B. Organization and Operation

The District was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 267 to provide mass transit services to the Salem, Marion and Polk County area. Formation of the District was effective in 1979. Under ORS 267, the District is authorized to levy taxes and charge fares to pay for the operations of the District. The District is also authorized to issue general obligation bonds and revenue bonds.

The District is governed by an appointed seven-member Board of Directors. Board members represent and must live in certain geographical sub-districts. The Board of Directors sets District policy, levies taxes, appropriates funds, adopts budgets, and performs other duties required by state and federal law. The District also has fiduciary responsibility for two pension plan trust funds: The Non-Bargaining defined benefit plan covering nonunion employees, and the Bargaining defined benefit plan covering union employees. The investment, pension funding and benefit payment activity are reported in these two District fiduciary pension trust funds.

C. Basis of Accounting and Revenue Recognition

The District is reported as a single proprietary unit. Proprietary reporting is used to account for operations and activities that are similar to those found in the private sector.

The financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred, regardless of the timing of related cash flows.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Operating revenues consist primarily of passenger fares and funds received for special transportation. Operating expenses include the costs of operating the District, including depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Revenues are recognized when they are earned and available to meet current obligations. Cash received before services are rendered is considered unearned. Expenses are recognized when they are incurred. The District applies a flow of economic resources measurement focus, whereby all assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Federal and state grant contributions for capital acquisitions are recorded as capital contributions and are included in net income when earned. Non-capital federal and state grant revenue are recorded as non-operating revenue when earned.

D. Restricted Assets

Restricted assets consist of assets restricted for federal capital grant programs and State of Oregon special transportation programs. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

E. Cash and Investments

ORS 294.035 authorizes the District to invest in obligations of the U.S. Treasury and agencies, time certificates of deposit, bankers' acceptances, repurchase agreements, certain types of corporate bonds, and the State of Oregon Local Government Investment Pool. Such investments are stated at cost. The investments are increased by accretion of discounts and reduced by amortization of premiums, which are computed by the straight-line method and approximates fair market value.

Fair value is defined as the amount at which an investment could be exchanged between willing parties, other than in a forced or liquidation sale.

For purposes of the statement of cash flows, the District considers cash and equivalents to include all highly liquid debt instruments with an original maturity of three months or less.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

F. Inventories

Inventories of fuel, lubricants, parts, and supplies are valued at cost, which approximates market, using the average cost method.

G. Prepaid Items

Payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid items.

H. Capital Assets

Capital assets are stated at cost, except for donated capital assets, which are stated at the acquisition value rather than fair market value on the date of donation. Expenditures for additions and improvements with a value in excess of \$5,000 and a useful life of more than one year are capitalized. Expenditures for maintenance, repairs, and minor improvements are charged to operations as incurred. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and the resulting gains or losses are reflected in the statement of revenues, expenses, and changes in net position.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets net of accumulated depreciation, intended to represent an estimate of the current condition, of the assets or the maintenance requirements needed to maintain the assets at their current level of condition.

<u>Asset</u>	<u>Years</u>
Buildings, Shelters, Stations	10 – 50
Revenue Rolling Stock	5 – 12
Equipment	3 – 10

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

I. Vacation and Sick Pay

Vacation pay is vested when earned. Employees earn annual leave based on length of service to the District. Unpaid vested vacation is shown as vested compensated absences on the Statement of Net Position and recorded as an expense when earned.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Sick pay is accrued on a bi-weekly basis. Payouts are either 50 percent or 20 percent of the balance depending on the accrued hours and length of service. Sick pay is recorded as a liability on the statement of net position and an expense as accrued

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Net Position

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories.

Investment in capital assets — consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets, if any.

Restricted — consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted — consists of all other net position that is not included in the other categories previously mentioned.

L. Pensions

The District reports its pension obligations as a Net Pension Liability on the Statement of Net Position for participating employees. Changes in net pension liability are immediately recognized as pension expense on the statement of revenue, expenses, and changes in net position, or reported as deferred inflows/outflows of resources depending on the nature of the change.

M. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

(2) Stewardship, Compliance, and Accountability

For budgeting purposes, the District consists of a General Fund, Capital Projects Fund, and Transportation Programs Fund. This is in conformity with Oregon Budget Law. Budgetary basis revenues and expenditures are recognized on the modified accrual basis. The treatment of capital expenditures is the principal difference between the budgetary basis and the accrual basis. Capital expenditures on a budgetary basis are recorded as expenditures.

Financial operations of the District are accounted for in the following budgetary funds:

General Fund

The fund accounts for all financial resources and expenditures related to the District's general operations, except those required to be accounted for in another fund. The principal revenue sources are property taxes, state payroll assessments, passenger fares and federal operating assistance.

Capital Projects Fund

This fund accounts for major capital acquisitions and projects. The principal revenue sources are capital grants from the Federal Transit Administration and transfers from the General Fund.

Transportation Programs Fund

This fund accounts for expenditures related to transportation service to special public groups. The fund's principal sources of revenue are Federal grants and reimbursements, State special transportation formula grants and transfers from the General Fund.

The General Manager submits a proposed operating and capital budget to the Budget Committee a sufficient length of time in advance to allow adoption of the budget prior to July 1. The operating and capital budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments.

The District legally adopts its annual budget prior to July 1 through passage of a resolution. The resolution authorizes appropriations by fund and at broad classification levels for the Divisions of General Manager/Board of Directors/SI, Administration, Finance, Technology, and Program Management, Communications, Operations, Unallocated – General Administration, and contingency. Expenditures cannot legally exceed appropriations at these control levels. Appropriations that have not been spent at year-end expire.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

(3) Cash and Cash Equivalents

The District maintains a cash and investment pool that is available for use by all funds, except for restricted cash and investments. At June 30, 2023 and 2022 the carrying value of cash and cash equivalents and fair value are approximately equal. Cash and cash equivalents included in cash and cash equivalents consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
<i>Cash</i>		
Cash on hand	\$ 3,466	\$ 3,466
Deposits with financial institutions	7,901,264	12,990,056
<i>Investments</i>		
Local government investment pool	<u>49,628,896</u>	<u>33,888,310</u>
 <i>Total cash and cash equivalents</i>	 <u><u>\$ 57,533,626</u></u>	 <u><u>\$ 46,881,832</u></u>
 Unrestricted cash and cash equivalents	 \$ 42,082,766	 \$ 39,810,256
Restricted cash and cash equivalents	<u>15,450,860</u>	<u>7,071,576</u>
 <i>Total cash and cash equivalents</i>	 <u><u>\$ 57,533,626</u></u>	 <u><u>\$ 46,881,832</u></u>

A. Deposits

As of June 30, 2023 and 2022, the book balance of the District's bank deposits (checking accounts) was \$4,901,264 and \$12,990,056 and the bank balance was \$8,627,599 and \$13,277,639 respectively. The difference is due to transactions in process.

B. Custodial Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the \$250,000 limit of federal depository insurance, and eliminating the need for certificates of participation. As of June 30, 2023 and 2022, \$8,127,599 and \$12,777,639 of the District's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

C. Investments

The State Treasurer of the State of Oregon maintains the Oregon Short term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations.

At June 30, 2023 and 2022, the fair value of the District's position in the LGIP was approximately equal to the value of the pool shares. The investment in the Oregon Short term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short term Fund are available from the Oregon State Treasurer.

D. Interest Rate Risk - Investments

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by limiting the maximum maturity of its investments to one year or less.

E. Custodial Risk - Investments

For an investment, there is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. Currently the District's investments are limited to the LGIP.

F. Credit Risk - Investments

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit risk.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

(4) Restricted Assets

Restricted assets are restricted for capital projects and transportation programs.

	<i>Total Restricted Assets</i>	<i>Less Current Liabilities Payable</i>	<i>Net Restricted Assets (Liabilities)</i>
2023			
<i>Restricted for capital projects</i>			
Cash and cash equivalents	\$ 4,815,040	\$ (539,697)	\$ 4,275,343
Federal grants receivable	3,651,317	-	3,651,317
State grants receivable	545,214	-	545,214
<i>Total restricted for capital projects</i>	<u>9,011,571</u>	<u>(539,697)</u>	<u>8,471,874</u>
<i>Restricted for transportation programs</i>			
Cash and cash equivalents	5,057,835	(960,156)	4,097,679
Federal grants receivable	1,204,535	-	1,204,535
State grants receivable	1,676,772	-	1,676,772
<i>Total restricted for transportation programs</i>	<u>7,939,142</u>	<u>(960,156)</u>	<u>6,978,986</u>
	<u><u>\$ 16,950,713</u></u>	<u><u>\$ (1,499,853)</u></u>	<u><u>\$ 15,450,860</u></u>
2022			
<i>Restricted for capital projects</i>			
Cash and cash equivalents	\$ 2,572,744	\$ (298,180)	\$ 2,274,564
Federal grants receivable	1,234,493	-	1,234,493
State grants receivable	621,439	-	621,439
<i>Total restricted for capital projects</i>	<u>4,428,676</u>	<u>(298,180)</u>	<u>4,130,496</u>
<i>Restricted for transportation programs</i>			
Cash and cash equivalents	2,325,991	(538,885)	1,787,106
Federal grants receivable	828,403	-	828,403
State grants receivable	325,571	-	325,571
<i>Total restricted for transportation programs</i>	<u>3,479,965</u>	<u>(538,885)</u>	<u>2,941,080</u>
	<u><u>\$ 7,908,641</u></u>	<u><u>\$ (837,065)</u></u>	<u><u>\$ 7,071,576</u></u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

(5) Capital Assets

The changes in capital assets for the year ended June 30, 2023 are summarized below:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 3,039,566	\$ -	\$ -	\$ -	\$ 3,039,566
Construction in progress	8,077,725	2,141,707	-	(497,099)	9,722,333
Total capital assets, non-depreciable	11,117,291	2,141,707	-	(497,099)	12,761,899
Capital assets, depreciable:					
Buildings and improvements	24,435,512	64,605	-	-	24,500,117
Land improvements	4,858,162	-	-	-	4,858,162
Revenue rolling stock	36,731,794	2,930,431	(3,154,892)	497,099	37,004,432
Equipment	7,191,657	2,444,444	(43,822)	-	9,592,279
Total capital assets, depreciable	73,217,125	5,439,480	(3,198,714)	497,099	75,954,990
Less accumulated depreciation:					
Buildings and improvements	(8,828,754)	(558,403)	-	-	(9,387,157)
Land improvements	(1,164,585)	(162,150)	-	-	(1,326,735)
Revenue rolling stock	(20,916,102)	(1,754,514)	3,154,895	-	(19,515,721)
Equipment	(5,305,047)	(305,318)	9,130	-	(5,601,235)
Total accumulated depreciation	(36,214,488)	(2,780,385)	3,164,025	-	(35,830,848)
Net depreciable capital assets	37,002,637	2,659,095	(34,689)	497,099	40,124,142
Net capital assets	\$ 48,119,928	\$ 4,800,802	\$ (34,689)	\$ -	\$ 52,886,041

The changes in capital assets for the year ended June 30, 2022 are summarized below:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 3,039,566	\$ -	\$ -	\$ -	\$ 3,039,566
Construction in progress	6,754,110	1,323,615	-	-	8,077,725
Total capital assets, non-depreciable	9,793,676	1,323,615	-	-	11,117,291
Capital assets, depreciable:					
Buildings and improvements	24,392,340	43,172	-	-	24,435,512
Land improvements	4,858,162	-	-	-	4,858,162
Revenue rolling stock	37,110,495	1,243,368	(1,622,069)	-	36,731,794
Equipment	6,994,212	197,445	-	-	7,191,657
Total capital assets, depreciable	73,355,209	1,483,985	(1,622,069)	-	73,217,125
Less accumulated depreciation:					
Buildings and improvements	(8,276,319)	(552,435)	-	-	(8,828,754)
Land improvements	(1,002,434)	(162,151)	-	-	(1,164,585)
Revenue rolling stock	(20,760,007)	(1,778,164)	1,622,069	-	(20,916,102)
Equipment	(5,058,506)	(246,541)	-	-	(5,305,047)
Total accumulated depreciation	(35,097,266)	(2,739,291)	1,622,069	-	(36,214,488)
Net depreciable capital assets	38,257,943	(1,255,306)	-	-	37,002,637
Net capital assets	\$ 48,051,619	\$ 68,309	\$ -	\$ -	\$ 48,119,928

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

The federal government retains a reversionary interest in property and equipment to the extent of capital grants provided for their purchase. Upon disposal of property and equipment, a prorated share of proceeds in excess of \$5,000, if any, is returned to the federal governments.

(6) Employee Retirement Plans

The District provides retirement benefits to its employees through two defined benefit plans, a defined contribution plan and a deferred compensation plan.

A. Defined Benefit Plans

The District contributes to two single-employer defined benefit pension plans. The Salem Area Mass Transit–Non-bargaining plan (Non-bargaining) covers all nonunion employees. The Salem Area Mass Transit-Bargaining plan (Bargaining) covers all union employees.

Each plan’s assets are held in trust, independent of the District, and solely for the purpose of paying each plan’s benefits and administrative expenses. The assets are invested in a variety of stocks, bonds, and other securities. Neither plan includes in its assets, any District securities or securities of any related parties. No loans have been granted to the District from plan funds.

Plan Description

In a defined benefit plan, benefits are determined using benefit formulas which take into account actuarial information. The plans were effective January 1, 2002 and are administered by Pioneer Trust. No separate financial statements are available for these plans. The District’s Board of Directors holds the authority for establishing and amending plan benefits and funding policies for both defined benefit plans.

Benefits Provided

The defined benefit plans provide pension benefits to eligible full-time bargaining and non-bargaining employees. Regular career status employees who have successfully completed the probationary period of six months or 1,000 hours of service, whichever is later, are eligible to participate.

The District makes all contributions to the plan. The District’s contributions for each employee (and investment earnings allocated to the employee’s account) are fully vested after five years of service. District contributions for, and investment earnings forfeited by, employees who leave employment before five years of service, are used to reduce the District’s contribution requirements.

The benefit payable at a participant’s normal retirement date will be equal to the excess of 1.64 percent times the participant's final average salary times the participant’s benefit credits for the non-bargaining employees or 1.64 percent for the bargaining unit employees over the amount which is the actuarial equivalent of the participant’s account balance in the plan as of termination of employment.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Non-Bargaining Plan

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	7
Active employees	65
	<u>132</u>

Contributions

The District is in the process of establishing a formal funding policy with the Board of Directors. The Board of Directors has the authority to establish or amend such policies. Currently, the District's contribution rates are actuarially determined and approved and implemented by executive staff. Contributions to the plan are made quarterly according to an actuarially determined rate recommended by an independent actuary. This rate is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as a percentage of covered payroll was, 19.17 percent and 17.08 percent for the years ended June 30, 2023 and 2022, respectively.

The District makes additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2023 and 2022, that amount was \$700,733 and \$486,521 respectively.

Net Pension Liability

The District's net pension liability for the non-bargaining plan at June 30, 2023, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

The District's net pension liability for the non-bargaining plan at June 30, 2022 was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation rate:	2.75%
Salary increases:	4.25% for first 5 years of service; 3.25% thereafter
Investment rate of return:	5.50%
Mortality:	RP-2014 tables, generationally projected using Scale MP-2019

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

The non-bargaining plan recently adopted a change to the definition of Eligible Employees from all regular (full-time) non-bargaining unit employees of the District to only those regular (full-time) non-bargaining unit employees of the District hired before March 1, 2021, with certain exceptions for subsequent hires agreed to by the District. This plan change did not affect Plan liabilities included in the July 1, 2021 valuation, as no non-bargaining employees on the valuation date were affected by the plan change. The plan change will cause the number of active employees covered by the Plan to gradually decline over time. The actuarial roll-forward of liabilities from the valuation date to the measurement date as prescribed by GASB reflects the projected decline in active membership.

The non-bargaining pension plan does not provide for automatic, post-retirement benefit increases. No ad hoc increases have been adopted.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of January 1, 2022:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.70%	0.61%
Core Fixed Income	37.80%	2.27%
Non-US Fixed Income	9.50%	0.16%
Large Cap US Equities	18.00%	5.64%
Mid Cap US Equities	6.00%	5.99%
Small Cap US Equities	4.00%	7.25%
Developed Foreign Equities	16.20%	6.90%
Small Cap Foreign Equities	3.00%	9.81%
Emerging Market Equities	2.80%	9.58%
	<u>100.00%</u>	
<u>Long-Term Expected Rate of Return</u>		<u>5.50%</u>

Rate of Return

For the years ended June 30, 2023 and 2022, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.62 percent and -12.37 percent. The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Discount rate

The discount rate is used to measure the total pension liability. The discount rate was 5.50 percent for the years ended June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the current contribution rate. The actuarially determined contribution rate is based on a closed amortization period, which means that payment of the actuarially determined contribution each year will bring the plan to a 100% funded position by the end of the amortization period. Plan assets are assumed to earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. 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.

Changes in Net Pension Liability		
	2023	2022
Total pension liability		
Service cost	\$ 137,037	\$ 165,630
Interest on total pension liability	595,450	512,335
Effect of economic/demographic gains or losses	(12,013)	2,019,470
Effect of assumption changes or inputs	-	(206,648)
Benefit payments	(986,038)	(916,916)
Net change in total pension liability	(265,564)	1,573,871
Total pension liability, beginning	11,175,745	9,601,874
Total pension liability, ending	10,910,181	11,175,745
Plan fiduciary net position		
Benefit payments	(986,038)	(916,916)
Employer contributions	934,764	908,345
ICMA transfers	-	1,145,359
Net investment income	674,046	(1,371,967)
Net change in plan fiduciary net position	622,772	(235,179)
Plan fiduciary net position, beginning	10,156,425	10,391,604
Plan fiduciary net position, ending	10,779,197	10,156,425
Net pension liability (asset), ending	\$ 130,984	\$ 1,019,320
Plan fiduciary net position as a percent of total pension liability (asset)	99%	91%
Covered payroll	4,875,644	5,317,522
Net pension liability as a percent of covered payroll	3%	19%

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using a discount rate of 5.50 percent for FY2023 and FY2022, as well as what the District's net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the rate used:

	Net Pension Liability (Asset)	
	2023	2022
1% decrease (4.50%)	\$ 2,183,767	\$ 3,000,898
Current discount rate (5.50%)	130,984	1,019,320
1% increase (6.50%)	(1,443,370)	(503,813)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position can be obtained by writing to: Salem Area Mass Transit District, 555 Court St NE Suite 5230, Salem, OR 97301-3980.

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

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$1,101,521 and \$3,485,071 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2023:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (8,581)	\$ 865,488
Changes of assumptions	(88,564)	-
Net difference between projected and actual earnings	-	708,218
Total	<u>\$ (97,145)</u>	<u>\$ 1,573,706</u>

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

Year ended June 30:	
2024	\$ 712,824
2025	417,319
2026	369,783
2027	(23,366)
	<u>\$ 1,476,560</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Bargaining Plan

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	112
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>147</u>
	<u>283</u>

Contributions

The District is in the process of establishing a formal funding policy with the Board of Directors. The Board of Directors has the authority to establish or amend such policies. Currently, the District's contribution rates are actuarially determined and approved and implemented by the executive staff. Contributions to the plan are made quarterly according to an actuarially determined rate recommended by an independent actuary. This rate is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as a percentage of covered payroll was, 29.94 percent and 29.78 percent for the years ended June 30, 2023 and 2022, respectively.

Net Pension Liability

The District's net pension liability for the bargaining plan at June 30, 2023, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

The District's net pension liability for the bargaining plan at June 30, 2022, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation rate:	2.75%
Salary increases:	4.25% for first 5 years of service; 3.25% thereafter
Investment rate of return:	5.50%
Mortality:	RP-2014 tables, generationally projected using Scale MP-2019

There have been no significant changes in plan provisions or covered population between the valuation date and fiscal year end.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

The bargaining pension plan does not provide for automatic, post-retirement benefit increases. No ad hoc increases have ever been adopted.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of January 1, 2022:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.70%	0.61%
Core Fixed Income	37.80%	2.27%
Non-US Fixed Income	9.50%	0.16%
Large Cap US Equities	18.00%	5.64%
Mid Cap US Equities	6.00%	5.99%
Small Cap US Equities	4.00%	7.25%
Developed Foreign Equities	16.20%	6.90%
Small Cap Foreign Equities	3.00%	9.81%
Emerging Market Equities	2.80%	9.58%
	<u>100.00%</u>	
Long-Term Expected Rate of Return		5.50%

Rate of Return

For the years ended June 30, 2023 and 2022, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.67 percent and -12.20 percent. The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate is used to measure the total pension liability. The discount rate was 5.50 percent for the years ended June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the current contribution rate. The actuarially determined contribution rate is based on a closed amortization period, which means that payment of the actuarially determined contribution each year will bring the plan to a 100% funded position by the end of the amortization period. Plan assets are assumed to earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

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.

Changes in Net Pension Liability		
	<u>2023</u>	<u>2022</u>
Total pension liability		
Service cost	\$ 1,291,639	\$ 983,632
Interest on total pension liability	1,799,283	1,685,764
Effect of economic/demographic gains or losses	-	1,037,852
Effect of assumption changes or inputs	-	(527,752)
Benefit payments	(1,480,647)	(1,367,895)
Net change in total pension liability	<u>1,610,275</u>	<u>1,811,601</u>
Total pension liability, beginning	<u>32,153,028</u>	<u>30,341,427</u>
Total pension liability, ending	<u>33,763,303</u>	<u>32,153,028</u>
Plan fiduciary net position		
Benefit payments	(1,480,647)	(1,367,895)
Employer contributions	2,870,592	2,772,055
ICMA transfers	53,137	224,287
Net investment income	<u>1,878,178</u>	<u>(3,728,542)</u>
Net change in plan fiduciary net position	<u>3,321,260</u>	<u>(2,100,095)</u>
Plan fiduciary net position, beginning	<u>27,305,264</u>	<u>29,405,359</u>
Plan fiduciary net position, ending	<u>30,626,524</u>	<u>27,305,264</u>
Net pension liability (asset), ending	<u>\$ 3,136,779</u>	<u>\$ 4,847,764</u>
Plan fiduciary net position as a percent of total pension liability (asset)	91%	85%
Covered payroll	9,589,154	9,309,858
Net pension liability as a percent of covered payroll	33%	52%

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using a discount rate of 5.50 percent for FY2023 and FY2022, as well as what the District's net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the rate used:

	Net Pension Liability (Asset)	
	2023	2022
1% decrease (4.50%)	\$ 7,203,055	\$ 8,768,073
Current discount rate (5.50%)	3,136,780	4,847,764
1% increase (6.50%)	(295,245)	1,542,920

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position can be obtained by writing to: Salem Area Mass Transit District, 555 Court St NE Suite 5230, Salem, OR 97301-3980.

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

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$2,834,025 and \$2,294,442 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2023:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 725,662
Changes of assumptions	(324,770)	213,685
Net difference between projected and actual earnings	-	1,861,560
Total	<u>\$ (324,770)</u>	<u>\$ 2,800,907</u>

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

Year ended June 30:	
2024	\$ 906,382
2025	508,929
2026	1,108,653
2027	(47,827)
	<u>\$ 2,476,137</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

For the District's two defined benefit pension plans, the amounts reported on the financial statements for each plan is as follows:

	Fiscal Year 2023			
	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Non-bargaining Plan	\$ 130,984	\$ 1,573,706	\$ 97,145	\$ 2,721,513
Bargaining Plan	3,136,480	2,800,908	324,771	4,496,968
Total pension plans	<u>\$ 3,267,464</u>	<u>\$ 4,374,614</u>	<u>\$ 421,916</u>	<u>\$ 7,218,481</u>

	Fiscal Year 2022			
	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Non-bargaining Plan	\$ 1,019,320	\$ 3,308,439	\$ 776,785	\$ 2,855,892
Bargaining Plan	4,847,764	6,322,852	2,225,435	495,268
Total pension plans	<u>\$ 5,867,084</u>	<u>\$ 9,631,291</u>	<u>\$ 3,002,220</u>	<u>\$ 3,351,160</u>

The following schedules present the combining Fiduciary Statements of Net Position and the Statement of Changes in Fiduciary Net Position for fiscal years June 30, 2023 and 2022, for the District's pension plans.

Schedules of Fiduciary Net Position:

	As of June 30, 2023		
	Non-bargaining	Bargaining	Total
Assets			
Cash and cash equivalents	\$ 532,554	\$ 1,622,735	\$ 2,155,289
Investments			
Fixed income	4,667,307	13,244,216	17,911,523
Stocks	5,579,336	15,759,573	21,338,909
Total investments	<u>10,246,643</u>	<u>29,003,789</u>	<u>39,250,432</u>
Total assets	<u>10,779,197</u>	<u>30,626,524</u>	<u>41,405,721</u>
Fiduciary net position			
Restricted for pension benefits	<u>\$ 10,779,197</u>	<u>\$ 30,626,524</u>	<u>\$ 41,405,721</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Schedules of Fiduciary Net Position (continued):

	As of June 30, 2022		
	Non-bargaining	Bargaining	Total
Assets			
Cash and cash equivalents	\$ 402,385	\$ 697,575	\$ 1,099,960
Investments			
Fixed income	4,771,303	13,034,960	17,806,263
Stocks	4,982,737	13,572,729	18,555,466
Total investments	9,754,040	26,607,689	36,361,729
Total assets	10,156,425	27,305,264	37,461,689
Fiduciary net position			
Restricted for pension benefits	<u>\$ 10,156,425</u>	<u>\$ 27,305,264</u>	<u>\$ 37,461,689</u>

Schedules of changes in Fiduciary Net Position:

	Fiscal Year Ended June 30, 2023		
	Non-bargaining	Bargaining	Total
Additions			
ICMA Transfers	\$ -	\$ 53,137	\$ 53,137
Employer contributions	934,764	2,870,592	3,805,356
Total contributions	934,764	2,923,729	3,858,493
Investment income (loss):			
Net increase in fair value of investments	730,729	2,034,502	2,765,231
Investment expense	(56,683)	(156,324)	(213,007)
Net investment income	674,046	1,878,178	2,552,224
Total additions	1,608,810	4,801,907	6,410,717
Deductions			
Service benefits	986,038	1,480,647	2,466,685
Change in fiduciary net position	622,772	3,321,260	3,944,032
Fiduciary net position - Restricted - beginning of year	10,156,425	27,305,264	37,461,689
Fiduciary net position - Restricted - end of year	<u>\$ 10,779,197</u>	<u>\$ 30,626,524</u>	<u>\$ 41,405,721</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Schedules of changes in Fiduciary Net Position (continued):

	Fiscal Year Ended June 30, 2022		
	Non-bargaining	Bargaining	Total
Additions			
ICMA Transfers	\$ 1,145,359	\$ 224,287	\$ 1,369,646
Employer contributions	908,345	2,772,055	3,680,400
Total contributions	2,053,704	2,996,342	5,050,046
Investment income (loss):			
Net increase in fair value of investments	(1,313,013)	(3,565,707)	(4,878,720)
Investment expense	(58,954)	(162,835)	(221,789)
Net investment income	(1,371,967)	(3,728,542)	(5,100,509)
Total additions	681,737	(732,200)	(50,463)
Deductions			
Service benefits	916,916	1,367,895	2,284,811
Change in fiduciary net position	(235,179)	(2,100,095)	(2,335,274)
Fiduciary net position - Restricted - beginning of year	10,391,604	29,405,359	39,796,963
Fiduciary net position - Restricted - end of year	\$ 10,156,425	\$ 27,305,264	\$ 37,461,689

A. Defined Contribution Plan

Plan Description

The District provides pension benefits through a defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered by ICMA. The District's Board of Directors holds the authority for establishing and amending plan provisions and contribution requirements for the defined contribution plan.

Benefits Provided

The defined contribution plan provides pension benefits to eligible full-time non-bargaining employees. Regular career status employees who have successfully completed the probationary period of six months or 1,000 hours of service, whichever is later, are eligible to participate.

Contributions

The District makes all contributions to the plan. The District's contributions for each employee (and investment earnings allocated to the employee's account) are fully vested after five years of service. District contributions for, and investment earnings forfeited by, employees who leave employment before five years of service, are used to reduce the District's contribution requirements.

The contribution rate is 10 percent of employee's gross salary for non-bargaining unit employees. For the years ended June 30, 2023 and 2022, employer contributions recognized as expense were \$670,118 and \$587,417, respectively.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

(7) Post Employment Benefits Other than Pensions

A. Plan Description

The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides an explicit employer benefit of up to the cost per month per pre-Medicare retiree toward postretirement healthcare insurance for eligible retirees, and at cost for retiree spouses, through the District's group health insurance plans, which cover both active and retired participants.

The level of benefits provided by the plan are the same as those afforded to active employees. This level of coverage is provided to retirees until they become eligible for Medicare, typically age 65.

Non-Bargaining Employees Covered by Benefit Terms:

Active employees	65
Eligible retirees	4
Spouses of ineligible retirees	1
	<u>70</u>

Bargaining Employees Covered by Benefit Terms:

Active employees	147
Eligible retirees	6
Spouses of ineligible retirees	-
	<u>153</u>

The District's post-retirement healthcare plan was established in accordance with ORS 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees and their spouses. The difference between retiree claim costs (which because of the effect of age is generally higher in comparison to all plan members) and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

The District has not established a trust fund to supplement costs for the net other post-employment benefit (OPEB) liability. No standalone report is generated for the plan.

B. Funding Policy

The District collects insurance premiums, net of applied explicit benefits, from all retirees each month. The District then pays health insurance premiums for all retirees at the blended rate for each family classification. The required contribution to the plan included the employer's pay-as-you-go amount, an amount paid by retirees and an additional amount calculated to prefund future benefits as determined by the actuary. The District has elected to not pre-fund the actuarially determined future cost. The amount paid by the District for retirees, and eligible retiree spouses, healthcare for the years ended June 30, 2023 and 2022 was \$135,163 and \$137,805 respectively.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

C. Total OPEB Liability, OPEB Expense and OPEB-Related Deferrals

As of June 30, 2023, the District reported a total OPEB liability of \$4,161,234, based on a July 1, 2022 actuarial valuation, rolled forward to the measurement date of June 30, 2023. For the years ended June 30, 2023 and 2022, the District recognized OPEB expense (revenue) of \$44,176 and \$(12,006), respectively.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 123,305
Changes of assumptions or inputs	1,254,153	336,104
Benefit payments	-	220,008
Total	<u>\$ 1,254,153</u>	<u>\$ 679,417</u>

The \$794,744 net deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (233,301)
2025	(233,297)
2026	(200,702)
2027	(45,777)
2028	(9,150)
Thereafter	(72,517)
	<u>\$ (794,744)</u>

D. Actuarial Methods and Assumptions

The actuarial cost method used is the entry age normal actuarial cost method with level percentage of pay allocation. In order to apply this method, projected benefit payments are determined for each active employee and retiree. These projected benefit payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year.

The discount rate is a single rate of return that is applied to the projected benefit payments in order to calculate the present value of benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate is determined as of each measurement date.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

The present value of benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's projected pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a given year. The service cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate.

The total OPEB liability is the portion of the present value of benefits that is attributable to employee service prior to the valuation date. For retirees, the total OPEB liability equals the present value of benefits.

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation rate:	2.75%
Salary increases:	3.00%
Actuarial valuation method:	Entry age normal level percent of salary
Mortality:	RP-2014 sex-distinct Mortality Tables, set forward one year, generationally projected using Scale MP-2019. Employee tables were used for active members and Healthy Annuitant tables were used for retirees and spouses of retirees

E. Changes in the Total OPEB Liability

	<u>2023</u>	<u>2022</u>
Total OPEB Liability		
Total OPEB liability, beginning of year	\$4,344,979	\$3,858,236
Service cost	397,402	290,018
Interest on total OPEB liability	100,083	89,403
Effect of economic/demographic gains or losses	-	59,065
Effect of assumption changes	(462,278)	255,141
Benefit payments	(218,952)	(206,884)
Net change in total OPEB liability	<u>(183,745)</u>	<u>486,743</u>
Total OPEB liability, ending of year	<u><u>\$4,161,234</u></u>	<u><u>\$4,344,979</u></u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

Sensitivity of the total OPEB liability to changes in the discount rate, using rates that are 1% lower or 1% higher than the current rate, are shown in the following chart:

Discount rate:

	OPEB Liability	
	2023	2022
1% decrease (1.16%, 1.21%)	\$ 4,487,619	\$ 4,682,118
Current discount rate (2.16%, 2.21%)	4,161,234	4,344,979
1% increase (3.16%, 3.21%)	3,858,523	4,029,473

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate, using rates that are 1% lower or 1% higher than the current rate, are shown in the following chart:

Healthcare cost trend rate:

	OPEB Liability	
	2023	2022
1% decrease (7.00%, 5.00%)	\$ 3,718,306	\$ 3,856,815
Current trend rate (8.00%, 6.00%)	4,161,234	4,344,979
1% increase (9.00%, 7.00%)	4,682,262	4,922,528

(8) Tax Abatement

The District's property taxes were reduced by \$123,554 in FY23 under agreements entered into by other governments.

<u>Authorizing Government</u>	<u>Exemption Program</u>	<u>District's Share Taxes Abated</u>
Salem Enterprise Zone (City of Salem)	Enterprise Zone (ORS 285C)	\$ 70,507
Marion County	Charitable Low Income Rental Housing (ORS 307.541)	17,705
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	35,342
		<u>\$ 123,554</u>

The District's property taxes were reduced by \$102,888 in FY22 under agreements entered into by other governments.

<u>Authorizing Government</u>	<u>Exemption Program</u>	<u>District's Share Taxes Abated</u>
Salem Enterprise Zone (City of Salem)	Enterprise Zone (ORS 285C)	\$ 51,253
Marion County	Charitable Low Income Rental Housing (ORS 307.541)	19,796
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	31,839
		<u>\$ 102,888</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2023 and 2022

(9) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage in any of the past three years.

(10) Commitments and Contingencies

Under the terms of federal and state grants, periodic audits are required, and costs may be questioned as not being appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. District management believes disallowance, if any, will be immaterial.



Required Supplementary Information



**Salem Area Mass Transit District
Schedule of Changes in the Net Pension Liability and Related Ratios, Non-Bargaining
For the Years Ended June 30, 2023 and 2022**

Defined Benefit Pension Plan - Non-Bargaining (in 1,000s)											
Last 10 Fiscal Years ¹											
Fiscal Year ending June 30											
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Total Pension Liability											
Service cost	\$ 137	\$ 166	\$ 157	\$ 118	\$ 111	\$ 83	\$ 59	\$ 55	\$ 68	\$ 63	
Interest on total pension liability	595	512	521	493	498	476	483	486	437	437	
Effect of plan changes	-	-	-	-	-	-	-	4	-	-	
Effect of economic/demographic gains or losses	(12)	2,020	-	496	-	422	-	771	-	-	
Effect of assumption changes or inputs	-	(207)	-	865	-	-	555	284	-	-	
Benefit payments	(986)	(917)	(776)	(735)	(654)	(635)	(595)	(579)	(527)	(490)	
Net change in total pension liability	(266)	1,574	(98)	1,237	(45)	345	501	1,021	(22)	10	
Total pension liability, beginning	11,175	9,601	9,699	8,462	8,507	8,162	7,661	6,640	6,662	6,652	
Total pension liability, ending (a)	<u>\$10,909</u>	<u>\$11,175</u>	<u>\$ 9,601</u>	<u>\$ 9,699</u>	<u>\$ 8,462</u>	<u>\$ 8,507</u>	<u>\$ 8,162</u>	<u>\$ 7,661</u>	<u>\$ 6,640</u>	<u>\$ 6,662</u>	
Fiduciary Net Position											
Employer contributions	\$ 935	\$ 908	\$ 863	\$ 811	\$ 702	\$ 644	\$ 567	\$ 473	\$ 451	\$ 1,069	
ICMA transfers	-	1,145	652	612	104	340	134	152	334	111	
Investment income net of investment expenses	674	(1,371)	1516	268	312	306	620	(119)	76	520	
Benefit payments	(986)	(917)	(776)	(735)	(654)	(635)	(594)	(579)	(527)	(490)	
Net change in plan fiduciary position	623	(235)	2,255	956	464	655	727	(73)	334	1,210	
Fiduciary net position, beginning	10,156	10,391	8,136	7,180	6,716	6,061	5,334	5,407	5,073	3,863	
Fiduciary net position, ending (b)	<u>\$10,779</u>	<u>\$10,156</u>	<u>\$10,391</u>	<u>\$ 8,136</u>	<u>\$ 7,180</u>	<u>\$ 6,716</u>	<u>\$ 6,061</u>	<u>\$ 5,334</u>	<u>\$ 5,407</u>	<u>\$ 5,073</u>	
Net pension liability, ending = (a)-(b)	<u>\$ 130</u>	<u>\$ 1,019</u>	<u>\$ (790)</u>	<u>\$ 1,563</u>	<u>\$ 1,282</u>	<u>\$ 1,791</u>	<u>\$ 2,101</u>	<u>\$ 2,327</u>	<u>\$ 1,233</u>	<u>\$ 1,589</u>	
Fiduciary net position as a % of total pension liability	98.80%	90.88%	108.22%	83.84%	84.84%	78.94%	74.25%	69.63%	81.43%	76.15%	
Covered payroll	\$ 4,876	\$ 5,318	\$ 4,934	\$ 4,790	\$ 4,300	\$ 4,175	\$ 3,512	\$ 3,449	\$ 3,572	\$ 3,684	
Net pension liability as a % of covered payroll	2.69%	19.17%	-16.01%	32.64%	29.85%	42.93%	59.84%	67.46%	34.52%	43.13%	



Salem Area Mass Transit District
Schedule of Employer Contributions – Defined Benefit Plan – Non-Bargaining
Last Ten Fiscal Years

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$ 464,148	\$ 1,069,000	\$ (604,852)	\$ 3,683,712	29.02%
2015	400,040	450,685	(50,645)	3,571,786	12.62%
2016	386,311	472,904	(86,593)	3,449,206	13.71%
2017	512,754	566,742	(53,988)	3,512,016	16.14%
2018	609,482	644,325	(34,843)	4,174,534	15.43%
2019	666,464	701,679	(35,215)	4,299,770	16.32%
2020	425,161	811,492	(386,331)	4,790,477	16.94%
2021	458,880	862,643	(403,763)	4,934,191	17.48%
2022	421,824	908,345	(486,521)	5,317,522	17.08%
2023	234,031	934,764	(700,733)	4,875,644	19.17%

Notes to Schedule:

Valuation date: 7/1/2021

Investment rate of return assumption: 5.50%

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level dollar

Type of period: Layered (each base is amortized over a separate closed period)

Amortization period at 7/1/21: 12 years

Amortization growth rate: 0.00%

Asset valuation method: Market value

Inflation: 2.75%

Salary increases: 4.25% for first 5.5 year of service; 3.25% thereafter

Investment rate of return: 5.50%

Cost of living adjustments: None

Turnover: Service based

Mortality: RP-2014 tables, generationally projected using Scale MP-2019

Salem Area Mass Transit District

**Schedule of Changes in the Net Pension Liability and Related Ratios, Bargaining
For the Years Ended June 30, 2023 and 2022**

	Defined Benefit Pension Plan - Bargaining (in 1,000s)									
	Last 10 Fiscal Years ¹									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,292	\$ 984	\$ 932	\$ 889	\$ 839	\$ 714	\$ 608	\$ 571	\$ 572	\$ 535
Interest on total pension liability	1,799	1,686	1,614	1,524	1,453	1,350	1,317	1,252	1,158	1,089
Effect of plan changes	-	-	-	-	-	-	-	63	-	-
Effect of economic/demographic gains or losses	-	1,038	-	783	-	594	-	714	-	-
Effect of assumption changes or inputs	-	(528)	-	1,924	-	-	1,198	373	-	-
Benefit payments	(1,481)	(1,368)	(1,231)	(1,192)	(1,113)	(1,058)	(896)	(818)	(738)	(564)
Net change in total pension liability	1,610	1,812	1,315	3,928	1,179	1,600	2,227	2,155	992	1,060
Total pension liability, beginning	32,153	30,341	29,026	25,098	23,919	22,319	20,092	17,937	16,945	15,885
Total pension liability, ending (a)	\$ 33,763	\$ 32,153	\$ 30,341	\$ 29,026	\$ 25,098	\$ 23,919	\$ 22,319	\$ 20,092	\$ 17,937	\$ 16,945
Fiduciary Net Position										
Employer contributions	\$ 2,871	\$ 2,772	\$ 2,534	\$ 2,274	\$ 2,222	\$ 1,846	\$ 1,778	\$ 1,470	\$ 1,374	\$ 2,363
ICMA transfers	53	224	253	103	110	305	154	62	389	94
Investment income net of investment expenses	1,878	(3,729)	4,334	841	873	893	1,751	(313)	205	1,331
Benefit payments	(1,481)	(1,368)	(1,231)	(1,192)	(1,113)	(1,058)	(896)	(818)	(738)	(564)
Net change in plan fiduciary position	3,321	(2,101)	5,890	2,026	2,092	1,986	2,787	401	1,230	3,224
Fiduciary net position, beginning	27,305	29,406	23,516	21,490	19,398	17,412	14,625	14,224	12,994	9,770
Fiduciary net position, ending (b)	\$ 30,626	\$ 27,305	\$ 29,406	\$ 23,516	\$ 21,490	\$ 19,398	\$ 17,412	\$ 14,625	\$ 14,224	\$ 12,994
Net pension liability, ending = (a)-(b)	\$ 3,137	\$ 4,848	\$ 935	\$ 5,510	\$ 3,608	\$ 4,521	\$ 4,907	\$ 5,467	\$ 3,713	\$ 3,951
Fiduciary net position as a % of total pension liability	90.71%	84.92%	96.91%	81.02%	85.62%	81.10%	78.01%	72.79%	79.30%	76.68%
Covered payroll	\$ 9,589	\$ 9,310	\$ 6,966	\$ 6,763	\$ 7,035	\$ 6,830	\$ 5,912	\$ 5,883	\$ 5,633	\$ 6,210
Net pension liability as a % of covered payroll	32.71%	52.07%	13.44%	81.47%	51.29%	66.20%	83.00%	92.93%	65.92%	63.62%



Salem Area Mass Transit District
Schedule of Employer Contributions – Defined Benefit Plan - Bargaining
Last Ten Fiscal Years

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$1,403,446	\$2,362,838	\$ (959,392)	\$6,209,939	38.05%
2015	1,385,691	1,374,052	11,639	5,632,890	24.39%
2016	1,447,252	1,470,050	(22,798)	5,883,137	24.99%
2017	1,620,016	1,778,155	(158,139)	5,912,467	30.07%
2018	1,871,550	1,846,814	24,736	6,830,475	27.04%
2019	2,075,440	2,221,893	(146,453)	7,035,389	31.58%
2020	1,615,959	2,274,734	(658,775)	6,763,144	33.63%
2021	1,720,611	2,533,622	(813,011)	6,966,038	36.37%
2022	1,571,329	2,772,055	(1,200,726)	9,309,858	29.78%
2023	1,543,854	2,870,592	(1,326,738)	9,589,154	29.94%

Notes to Schedule:

Valuation date: 7/1/2021

Investment rate of return assumption: 5.50%

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level dollar

Type of period: Layered (each base is amortized over a separate closed period)

Amortization period at 7/1/21: 12 years

Amortization growth rate: 0.00%

Asset valuation method: Market value

Inflation: 2.75%

Salary increases: 4.25% for first 5.5 year of service; 3.25% thereafter

Investment rate of return: 5.50%

Cost of living adjustments: None

Turnover: Service based

Mortality: RP-2014 tables, generationally projected using Scale MP-2019

Salem Area Mass Transit District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Years Ended June 30, 2023 and 2022

Schedule of Changes in the Total OPEB Liability and Related Ratios
(in 1,000s)

Last 10 Fiscal Years¹
Fiscal Year ending June 30

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Total OPEB liability, beginning of year	\$ 4,345	\$ 3,858	\$ 3,489	\$ 4,703	\$ 4,553	\$ 4,591
Service cost	397	290	242	339	342	373
Interest on total OPEB liability	100	89	126	190	171	137
Effect of economic/demographic gains or losses	-	59	-	176	-	-
Effect of assumption changes or inputs	(462)	255	251	(1,654)	(106)	(261)
Benefit payments	(219)	(207)	(251)	(265)	(256)	(289)
Net change in total OPEB liability	(183)	487	369	(1,214)	151	(39)
Total OPEB liability, ending of year	<u>\$ 4,162</u>	<u>\$ 4,345</u>	<u>\$ 3,858</u>	<u>\$ 3,489</u>	<u>\$ 4,703</u>	<u>\$ (4,553)</u>
Covered-employee payroll	\$15,066	\$ 14,627	\$ 11,900	\$ 11,554	\$ 11,335	\$ 11,005
Total OPEB liability as a % of covered-employee payroll	27.62%	29.70%	32.42%	30.20%	41.49%	41.37%

¹ This schedule is intended to show a 10-year trend of changes in the net OPEB liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

² There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.



Supplementary Information

BUDGETARY COMPARISON SCHEDULES

Pursuant to the provision of Oregon Revised Statutes, an individual schedule of revenues, expenditures, and changes in fund balance – balance and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- General Fund
- Capital Projects Fund
- Transportation Programs Fund



Salem Area Mass Transit District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual On A Non-GAAP Budgetary Basis – General Fund
For the Year Ended June 30, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local revenue				
Passenger fares, passes & other fixed route services	\$ 1,748,658	\$ 1,748,658	\$ 2,146,859	\$ 398,201
Property taxes	14,181,650	14,181,650	14,789,597	607,947
Advertising & other promotions	-	-	70,112	70,112
Courthouse square rentals	100,481	100,481	94,244	(6,237)
Earnings on investments	282,554	282,554	1,327,967	1,045,413
Miscellaneous	124,676	124,676	90,591	(34,085)
Total local revenue	16,438,019	16,438,019	18,519,370	2,081,351
State revenue				
STIF funds	5,513,835	5,513,835	5,041,435	(472,400)
State in lieu taxes	8,000,820	8,000,820	9,094,624	1,093,804
Total state revenue	13,514,655	13,514,655	14,136,059	621,404
Federal revenue				
Urbanized area formula (Section 5307)	2,989,437	2,989,437	3,143,037	153,600
Energy tax credits	225,000	225,000	241,948	16,948
Renewable natural gas tax credit	216,000	216,000	205,324	(10,676)
FTA metropolitan & statewide planning (5303)	120,000	120,000	120,001	1
ARPA funds	16,226,112	16,226,112	15,374,413	(851,699)
Total federal revenue	19,776,549	19,776,549	19,084,723	(691,826)
Total revenues	49,729,223	49,729,223	51,740,152	2,010,929
Expenditures				
General Manager/Board of Directors/SI	6,641,115	6,241,115	4,597,258	1,643,857
Administration	1,189,487	1,189,487	1,029,863	159,624
Finance and Technology	1,754,571	1,754,571	1,707,144	47,427
Communication	2,482,037	2,482,037	2,200,520	281,517
Operations	27,252,024	26,927,024	25,668,397	1,258,627
Unallocated	1,250,852	1,975,852	1,774,712	201,140
Contingency	1,500,000	1,500,000	-	1,500,000
Total expenditures	42,070,086	42,070,086	36,977,894	5,092,192
Excess (deficiency) of revenues over expenditures	7,659,137	7,659,137	14,762,258	7,103,121
Other financing sources (uses)				
Transfer out to other funds	(10,573,385)	(10,573,385)	(10,573,385)	-
Net change in fund balance	(2,914,248)	(2,914,248)	4,188,873	7,103,121
Fund balance, beginning of year	2,914,248	46,052,607	41,288,557	(4,764,050)
Fund balance, end of year	\$ -	\$ 43,138,359	\$ 45,477,430	\$ 2,339,071

Salem Area Mass Transit District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual On A Non-GAAP Budgetary Basis – Capital Projects Fund
For the Year Ended June 30, 2023

Revenues	Budget		Actual	Variance
	Original	Final		
State Revenue				
STIF funds	\$ 1,017,941	\$ 1,017,941	\$ 151,702	\$ (866,239)
State discretionary grant	495,975	495,975	465,144	(30,831)
Total state revenue	<u>1,513,916</u>	<u>1,513,916</u>	<u>616,846</u>	<u>(897,070)</u>
Federal revenue				
Urbanized area formula (Section 5307)	2,903,888	2,903,888	2,267,872	(636,016)
Federal STP Funds	3,934,503	3,934,503	2,169,188	(1,765,315)
Transportation for elderly persons and persons with disabilities (5310)	-	-	1,054	1,054
Formula Grants for Other than Urbanized Areas (5311)	717,840	717,840	-	(717,840)
Bus & Bus Facilities Infrastructure Investment Program (5339)	12,019,487	12,019,487	1,415,639	(10,603,848)
Total federal revenue	<u>19,575,718</u>	<u>19,575,718</u>	<u>5,853,753</u>	<u>(13,721,965)</u>
Total revenues	<u>21,089,634</u>	<u>21,089,634</u>	<u>6,470,599</u>	<u>(14,619,035)</u>
Expenditures				
Finance	490,791	490,791	350,347	140,444
Operations	22,090,282	22,090,282	6,096,827	15,993,455
Technology and Program Management	4,678,050	4,678,050	1,238,333	3,439,717
Total expenditures	<u>27,259,123</u>	<u>27,259,123</u>	<u>7,685,507</u>	<u>19,573,616</u>
Excess (deficiency) of revenues over expenditures	(6,169,489)	(6,169,489)	(1,214,908)	(34,192,651)
Other financing sources (uses)				
Transfer from general fund	<u>5,555,878</u>	<u>5,555,878</u>	<u>5,555,878</u>	<u>-</u>
Net change in fund balance	<u>(613,611)</u>	<u>(613,611)</u>	<u>4,340,970</u>	<u>4,954,581</u>
Fund balance, beginning of year	<u>613,611</u>	<u>613,611</u>	<u>4,130,496</u>	<u>3,516,885</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,471,466</u>	<u>\$ 8,471,466</u>

Salem Area Mass Transit District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual On A Non-GAAP Budgetary Basis – Transportation Programs Fund
For the Year Ended June 30, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local revenue				
Passenger fares	\$ 273,069	\$ 273,069	\$ 319,651	\$ 46,582
Other Pass Through	-	-	218,319	218,319
Miscellaneous income	-	-	41,543	41,543
Total local revenue	273,069	273,069	579,513	306,444
State revenue				
Special transportation fund program (ODOT)	997,809	997,809	997,808	(1)
STIF funds	2,858,914	2,858,914	1,955,815	(903,099)
Total state revenue	3,856,723	3,856,723	2,953,623	(903,100)
Federal revenue				
Developmental disabilities transportation services (DD53)	293,910	293,910	765,427	471,517
Transportation for elderly persons and persons with disabilities (5310)	1,534,248	1,534,248	1,276,168	(258,080)
Formula grants for other than urbanized areas (5311)	514,808	514,808	809,978	295,170
Rideshare/TDM grant	536,728	536,728	223,512	(313,216)
Urbanized area formula (Section 5307)	849,477	849,477	846,690	(2,787)
Total federal revenue	3,729,171	3,729,171	3,921,775	192,604
Total revenues	7,858,963	7,858,963	7,454,911	(404,052)
Expenditures				
Communication	716,953	716,953	328,324	388,629
General Manager/Board/SI	1,327,449	1,327,449	735,866	591,583
Operations	10,323,593	10,323,593	7,233,652	3,089,941
Total expenditures	12,367,995	12,367,995	8,297,842	4,070,153
Excess (deficiency) of revenues over expenditures	(4,509,032)	(4,509,032)	(842,931)	(4,474,205)
Other financing sources (uses)				
Transfer from general fund	5,017,507	5,017,507	5,017,507	-
Net change in fund balance	508,475	508,475	4,174,576	3,666,101
Fund balance, beginning of year	(508,475)	(508,475)	4,364,095	4,872,570
Fund balance, end of year	\$ -	\$ -	\$ 8,538,671	\$ 8,538,671

Salem Area Mass Transit District
Schedule of Expenditure Comparison
Budgetary Division Basis vs Object Classification Basis
For the Year Ended June 30, 2023

	General Fund	Capital Project Fund	Transportation Programs Fund	District Wide Total
Expenditures by Division				
General Manager/Board of Directors/SI	\$ 4,597,258	\$ 1,238,333	\$ 735,866	\$ 6,571,457
Administration	1,029,863	-	-	1,029,863
Finance and Technology	1,707,144	350,347	-	2,057,491
Communication	2,200,520	-	328,324	2,528,844
Operations	25,668,397	6,096,827	7,233,652	38,998,876
Unallocated	1,774,712	-	-	1,774,712
Total expenditures	<u>\$ 36,977,894</u>	<u>\$ 7,685,507</u>	<u>\$ 8,297,842</u>	<u>\$ 52,961,243</u>
Expenditures by Object Classification				
Personnel services	\$ 29,492,917	\$ 3,303	\$ 850,505	\$ 30,346,725
Materials and services	7,484,977	539,687	7,283,632	15,308,296
Capital outlay	-	7,142,517	163,705	7,306,222
Total expenditures	<u>\$ 36,977,894</u>	<u>\$ 7,685,507</u>	<u>\$ 8,297,842</u>	<u>\$ 52,961,243</u>

Salem Area Mass Transit District
Reconciliation of Net Change in Fund Balance on a Non-GAAP Budgetary Basis to
Changes in Net Position on a GAAP Basis
For the Year Ended June 30, 2023

Net change in fund balance:	
General fund	\$ 4,188,873
Capital projects fund	4,340,970
Transportation programs fund	<u>4,174,576</u>
Total change in fund balance	12,704,419
GAAP basis adjustments:	
Capitalized capital assets	7,581,187
Disposal of capital assets	(34,693)
Depreciation expense	(2,780,383)
Accrued vacation and sick payable	(102,126)
Net pension liability including related deferrals	(144,248)
Property taxes accrual	20,703
Total OPEB liability adjustment including related deferrals	<u>(44,176)</u>
Change in net position	<u>\$ 17,200,683</u>

Salem Area Mass Transit District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Capital Projects on a Non-GAAP Budget Basis
For the Year Ended June 30, 2023

	Capital Project Administration	CNG Station Improvements	Del Webb Facility Improvements	Security/Safety Projects	ADA Assessment Center	Cherriots Local Vehicles	Cherriots Lift Vehicles	Cherriots Non Rev Vehicles	Demand Response
Revenues									
State Revenue									
State discretionary grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,144	\$ -	\$ -	\$ -
STIF funds	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	-	-
Total state revenue	-	-	-	-	-	465,144	-	-	-
Federal revenue									
Urbanized area formula (Section 5307)	-	1,297,000	468,693	-	-	-	-	170,319	90,517
Federal STP Funds	-	-	-	-	-	1,965,313	-	-	-
Transportation for elderly persons and persons with disabilities (5310)	-	-	1,054	-	-	-	-	-	-
Formula Grants for Other than Urbanized Areas (5311)	-	-	-	-	-	-	-	-	-
Bus & Bus Facilities Infrastructure Investment Program (5339)	-	-	1,093,322	-	-	68,780	-	-	-
Total federal revenue	-	1,297,000	1,563,069	-	-	2,034,093	-	170,319	90,517
Total revenues	-	1,297,000	1,563,069	-	-	2,499,237	-	170,319	90,517
Expenditures									
Personnel services	-	-	-	-	-	-	-	-	-
Materials and services	-	(197)	16,627	-	-	92,819	-	842	37,440
Capital outlay	-	1,621,448	2,005,667	-	-	2,735,270	6,009	206,890	75,705
Total expenditures	-	1,621,251	2,022,294	-	-	2,828,089	6,009	207,732	113,145
Excess (deficiency) of revenues over expenditures	-	(324,251)	(459,225)	-	-	(328,852)	(6,009)	(37,413)	(22,628)
Other financing sources (uses)									
Transfer from general fund	-	-	683,562	43,000	-	2,434,922	82,160	38,201	92,500
Net change in fund balance	-	(324,251)	224,337	43,000	-	2,106,070	76,151	788	69,872
Fund balance, beginning of year	39,386	302,803	2,494,675	43,000	2,010	625,597	141,035	190,911	-
Fund balance, end of year	\$ 39,386	\$ (21,448)	\$ 2,719,012	\$ 86,000	\$ 2,010	\$ 2,731,667	\$ 217,186	\$ 191,699	\$ 69,872

Air Purifiers	Regional Vehicles	Shop and Ride Vehicles	Keizer Transit Center	South Salem Transit Center	Bus Stop Improvements	Regional Stop Improvements	Technology Equipment	Downtown Transit Center	Transit Signal Priority	Courthouse Square Improvements	Total Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,144
-	151,702	-	-	-	-	-	-	-	-	-	151,702
-	-	-	-	-	-	-	-	-	-	-	-
-	151,702	-	-	-	-	-	-	-	-	-	616,846
-	-	-	18,616	-	-	-	222,727	-	-	-	2,267,872
-	-	-	-	66,248	121,254	-	16,373	-	-	-	2,169,188
-	-	-	-	-	-	-	-	-	-	-	1,054
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	9,074	21,895	-	-	222,261	-	307	-	1,415,639
-	-	-	27,690	88,143	121,254	-	461,361	-	307	-	5,853,753
-	-	-	-	-	-	-	-	-	-	-	-
-	151,702	-	27,690	88,143	121,254	-	461,361	-	307	-	6,470,599
-	-	-	-	3,303	-	-	-	-	-	-	3,303
-	811	-	2,200	9,811	19,197	-	359,753	-	384	-	539,687
-	-	-	31,746	102,614	115,925	-	241,243	-	-	-	7,142,517
-	811	-	33,946	115,728	135,122	-	600,996	-	384	-	7,685,507
-	150,891	-	(6,256)	(27,585)	(13,868)	-	(139,635)	-	(77)	-	(1,214,908)
-	965,227	-	214,048	160,000	81,643	38,000	444,055	15,000	263,560	-	5,555,878
-	1,116,118	-	207,792	132,415	67,775	38,000	304,420	15,000	263,483	-	4,340,970
(19,864)	(322,214)	(8,432)	358,240	177,129	144,740	(14,060)	(110,207)	22,535	58,212	5,000	4,130,496
\$ (19,864)	\$ 793,904	\$ (8,432)	\$ 566,032	\$ 309,544	\$ 212,515	\$ 23,940	\$ 194,213	\$ 37,535	\$ 321,695	\$ 5,000	\$ 8,471,466

Salem Area Mass Transit District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Transportation Programs on a Non-GAAP Budget Basis
For the Year Ended June 30, 2023

	Cherriots Lift	Cherriots Shop & Ride	Cherriots Regional
Revenues			
Local revenue			
Passenger fares	\$ 183,107	\$ 15,747	\$ 120,797
Other pass through	-	-	-
Miscellaneous income	-	-	-
Total local revenue	<u>183,107</u>	<u>15,747</u>	<u>120,797</u>
State revenue			
Special transportation fund program (ODOT)	297,225	111,376	318,999
STIF funds	<u>447,956</u>	<u>-</u>	<u>1,110,078</u>
Total state revenue	<u>745,181</u>	<u>111,376</u>	<u>1,429,077</u>
Federal revenue			
Developmental disabilities transportation services (DD53)	765,427	-	-
Transportation for elderly persons and persons with disabilities (5310)	490,070	200,696	505,202
Formula grants for other than urbanized areas (5311)	-	-	809,978
Rideshare/TDM grant	-	-	-
Urbanized area formula (Section 5307)	<u>846,690</u>	<u>-</u>	<u>-</u>
Total federal revenue	<u>2,102,187</u>	<u>200,696</u>	<u>1,315,180</u>
Total revenues	<u>3,030,475</u>	<u>327,819</u>	<u>2,865,054</u>
Expenditures			
Personnel services	334,797	38,452	232,735
Materials and services			
Other materials and services	3,427,612	251,857	2,111,128
Call center allocation	<u>563,374</u>	<u>56,313</u>	<u>42,820</u>
Total expenditures	<u>4,325,783</u>	<u>346,622</u>	<u>2,386,683</u>
Excess (deficiency) of revenues over expenditures	(1,295,308)	(18,803)	478,371
Other financing sources (uses)			
Transfer from general fund	5,017,507	-	-
Transfer from other funds	-	-	-
Transfer out to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>5,017,507</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,722,199	(18,803)	478,371
Fund balance, beginning of year	<u>1,118,970</u>	<u>110,346</u>	<u>1,740,620</u>
Fund balance, end of year	<u>\$ 4,841,169</u>	<u>\$ 91,543</u>	<u>\$ 2,218,991</u>

DMAP/ WVCH	Charriots Call Center	Mobility Management	Special Transportation Coordination	Cherriots TripChoice	Total Transportation Programs Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,651
-	-	-	218,319	-	218,319
-	-	-	41,543	-	41,543
-	-	-	259,862	-	579,513
-	-	11,560	258,648	-	997,808
-	-	-	397,781	-	1,955,815
-	-	11,560	656,429	-	2,953,623
-	-	-	-	-	765,427
-	-	80,200	-	-	1,276,168
-	-	-	-	-	809,978
-	-	-	-	223,512	223,512
-	-	-	-	-	846,690
-	-	80,200	-	223,512	3,921,775
-	-	91,760	916,291	223,512	7,454,911
-	923	55,895	7,423	180,279	850,504
-	502,394	54,032	898,491	38,118	7,283,632
-	(498,801)	-	-	-	163,706
-	4,516	109,927	905,914	218,397	8,297,842
-	(4,516)	(18,167)	10,377	5,115	(842,931)
-	-	-	-	-	5,017,507
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,017,507
-	(4,516)	(18,167)	10,377	5,115	4,174,576
(631)	58,914	24,153	1,309,580	2,143	4,364,095
\$ (631)	\$ 54,398	\$ 5,986	\$ 1,319,957	\$ 7,258	\$ 8,538,671



Statistical Section

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trend Information

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

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its most significant local revenue source, property taxes.

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.



Financial Trend Information



Salem Area Mass Transit District
Statements of Net Position
Last Ten Fiscal Years

	2014	2015	2016
ASSETS			
Current and other assets	\$ 20,148,979	\$ 24,911,083	\$ 29,396,596
Noncurrent assets	-	-	-
Capital assets, net	36,855,141	35,578,093	34,434,992
Total assets	57,004,120	60,489,176	63,831,588
Deferred outflows of resources	-	277,838	3,349,887
Total assets and deferred outflows of resources	\$ 57,004,120	\$ 60,767,014	\$ 67,181,475
LIABILITIES AND NET POSITION			
LIABILITIES			
Current liabilities	\$ 3,717,897	\$ 3,488,792	\$ 4,266,140
Noncurrent liabilities	7,826,851	7,451,813	10,502,968
Total liabilities	11,544,748	10,940,605	14,769,108
Deferred inflow of resources	675,936	-	-
NET POSITION			
Investment in capital assets	36,855,141	34,772,770	34,434,992
Restricted for capital projects and special transportation	5,055,907	5,957,083	6,577,713
Unrestricted	2,872,388	8,291,233	11,399,662
Total net position	44,783,436	49,826,409	52,412,367
Total liabilities, deferred inflows of resources and net position	\$ 57,004,120	\$ 60,767,014	\$ 67,181,475

2017	2018	2019	2020	(restated) 2021	2022	2023
\$ 28,795,580	\$ 29,931,754	\$ 28,504,479	\$ 32,377,724	\$ 42,598,827	\$ 61,147,609	\$ 74,559,161
-	-	-	-	789,730	-	-
32,887,854	32,953,227	43,865,763	48,311,842	48,051,619	48,119,928	52,886,041
61,683,434	62,884,981	72,370,242	80,689,566	91,440,176	109,267,537	127,445,202
3,086,390	3,349,902	2,267,936	4,742,447	3,385,624	10,409,616	5,054,031
<u>\$ 64,769,824</u>	<u>\$ 66,234,883</u>	<u>\$ 74,638,178</u>	<u>\$ 85,432,013</u>	<u>\$ 94,825,800</u>	<u>\$ 119,677,153</u>	<u>\$ 132,499,233</u>
\$ 3,511,481	\$ 3,922,591	\$ 2,684,862	\$ 3,003,712	\$ 2,770,397	\$ 8,916,341	\$ 9,695,500
9,911,645	10,866,390	10,788,269	11,831,307	6,044,845	11,348,104	8,641,633
13,423,126	14,788,981	13,473,131	14,835,019	8,815,242	20,264,445	18,337,133
-	228,196	288,074	1,670,018	4,635,383	4,127,360	1,676,069
32,887,854	32,953,227	43,865,763	48,311,842	48,051,619	48,119,928	52,886,041
5,401,135	4,054,982	1,322,208	108,265	2,547,540	7,071,576	15,450,860
13,057,709	14,209,497	15,689,002	20,506,869	30,776,016	40,093,844	44,149,130
51,346,698	51,217,706	60,876,973	68,926,976	81,375,175	95,285,348	112,486,031
<u>\$ 64,769,824</u>	<u>\$ 66,234,883</u>	<u>\$ 74,638,178</u>	<u>\$ 85,432,013</u>	<u>\$ 94,825,800</u>	<u>\$ 119,677,153</u>	<u>\$ 132,499,233</u>

Salem Area Mass Transit District
Schedule of Changes in Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017
OPERATING REVENUES:				
Passenger fares	\$ 2,776,575	\$ 2,817,514	\$ 2,694,423	\$ 3,201,972
Accessible services and medicaid	3,129,220	2,948,422	2,662,441	2,455,869
Other revenue	465,052	365,058	366,047	550,519
Total operating revenues	6,370,847	6,130,994	5,722,911	6,208,360
OPERATING EXPENSES:				
Personnel services	13,960,216	16,204,737	18,478,140	20,359,793
Materials and services	18,310,843	20,294,244	20,170,430	20,947,830
Depreciation	3,032,068	3,059,323	2,576,402	2,305,590
OPEB expense	381,000	219,749	204,295	193,456
Total operating expenses	35,684,127	39,778,053	41,429,267	43,806,669
Operating loss	(29,313,280)	(33,647,059)	(35,706,356)	(37,598,309)
NON-OPERATING REVENUES (EXPENSES):				
Property taxes	10,179,017	10,714,350	11,258,672	11,574,433
State assistance	5,746,114	7,708,296	7,195,009	7,371,134
Federal assistance	11,786,100	18,721,493	18,198,155	16,901,469
Investment income	53,457	94,776	140,579	241,753
Insurance Settlement	-	22,557	29,942	-
(Loss) gain on disposal of capital assets	1,859	8,607	(39,539)	1,660
Total non-operating revenues (expenses)	27,766,547	37,270,079	36,782,818	36,090,449
Net income (loss) before contributions	(1,546,733)	3,623,020	1,076,462	(1,507,860)
CAPITAL CONTRIBUTIONS	4,691,727	644,630	1,509,496	442,191
Change in net position	3,144,994	4,267,650	2,585,958	(1,065,669)
NET POSITION, BEGINNING	50,542,335	44,783,436	49,826,409	52,412,367
Cumulative effect of restatement	(8,903,893)	775,323	-	-
NET POSITION, ENDING	\$ 44,783,436	\$ 49,826,409	\$ 52,412,367	\$ 51,346,698

2018	2019	2020	(restated) 2021	2022	2023
\$ 2,934,938	\$ 2,598,276	\$ 2,056,140	\$ 1,532	\$ 2,015,718	\$ 2,466,510
2,361,353	2,257,875	1,850,146	168,502	465,018	765,427
377,044	291,406	471,874	759,409	700,695	460,271
5,673,335	5,147,557	4,378,160	929,443	3,181,431	3,692,208
19,492,184	22,396,985	24,687,263	24,510,436	26,154,684	30,593,046
19,347,396	12,545,814	12,945,521	12,353,109	12,712,260	15,033,329
2,151,089	2,212,211	2,695,840	2,639,019	2,739,291	2,780,383
(38,507)	201,585	29,690	-	-	44,176
40,952,162	37,356,595	40,358,314	39,502,564	41,606,235	48,450,934
(35,278,827)	(32,209,038)	(35,980,154)	(38,573,121)	(38,424,804)	(44,758,726)
12,161,750	12,823,442	12,955,320	13,540,219	14,227,455	14,810,245
7,440,285	10,536,782	14,515,991	17,254,069	18,411,572	18,166,795
15,458,127	6,528,594	10,558,045	14,866,738	18,251,835	24,061,671
354,870	431,753	314,597	174,707	192,345	1,369,510
-	-	10,023	-	-	-
-	5,285	4,989	125,718	29,147	(34,693)
35,415,032	30,325,856	38,358,965	45,961,451	51,112,354	58,373,528
136,205	(1,883,182)	2,378,811	7,388,330	12,687,550	13,614,802
1,395,752	11,542,449	5,671,192	1,677,890	1,222,623	3,585,881
1,531,957	9,659,267	8,050,003	9,066,220	13,910,173	17,200,683
51,346,698	51,217,706	60,876,973	68,926,976	81,375,175	95,285,348
(1,660,949)	-	-	3,381,979	-	-
<u>\$ 51,217,706</u>	<u>\$ 60,876,973</u>	<u>\$ 68,926,976</u>	<u>\$ 81,375,175</u>	<u>\$ 95,285,348</u>	<u>\$ 112,486,031</u>



Revenue Capacity Information



Salem Area Mass Transit District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Public Utilities
	Residential	Commercial	Other	
2023	\$ 13,514,489,124	\$ 5,824,240,011	\$ 1,314,566,191	\$ 679,650,086
2022	13,011,535,210	5,414,020,871	1,240,751,532	661,184,988
2021	12,528,453,174	5,143,599,211	1,200,789,908	595,651,714
2020	12,011,666,418	4,999,418,272	1,132,716,186	606,896,866
2019	11,526,943,227	4,878,211,846	347,402,200	560,447,832
2018	11,068,458,201	4,600,364,794	1,041,137,160	572,108,794
2017	10,609,988,492	4,386,449,426	1,036,795,905	448,922,166
2016	10,190,655,657	4,249,688,977	1,022,709,766	417,339,803
2015	9,800,288,264	4,094,261,279	954,630,626	379,053,441
2014	9,412,905,600	4,004,452,790	885,287,920	368,759,319

Sources:

Marion County and Polk County Assessors.

Notes:

- (1) Estimated actual value of taxable property equals real market value except for tax exempt property which is excluded, and farm use property which is included at its lower taxable value. Real market value and assessed value were required to be equal by state law prior to fiscal year 1998. In May 1997, voters approved ballot Measure 50 which reduced assessed values to 90% of 1995 real market values and limits the annual increase in assessed values to 3%.

Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
\$ 562,035,927	\$ 21,894,981,339	0.7609	\$ 39,379,181,855
545,158,430	20,872,651,031	0.7609	37,066,222,996
522,827,255	19,991,321,262	0.7609	31,663,709,385
498,819,849	19,249,517,591	0.7609	34,611,507,518
465,486,768	18,503,865,590	0.7609	32,875,746,663
475,964,706	17,758,033,655	0.7609	30,266,763,653
436,390,694	16,418,918,782	0.7609	27,696,991,362
413,860,724	15,742,935,794	0.7609	25,627,319,527
382,966,983	15,611,200,594	0.7609	24,134,174,611
412,792,970	15,084,198,599	0.7609	23,109,872,859

Salem Area Mass Transit District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Salem Area Mass Transit District					
Permanent Tax Rate	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609
Overlapping Rates:					
Marion County	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03
Polk County	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14
Cities	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09
School Districts & ESD's	0.30 - 7.74	0.30 - 7.74	0.30 - 7.83	0.30 - 7.84	0.30 - 7.92
Chemeketa Community College	0.89	0.89	0.89	0.89	0.90
Sewer & Service Districts	0.05	0.05	0.05	0.05	0.05
Water & Water Control Districts	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.04 - 1.00
Rural Fire Protection Districts	0.53 - 2.82	0.53 - 2.82	0.53 - 2.34	0.53 - 2.90	0.53 - 2.91
Special Purpose Districts	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57

Sources:

Marion County Tax Collector.

Notes:

(1) Information in this schedule satisfies the District's annual disclosure requirements under SEC Rule 15c2-12.

(2) Rates for individual taxing districts are available in the annual tax roll summaries posted on the county's website.

2018	2017	2016	2015	2014
\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609
\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03
\$ 2.09	\$ 2.54	\$ 2.54	\$ 2.26	\$ 2.26
0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09
0.30 - 8.12	0.30 - 8.34	0.30 - 8.12	0.30 - 8.42	0.30 - 8.07
0.90	0.90	0.92	0.89	0.86
0.05	0.05	0.05	0.00	0.00
0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00
0.53 - 2.92	0.53 - 2.93	0.53 - 2.51	0.53 - 2.52	0.53 - 2.53
0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57

**Salem Area Mass Transit District
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago**

Taxpayer	2023			2014		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Northwest Natural Gas Co	1	\$ 227,417,000	1.04%	2	\$ 71,364,500	0.47%
Portland General Electric Co	2	190,197,000	0.87%	1	81,437,779	0.54%
Comcast Corporation	3	125,208,235	0.57%		-	
Bit Investment Ninety-Seven LLC	4	82,971,150	0.38%		-	
State Accident Insurance Fund	5	60,798,550	0.28%	9	30,420,920	0.20%
Lancaster Development Company LLC	6	55,599,510	0.25%	3	65,777,140	0.44%
Snyders-Lance Inc	7	52,623,950	0.24%		-	
Lumen Technologies Inc	8	55,055,112	0.25%		-	
GRI Keizer LLC	9	56,464,240	0.26%		-	
State Investments LLC	10	43,513,323	0.20%	6	35,911,547	0.24%
GPT Properties TR		-		10	26,307,830	0.17%
Metropolitan Life Insurance Co		-		4	44,077,610	0.29%
CenturyLink		-		5	37,541,500	0.25%
HD Salem OR Landlord LLC		-		7	33,396,330	0.22%
Wal-Mart Real Estate Business Trust		-		8	33,039,530	0.22%
Total for principal taxpayers		949,848,070	4.34%		459,274,686	3.04%
Total taxable assessed value		\$ 21,894,981,339			\$ 15,084,198,599	

Sources:

Marion County and Polk County Tax Assessors
Top Ten for both counties consolidated

**Salem Area Mass Transit District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2023	\$ 15,175,489	\$ 14,496,110	95.52%	\$ -	\$ 14,496,110	95.52%
2022	14,497,537	13,847,840	95.52%	138,831	13,986,671	96.48%
2021	13,949,784	13,331,718	95.57%	115,460	13,447,178	96.40%
2020	13,375,200	12,747,112	95.30%	227,849	12,974,961	97.01%
2019	12,906,585	12,304,644	95.34%	240,234	12,544,878	97.20%
2018	12,426,577	11,958,195	96.23%	266,878	12,225,073	98.38%
2017	11,965,300	11,378,225	95.09%	270,683	11,648,908	97.36%
2016	11,509,781	10,905,167	94.75%	280,272	11,185,439	97.18%
2015	10,882,259	10,279,838	94.46%	304,968	10,584,806	97.27%
2014	10,472,555	9,853,189	94.09%	330,998	10,184,187	97.25%

Sources:

Marion County Assessor and Polk County Treasurer



Demographic and Economic Information



Salem Area Mass Transit District
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2023	352,249 *	19,051,872 *	\$ 55,120 *	3.6%
2022	348,616	20,538,903	58,632	3.9%
2021	347,119	18,671,730	53,791	5.0%
2020	346,202	16,971,368	49,022	6.9%
2019	344,842	15,490,534	44,921	3.9%
2018	344,035	14,024,346	41,093	4.3%
2017	339,200	12,836,365	38,168	4.5%
2016	333,950	12,301,699	37,199	5.5%
2015	329,770	11,614,203	35,614	6.1%
2014	326,150	11,484,654	35,489	6.9%

Note:

This schedule is for Marion County and is provided as reference only. The District operates in both Marion and Polk Counties, however more operations occur in Marion than Polk County.

(1) Population estimate as of July 1, 2022; Population Research Center, Portland State University

(2) Personal Income estimate as of calendar year 2021; Bureau of Economic Analysis, Regional Economic Data

(3) Per Capita Personal Income as of calendar year 2021; Bureau of Economic Analysis, Regional Economic Data

(4) Unemployment Rate is average of 10 months of calendar year 2022; Bureau of Labor Statistics, Local Unemployment Statistics

* Estimated

Sources:

US Department of Commerce, Bureau of Economic Analysis; Regional Economic Data
US Bureau of Labor Statistics, Local Area Unemployment Statistics
Population Research Center, Portland State University

**Salem Area Mass Transit District
Salem Metropolitan Area Employers – Largest to Smallest
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>% of Total</u>	<u>Employees</u>	<u>% of Total</u>
Government	44,800	24.41%	40,267	27.44%
Educational and health services	34,800	18.95%	24,533	16.71%
Trade, transportation, and utilities	30,100	16.39%	22,992	15.66%
Leisure and hospitality	16,000	8.71%	13,342	9.09%
Professional and business services	17,300	9.42%	12,375	8.43%
Construction	13,900	7.57%	11,875	8.09%
Manufacturing	12,000	6.54%	7,167	4.88%
Financial activities	6,700	3.65%	7,033	4.79%
Other services	5,700	3.10%	4,983	3.39%
Information	1,700	0.93%	1,242	0.85%
Mining and logging	600	0.33%	1,000	0.68%
Total Salem Metropolitan Area				
Non-Farm Payroll Employment	<u>183,600</u>	<u>100.00%</u>	<u>146,809</u>	<u>100.00%</u>

Source: Oregon Employment Department Salem Area MSA Nonfarm Employment - CES Data

Notes: (1) Information for 2014 is presented for the calendar year.

Information for 2023 is preliminary numbers for October, 2023.

(2) Includes full-time and part-time employees



Operating Information



Salem Area Mass Transit District
District Employees by Division
Last Ten Fiscal Years

Division	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
General Manager	2.0	2.0	2.0	2.0	2.0	2.0	4.5	4.5	3.0	3.0
Administration										
Human Resources	4.0	4.5	4.1	4.7	5.2	4.8	4.8	4.8	4.8	5.8
Human Resources-Safety	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Communication										
Marketing & Communication	3.0	3.0	3.0	3.0	3.0	4.0	4.3	4.3	4.3	4.3
Customer Service	6.0	6.1	6.0	5.8	5.8	8.9	8.3	8.3	8.3	8.3
Travel Trainer	-	-	-	0.2	0.1	0.3	0.4	0.4	1.2	1.2
Finance										
Finance	7.0	6.5	6.5	7.5	5.0	6.9	9.5	9.5	9.5	8.5
Procurement	-	-	-	-	2.6	1.6	2.0	2.0	2.0	2.0
Technology and Program Management										
Technology and Program Management	-	-	-	-	-	-	-	-	1.5	1.5
Information Technology	-	-	-	-	-	-	5.9	5.9	5.9	5.9
Deputy General Manager										
Deputy General Manager Admin	-	-	-	-	-	-	-	-	2.0	2.0
Security & Emergency Management	-	-	-	-	-	-	-	-	3.0	4.0
Operations										
Administration	4.0	3.0	3.0	3.1	3.1	4.1	4.1	4.1	3.0	4.0
Security & Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	3.0	3.0	-	-
Fixed Route Operations	106.0	110.0	110.0	110.0	110.0 #	136.0	147.5	147.5	147.8	148.0
Vehicle Maintenance	26.0	24.5	24.0	24.1	23.6	31.8	31.1	31.1	31.1	31.1
Facilities Maintenance	6.0	6.0	6.0	6.0	8.0	9.0	9.0	9.0	13.0	9.6
Planning	-	-	-	-	-	-	4.0	4.0	4.0	5.0
Transportation Development										
Transportation Development Administration	4.5	4.0	4.5	5.6	6.4	6.1	-	-	-	-
Information Technology	5.0	4.5	5.0	5.0	5.0	5.1	-	-	-	-
Rideshare Program	2.0	-	-	-	-	-	-	-	-	-
Total General Fund FTE Per Budget	<u>177.5</u>	<u>176.0</u>	<u>176.5</u>	<u>179.0</u>	<u>181.8</u>	<u>222.6</u>	<u>239.4</u>	<u>239.4</u>	<u>245.4</u>	<u>245.2</u>
Special Transportation Fund										
Cherriots Lift	3.0	3.5	3.5	3.1	3.1	3.7	3.4	3.4	3.4	3.4
Cherriots Shop & Ride	-	-	-	0.2	0.2	0.6	0.4	0.4	0.4	0.4
Cherriots Regional	0.5	1.5	1.5	1.4	1.0	1.5	0.9	0.9	1.9	1.3
DMAP	2.0	2.0	2.0	2.0	1.0	-	-	-	-	-
Cherriots Call Center	-	0.5	0.5	0.6	0.5	0.7	0.1	0.1	0.1	0.1
Mobility Management/Travel Trainer	1.5	3.0	2.0	2.1	0.8	1.6	1.5	1.5	0.6	0.6
Special Transportation Coordination	1.0	-	0.5	0.1	0.2	0.3	-	-	-	-
TripChoice/Transportation Demand Mgt	-	2.0	2.0	2.0	2.5	3.0	2.4	2.4	2.4	2.4
Total Special Transportation Fund FTE Per Budget	<u>8.0</u>	<u>12.5</u>	<u>12.0</u>	<u>11.5</u>	<u>9.3</u>	<u>11.4</u>	<u>8.7</u>	<u>8.7</u>	<u>8.8</u>	<u>8.2</u>
Capital Project Fund	1.0	1.5	1.0	3.2	1.6	0.4	-	-	-	-
Total District Wide FTE Per Budget	<u>186.5</u>	<u>190.0</u>	<u>189.5</u>	<u>193.7</u>	<u>192.7</u>	<u>234.4</u>	<u>248.1</u>	<u>248.1</u>	<u>254.2</u>	<u>253.4</u>



Salem Area Mass Transit District

Operating Revenue and Cost Measures

Last Ten Fiscal Years

Fixed Route System

Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)
2014	\$ 2,363,360	\$ 20,331,685	11.6%	2,125,959	2,001,989	3,322,655
2015	2,623,816	20,751,653	12.6%	2,191,929	2,059,524	3,371,517
2016	2,305,504	21,699,414	10.6%	2,316,592	2,173,882	2,999,022
2017	2,825,740	23,395,701	12.1%	2,566,500	2,417,272	2,940,565
2018	2,519,889	24,493,950	10.3%	2,289,507	2,146,850	3,011,629
2019	2,196,271	26,343,862	8.3%	2,270,336	2,124,151	2,955,477
2020	1,771,170	28,535,939	6.2%	2,172,007	2,028,340	2,619,250
2021	-	31,036,925	0.0%	2,419,098	2,258,436	1,718,883
2022	1,688,365	32,358,719	5.2%	2,432,658	2,268,251	2,039,555
2023	2,146,859	37,364,843	5.7%	2,553,489	2,382,460	2,762,649

Regional Fixed Route*

Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)
2020	\$ 118,138	\$ 1,453,046	8.1%	420,820	366,029	81,647
2021	-	1,867,590	0.0%	453,990	396,231	56,948
2022	136,837	1,945,736	7.0%	519,027	451,728	63,368
2023	120,797	2,363,090	5.1%	575,525	511,166	84,987

*Starting in FY2020, this new mode reflects the NTD reporting definition of Purchased Transportation - Motor Bus, and includes Regional routes operated by a third party, excluding the Polk County Flex, which meets the definition of Demand Response service, and is included there.

Demand Response**

Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)
2014	\$ 175,101	\$ 13,710,320	1.3%	4,750,911	4,382,166	528,610
2015	226,675	16,771,188	1.4%	7,871,544	7,482,224	581,184
2016	388,919	16,075,696	2.4%	5,624,117	5,108,673	560,070
2017	376,232	16,013,265	2.3%	7,122,370	5,595,404	566,641
2018	415,049	14,119,579	2.9%	4,055,025	3,684,110	455,807
2019	402,005	7,282,216	5.5%	1,341,807	1,181,677	241,297
2020	116,831	5,803,855	2.0%	761,455	668,407	114,522
2021	-	5,420,831	0.0%	483,078	424,076	58,208
2022	190,516	4,492,706	4.2%	553,070	487,544	71,900
2023	198,854	4,502,561	4.4%	594,371	533,538	84,798

Vanpool

Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)
2014	\$ 200,596	\$ 381,891	52.5%	499,454	499,454	79,084
2015	481,530	391,795	122.9%	613,938	613,938	79,084
2016	488,651	245,285	199.2%	566,917	566,917	78,774
2017	418,369	177,903	235.2%	578,196	578,196	72,591
2018	303,605	290,018	104.7%	528,480	528,480	70,250
2019	310,822	302,213	102.8%	554,187	554,187	76,167
2020	290,192	277,822	104.5%	474,257	474,257	59,152
2021	150,891	153,883	98.1%	241,350	241,350	22,514
2022	257,946	238,952	107.9%	299,722	299,722	44,088
2023	561,683	446,738	125.7%	538,865	538,865	94,821

** In FY2014 no sampling was done on demand response mode so the District agreed to not report passenger miles for FY2015 and FY2016. The District conducted sampling in FY2017.

**In FY2020, Demand Response operating statistics changed to reflect NTD report definitions for service modes. It now includes Cherriots Lift, Shop & Ride, and the Polk County Flex services.

Fixed Route System						
Fiscal Year	Annual Passenger Miles	Annual Vehicle Revenue Hours	Operating Expense per Mile	Operating Expense per Revenue Mile	Operating Expense per UPT	Operating Expense per Passenger Mile
2014	11,695,746	156,860	\$ 9.56	\$ 10.16	\$ 6.12	\$ 1.74
2015	11,867,740	155,246	9.47	10.08	6.15	1.75
2016	10,556,745	159,283	9.37	9.98	7.24	2.06
2017	9,703,865	173,457	9.12	9.68	7.96	2.41
2018	9,938,376	166,004	10.70	11.41	8.13	2.46
2019	9,753,074	167,949	11.60	12.40	8.91	2.70
2020	8,014,905	163,402	13.14	14.07	10.89	3.56
2021	5,259,782	182,197	12.83	13.74	18.06	5.90
2022	6,241,038	184,184	13.30	14.27	15.87	5.18
2023	7,138,072	194,433	14.63	15.68	13.53	5.23

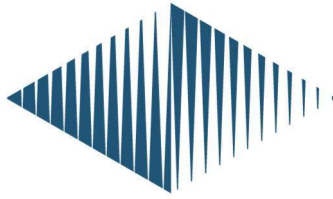
Regional Fixed Route*						
Fiscal Year	Annual Passenger Miles	Annual Vehicle Revenue Hours	Operating Expense per Mile	Operating Expense per Revenue Mile	Operating Expense per UPT	Operating Expense per Passenger Mile
2020	1,283,822	17,024	\$ 3.45	\$ 3.97	\$ 17.80	\$ 1.13
2021	845,237	18,566	4.11	4.71	32.79	2.21
2022	897,073	21,726	3.75	4.31	30.71	2.17
2023	1,164,409	24,053	4.11	4.62	27.81	2.03

Demand Response**						
Fiscal Year	Annual Passenger Miles	Annual Vehicle Revenue Hours	Operating Expense per Mile	Operating Expense per Revenue Mile	Operating Expense per UPT	Operating Expense per Passenger Mile
2014	3,626,371	270,933	\$ 2.89	\$ 3.13	\$ 25.94	\$ 3.78
2015	**	272,262	2.13	2.24	28.86	**
2016	**	321,548	2.86	3.15	28.70	**
2017	4,982,763	330,708	2.25	2.86	28.26	3.21
2018	3,424,780	234,747	3.48	3.83	30.98	4.12
2019	1,371,923	86,874	5.43	6.16	30.18	5.31
2020	766,037	56,148	7.62	8.68	50.68	7.58
2021	301,673	36,418	11.22	12.78	93.13	17.97
2022	391,398	40,262	8.12	9.21	62.49	11.48
2023	507,160	40,823	7.58	8.44	53.10	8.88

Vanpool						
Fiscal Year	Annual Passenger Miles	Annual Vehicle Revenue Hours	Operating Expense per Mile	Operating Expense per Revenue Mile	Operating Expense per UPT	Operating Expense per Passenger Mile
2014	2,841,022	11,418	\$ 0.76	\$ 0.76	\$ 4.83	\$ 0.13
2015	2,864,484	11,418	0.64	0.64	4.95	0.14
2016	3,199,040	13,201	0.43	0.43	3.11	0.08
2017	2,550,101	13,352	0.31	0.31	2.45	0.07
2018	2,848,891	13,803	0.55	0.55	4.13	0.10
2019	2,955,836	14,376	0.55	0.55	3.97	0.10
2020	2,197,116	12,295	0.59	0.59	4.70	0.13
2021	698,116	5,500	0.64	0.64	6.83	0.22
2022	1,138,557	6,838	0.80	0.80	5.42	0.21
2023	2,441,828	12,887	0.83	0.83	4.71	0.18



**Disclosure and Comments Required
by State Minimum Standards**



GROVE, MUELLER & SWANK

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Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Salem Area Mass Transit District
Salem, Oregon

We have audited, 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, the basic financial statements of Salem Area Mass Transit District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated February 29, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for over-expenditures of appropriations as noted in the financial statements.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors, management of the District, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, Principal
February 29, 2024