



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2021 and 2020

SALEM, OREGON

SALEM AREA MASS TRANSIT DISTRICT

Annual Comprehensive Financial Report

For the years ended

June 30, 2021 and 2020

Marion County, Oregon

Prepared by

Denise LaRue, Director of Finance/CFO
Onyema Odoemelam, Controller

Salem Area Mass Transit District
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For the Years Ended June 30, 2021 and 2020

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Introductory Section



CHERRIOTS



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LIFT



CHERRIOTS

SHOP AND RIDE

February 17, 2022

Board of Directors
Salem Area Mass Transit District
555 Court St. NE, Suite 5230
Salem, OR 97301-3980

It is our pleasure to submit to you the Annual Comprehensive Financial Report of the Salem Area Mass Transit District for the fiscal year ended June 30, 2021. 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. For FY 2021, the District received an extension for submission of these documents until February 17, 2022.

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 District 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 4 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, P.C., 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 ended June 30, 2021, 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 ended June 30, 2021, 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 1.

In addition to meeting the requirements set forth above, the independent audit was also 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, 2021, 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, dial-a-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 436,098.

The District's mission is to connect people with places through safe, friendly, and reliable public transportation services. We do this through a variety of services throughout the region.

In addition to local fixed-route, SAMTD operates Cherriots Regional, Cherriots LIFT, and Cherriots Shop and Ride. 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.

In FY 2021, annual Cherriots ridership among all services was just under 1.7 million, averaging more than 5,800 riders per weekday and 3,700 on Saturday. Cherriots Local and Regional bus services operate with 58 peak vehicles. An additional 37 vehicles are dedicated to providing Cherriots LIFT or demand response service.

Cherriots LIFT, a dial-a-ride paratransit service provided to seniors and people with disabilities, operates throughout the Salem-Keizer urban growth boundary. Riders must be certified eligible to use Cherriots LIFT service in advance of scheduling a trip.

Lastly, Cherriots Shop and Ride is a shopper shuttle and dial-a-ride service for seniors and people with disabilities. It operates throughout the Salem-Keizer urban growth boundary. There is no formal eligibility processes 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. For the first time in the District's history the majority of members are female.

The District is authorized to levy taxes and charge fares to pay for operations. Thirty-four percent of general fund revenue comes from local property taxes. Thirty-four percent of the general fund are funds received from the state. As a percentage of total revenues, this is equivalent to that of last fiscal year.

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/Board of Directors/Strategic Initiatives & Program Management, Finance & Technology, Administration, 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 177,694 according to the 2021 U.S. Census estimate. In 2021, there were an estimated 436,098 people living in the Salem MSA compared with a population of 391,395 in the 2010 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 and Keizer as the 15th largest city in Oregon. However, the Salem MSA had the third largest population in the state at July 1, 2021. The major industries in the Salem MSA are agribusiness, health care, technology, government, and education.

The average unemployment rate in the Salem MSA in 2020 was 7.6 percent, as a result of the COVID-19 pandemic. Preliminary estimates for the most recent month show an improvement to 4.1%.

Fixed Route Transportation

Approximately 5.3 million passenger miles were traveled annually, with total ridership of 1,718,883 for FY 2021. This total ridership represents a decrease of 34 percent from FY 2020 due to COVID-19. For FY 2021, the operating costs per revenue mile for the fixed route service amounted to \$13.74 compared to a cost of \$12.52 for FY 2020 (a 9.7 percent increase), while the average cost per ride increased from \$10.89 in FY 2020 to \$18.06 for FY 2021 (a 34.6 percent increase). The increase in the cost per ride is more than last year's increase of 24.6 percent, and is driven by the effects of the pandemic – increased operating costs, decreased operating revenue miles, and reduced ridership.

Alternative Transportation

Ridership in the paratransit, dial-a-ride, and shopper shuttle programs decreased during FY 2021. The total rides provided in FY 2021 were 58,208 compared to 114,522 rides provided in FY 2020. The average cost of providing demand response rides in FY 2021 was \$93.13 compared with \$50.68 for FY 2020. This increase in cost per ride is the result of continued expenses to operate the programs, including continued payments to third-party contractor to transition drivers to assist in the increased disinfection of vehicles and bus stops; also, an approximate 50 percent decrease in rides occurred due to the pandemic.

A small portion of the cost of providing these alternative transportation services is typically covered with fare revenue. However, no fares were collected for FY 2021 compared with 3.2 percent for FY 2020. Fare recovery ratio was reduced because Cherriots suspended fare collection on all its vehicles as a safety measure for physical distancing during the pandemic. Funding from federal and state sources provided 81.4 percent of FY 2021 and 80.7 percent of FY 2020 program operating costs. A majority of program costs continue to be funded by grants, minimizing the use of General Fund contributions.

Major Initiatives

Our primary initiative this year continues to be addressing the pandemic's impact on our customers and employees, maintaining service enhancements, and the introduction of new technology. COVID-19 and the devastation it has caused has made people uneasy about spending time in shared public spaces like buses and trains. COVID-19 has upended transportation behavior as we know it. While there's no concrete timeline for public transit's recovery from the crisis, it's clear that the recovery, shaped by complex health and economic variables, will not be a binary switch back to pre-pandemic operations.

The American Public Transportation Association has launched a nationwide program outlining industry best practices – for both agencies and riders – as the COVID-19 crisis continues. To date, more than 200 agencies have signed onto the program, including the Salem Area Mass Transit District. Such broad collaboration can send a powerful, trust-building message.

The program was developed based on a survey of nationwide transit users who were asked what measures would help boost their confidence in riding transit. The answers helped identify four key areas where transit systems can focus their efforts to earn the confidence of riders:

- 1) Following public health guidelines from official sources;
- 2) Cleaning and disinfecting transit vehicles frequently and requiring face coverings and other protections;
- 3) Keeping riders informed and empowered to choose the safest times and routes to ride; and
- 4) Putting health first by requiring riders and employees to avoid public transit if they have been exposed to COVID-19 or feel ill.

Cherriots met these commitments and earned the Health & Safety Commitments Program seal by adopting practices and policies that make sense for the District's transit system, riders, and community.

The major technology project for this year continues to be the installation and testing of Intelligent Transportation System (ITS) technology. The ITS technology includes computer aided dispatch and automated vehicle location (CAD/AVL) equipment that will not only improve operational efficiency, but improve the customer experience. Additional components of the ITS system include automated passenger counting and automated talking head signs. Additional components will be introduced in future years.

Future

While the pandemic slowed our course, it did not alter our path to changing the public transit landscape. The board asked the District to go through a strategic planning process to set a roadmap for the future and determine how the District moves from a transit service provider to a mobility integrator for the Mid-Willamette Valley community. To shape and guide our strategic work, we have entered into a contract with a professional strategic planning

management consulting service. Additional support and coordination comes from a newly established position in our agency, a Strategic Initiatives Administrator.

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, 2020. This was the ninth 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,

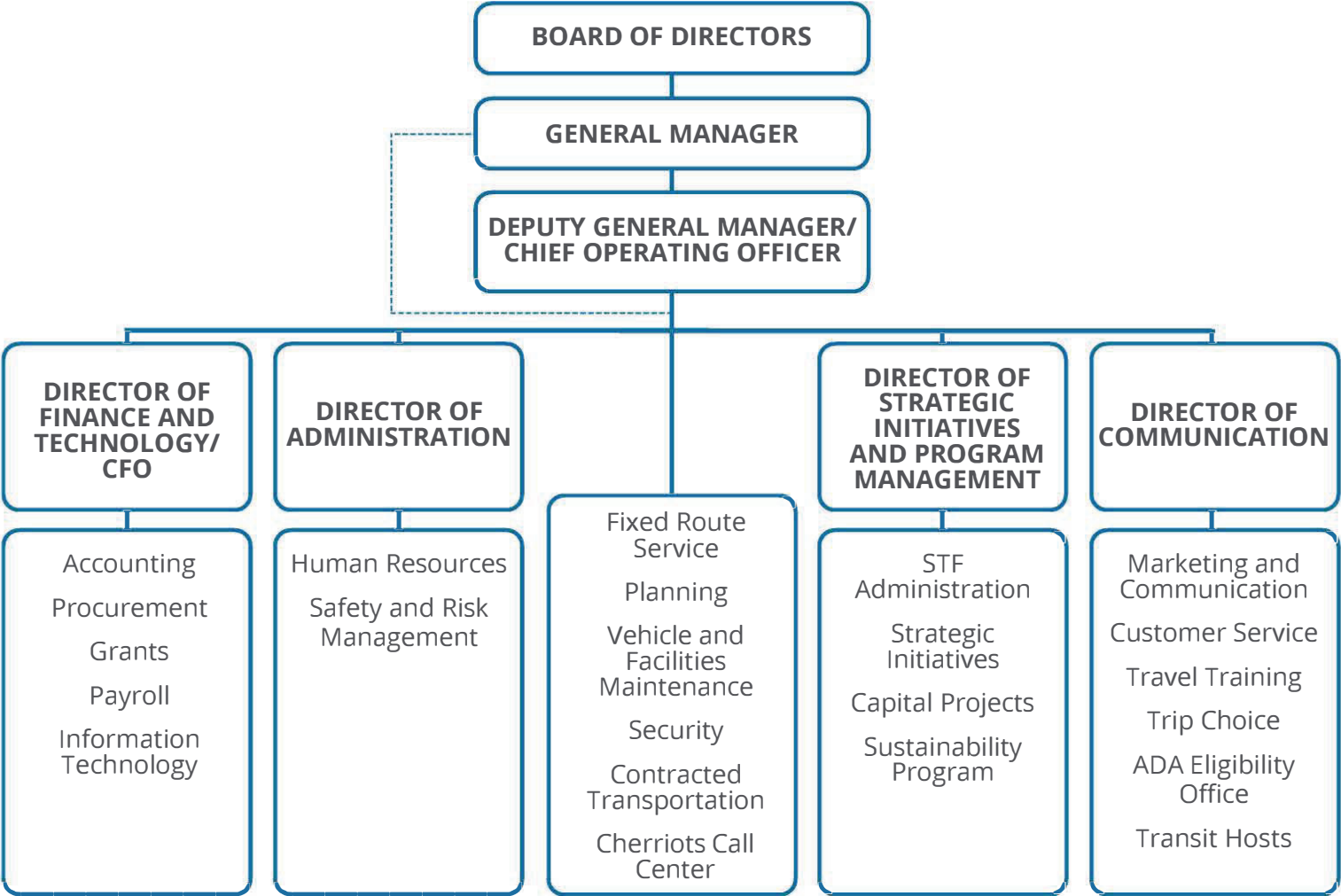


Allan Pollock
General Manager/CEO



Denise LaRue
Director of Finance/CFO

SALEM AREA MASS TRANSIT DISTRICT



Salem Area Mass Transit District
Board of Directors
July 2020 – June 2021



CHI NGUYEN (Subdistrict #1)

1665 Sisters Court NW
Salem, Oregon 97304
P: (503)949-5263 | E: chi.nguyen@cherriots.org

Appointed 07/01/2019 – 06/30/2023 ¹



COLLEEN BUSCH (Subdistrict #2)

4064 Noon Avenue NE
Keizer, Oregon 97303
P: (503)689-3875 | E: colleen.busch@cherriots.org

Elected 07/01/2015; Reelected 2017-2021



SADIE CARNEY (Subdistrict #3)

1595 5th Street NE
Salem, Oregon 97301
P: (971)887-8896 | E: sadie.carney@cherriots.org

Appointed 07/01/2019 – 06/30/2023 ¹



MARIA CECILIA HINOJOS PRESSEY (Subdistrict #4)

4368 Crystal Avenue NE
Salem, Oregon 97305
P: (505)800-9142 | E: maria.hinojos@cherriots.org

Appointed 09/21/2020 to Unexpired Term ending 06/30/21 ¹



IAN DAVIDSON (Subdistrict #5)

4926 Wagon Rim Court SE
Salem, Oregon 97317
P: (253)797-0164 | E: ian.davidson@cherriots.org

Appointed 07/01/2019 – 06/30/2023 ¹



ROBERT KREBS (Subdistrict #6)

3435 Bluff Avenue SE
Salem, Oregon 97302
P: (503)375-2821 | E: robert.krebs@cherriots.org

Elected 07/01/2009; Reelected 2013, 2017-2021



CHARLES RICHARDS (Subdistrict #7)

5517 7th Avenue SE
Salem, Oregon 97302
P: (503)363-4627 | E: charles.richards@cherriots.org

Appointed 07/01/2019 – 06/30/2023 ¹

¹ Elections determined Board membership until 06/30/2019.
2018 Legislative changes under Senate Bill 10 provided for Governor appointed positions as of 07/01/2019



Government Finance Officers Association

Certificate of
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Presented to

**Salem Area Mass Transit
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section



CHERRIOTS



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LOCAL



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REGIONAL



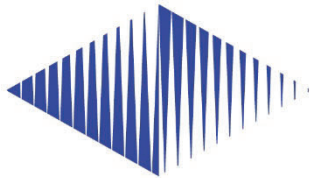
CHERRIOTS

LIFT



CHERRIOTS

SHOP AND RIDE



GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

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(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Salem Area Mass Transit
Salem, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Salem Area Mass Transit (the District) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Salem Area Mass Transit District, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), schedule of changes in the net pension liability and related ratios – non-bargaining, schedule of employer contributions – defined benefit plan – non-bargaining, schedule of changes in the net pension liability and related ratios – bargaining, schedule of employer contributions – defined benefit plan - bargaining, and schedule of changes in the District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the MD&A and the required supplementary information schedules as described above in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 other supplementary information, introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reporting Required by Legal and Regulatory Requirements


Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2022, 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 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 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.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 17, 2022, 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, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, A Shareholder
February 17, 2022



CHERRIOTS



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LOCAL



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LIFT



CHERRIOTS

SHOP AND RIDE

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, 2021 and 2020. 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 2021 from \$80.7 million to \$88.1 million, due to an increase in unrestricted cash and state grants receivable, partially offset by federal grants receivable. The District's total assets increased in FY 2020 from \$72.4 million to \$80.7 million, due to an increase in federal grants receivable and an increase in buses and equipment.

The District's deferred outflows decreased in FY 2021 by approximately \$1.4 million but the District's deferred outflows increased in FY 2020 by approximately \$2.5 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 2021 by \$6.0 million, due mostly to a decrease in net pension liabilities of the District. The District's total liabilities increased in FY 2020 by \$1.4 million, due mostly to an increase in payroll withholdings and taxes, an increase in retainage, and an increase in the net OPEB liabilities of the District.

In FY 2021, the District's total net position increased by \$9.1 million. The investment in capital assets decreased by approximately \$300 thousand, mainly due to a \$800 thousand increase in land improvements offset by a \$1.1 million decrease in land and construction in progress. Restricted net position for capital projects increased by \$1.5 million, while restricted net position for special transportation decreased by approximately \$108 thousand. Unrestricted net position increased by approximately \$7.9 million.

In FY 2020, the District's total net position increased by \$8.1 million. The investment in capital assets increased by approximately \$4.4 million, mainly due to a \$1.6 million increase in construction in progress and a \$3.2 million increase in vehicle rolling stock. Restricted net position for capital projects and special transportation decreased by approximately \$1.2 million and \$27,500, respectively, and the unrestricted net position increased by approximately \$4.8 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 special transportation represent amounts restricted for use for capital expenditures, and for transportation programs and projects, respectively.

	<i>June 30,</i>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>
Assets			
Current and restricted assets	\$ 39,216,848	\$ 32,377,724	\$ 28,504,479
Noncurrent assets	789,730	-	-
Capital assets, net of depreciation	<u>48,051,619</u>	<u>48,311,842</u>	<u>43,865,763</u>
Total assets	88,058,197	80,689,566	72,370,242
Deferred outflows of resources			
	<u>3,385,624</u>	<u>4,949,950</u>	<u>2,267,936</u>
Total assets and deferred outflows of resources	91,443,821	85,639,516	74,638,178
Liabilities			
Current liabilities	2,770,397	3,003,712	2,684,862
Noncurrent liabilities	<u>6,044,845</u>	<u>11,831,307</u>	<u>10,788,269</u>
Total liabilities	8,815,242	14,835,019	13,473,131
Deferred inflows of resources			
	4,635,383	1,877,521	288,074
Net position			
Investment in capital assets	48,051,619	48,311,842	43,865,763
Restricted for capital projects	1,519,799	-	1,186,447
Restricted for transportation programs	-	108,265	135,761
Unrestricted	<u>28,421,778</u>	<u>20,506,869</u>	<u>15,689,002</u>
Total net position	<u>77,993,196</u>	<u>68,926,976</u>	<u>60,876,973</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 91,443,821</u>	<u>\$ 85,639,516</u>	<u>\$ 74,638,178</u>

In FY 2021, operating revenue decreased approximately \$3.4 million from \$4.4 million to \$1.0 million, or 78.8 percent, from the prior year. This decrease was due to a decrease in the passenger fares from all modes of service. The District eliminated the collection of fares for all of FY21 due to reduced routes and ridership, both effects of the pandemic, and allowed the public to board by the rear door to provide physical distance with limited capacity. Non-operating revenues, including capital contributions, increased approximately \$3.6 million from the prior year. This increase is due to an increase in federal and state assistance, offset partially by a decrease in grants for capital acquisition. Operating expenses decreased by approximately \$900 thousand from the prior year. The majority of the decrease is from a net decrease in materials and services expense of \$600 thousand.

In FY 2020, operating revenue decreased approximately \$770 thousand from \$5.1 million to \$4.4 million, or 14.9 percent, from the prior year. This decrease was due to a decrease in the passenger fares from all modes of service. The District eliminated the collection of fares in March 2021 due to reduced routes and ridership, both effects of the pandemic, and allowed the public to board by the rear door to provide physical distance with limited capacity. Non-operating revenues,

including capital contributions, increased approximately \$2.2 million from the prior year. This increase is due to an increase in federal and state grants for capital acquisitions. Operating expenses increased by approximately \$3.0 million from the prior year. The majority of the increase is from an increase in personnel services of \$2.3 million.

The District's total revenue increased approximately \$160 thousand, or 0.3 percent, during FY 2021, primarily from non-operating sources, such as federal assistance (up 40.8 percent) for COVID-19 pandemic-related costs; and an increase in state assistance (up 18.9 percent). Property tax revenues increased by just 4.5 percent. The District's total revenue increased approximately \$1.4 million, or 3.0 percent, during FY 2020.

	<i>Year Ended June 30,</i>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>
Operating revenues			
Passenger fares	\$ 1,532	\$ 2,056,140	\$ 2,598,276
Accessible services and medicaid	168,502	1,850,146	2,257,875
Other revenues	759,409	471,874	291,406
Non-operating revenues			
Property taxes	13,540,219	12,955,320	12,823,442
State assistance	17,254,069	14,515,991	10,536,782
Federal assistance	14,866,738	10,558,045	6,528,594
Other revenues	300,425	329,609	437,038
Total revenue	46,890,894	42,737,125	35,473,413
Operating expenses	<u>(39,502,564)</u>	<u>(40,358,314)</u>	<u>(37,356,595)</u>
Changes in net position before capital contributions	7,388,330	2,378,811	(1,883,182)
Capital contributions	<u>1,677,890</u>	<u>5,671,192</u>	<u>11,542,449</u>
Changes in net position	9,066,220	8,050,003	9,659,267
Beginning net position	<u>68,926,976</u>	<u>60,876,973</u>	<u>51,217,706</u>
Ending net position	<u>\$ 77,993,196</u>	<u>\$ 68,926,976</u>	<u>60,876,973</u>

Capital Assets

The District's investment in capital assets amounts to \$48.1 million and \$48.3 million net of accumulated depreciation as of June 30, 2021 and 2020 respectively. This investment in capital assets includes land, construction in progress, buildings, land improvements, revenue rolling stock, and equipment. The total decrease in the District's investment in capital assets for FY 2021 was 0.5 percent. The total increase in the District's investment in capital assets for FY 2020 was 10.1 percent.

Major capital projects during FY 2021 included the CAD/AVL and work toward the South Salem Transit Center. Construction in progress at the end of the year was approximately \$6.8 million for various projects.

Major capital projects during FY 2020 included the purchase of revenue vehicles for Cherriots Local, Regional, and Shop and Ride services and improvements to the Keizer Transit Center intersection and signalization. Construction in progress at the end of the year was approximately \$6.5 million for various projects.

	<u>2021</u>	<u>June 30, 2020</u>	<u>2019</u>	<u>Increase/(decrease)</u>	
				<u>2021-2020</u>	<u>2020-2019</u>
Land	\$ 3,039,566	\$ 3,250,691	\$ 3,250,691	\$ (211,125)	\$ -
Construction in progress	6,828,294	6,488,767	4,828,265	339,527	1,660,502
Buildings	16,116,021	16,581,739	17,026,541	(465,718)	(444,802)
Land improvements	3,855,727	3,053,124	3,172,162	802,603	(119,038)
Revenue rolling stock	16,350,488	17,474,136	14,287,758	(1,123,648)	3,186,378
Equipment	1,935,706	1,463,385	1,300,346	472,321	163,039
	<u>\$ 48,125,802</u>	<u>\$ 48,311,842</u>	<u>\$ 43,865,763</u>	<u>\$ (186,040)</u>	<u>\$ 4,446,079</u>

Additional information on the District's capital assets can be found in note 5 on pages 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



CHERRIOTS



CHERRIOTS

LOCAL



CHERRIOTS

REGIONAL



CHERRIOTS

LIFT



CHERRIOTS

SHOP AND RIDE

Salem Area Mass Transit District
Statements of Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 28,771,275	\$ 18,223,913
Accounts receivable	74,411	37,098
Property taxes receivable	461,123	495,152
Prepaid items	521,636	453,829
Inventories	811,601	922,508
Restricted cash and cash equivalents	1,519,799	108,265
Federal grants receivable	4,637,394	10,806,077
State grants receivable	<u>2,419,609</u>	<u>1,330,882</u>
Total current assets	39,216,848	32,377,724
Capital assets		
Land	3,039,566	3,250,691
Construction in progress	6,754,110	6,488,767
Land improvements (net of depreciation)	3,855,728	3,053,124
Buildings and improvements (net of depreciation)	16,116,021	16,581,739
Revenue rolling stock (net of depreciation)	16,350,488	17,474,136
Equipment (net of depreciation)	<u>1,935,706</u>	<u>1,463,385</u>
Total capital assets	<u>48,051,619</u>	<u>48,311,842</u>
Other noncurrent assets		
Net pension asset - Non-bargaining	<u>789,730</u>	<u>-</u>
Total assets	<u>88,058,197</u>	<u>80,689,566</u>
Deferred outflows of resources		
Related to pensions - Non-bargaining	744,257	1,320,560
Related to pensions - Bargaining	2,089,352	3,226,392
Related to total OPEB liability	<u>552,015</u>	<u>402,998</u>
Total deferred outflows of resources	<u>3,385,624</u>	<u>4,949,950</u>
Total assets and deferred outflows of resources	<u>\$ 91,443,821</u>	<u>\$ 85,639,516</u>

	<u>2021</u>	<u>2020</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 516,017	\$ 770,579
Accounts payable from restricted assets	654,450	724,444
Payroll, withholdings and payroll taxes	1,025,691	806,684
Construction retainage	113,773	121,964
Due to other governments from restricted assets	-	157,230
Accrued vacation and sick leave - current portion	416,847	422,811
Unearned revenue	<u>43,619</u>	<u>-</u>
Total current liabilities	<u>2,770,397</u>	<u>3,003,712</u>
Noncurrent liabilities		
Net pension liability - Non-bargaining	-	1,563,511
Net pension liability - Bargaining	936,068	5,510,135
Total OPEB liability	3,858,236	3,489,227
Accrued vacation and sick leave, net of current portion	<u>1,250,541</u>	<u>1,268,434</u>
Total noncurrent liabilities	<u>6,044,845</u>	<u>11,831,307</u>
Total liabilities	<u>8,815,242</u>	<u>14,835,019</u>
Deferred inflows of resources		
Related to pensions - Non-bargaining	838,905	53,952
Related to pensions - Bargaining	2,398,899	153,551
Related to total OPEB liability	<u>1,397,579</u>	<u>1,670,018</u>
Total deferred outflows of resources	<u>4,635,383</u>	<u>1,877,521</u>
Net position		
Investment in capital assets	48,051,619	48,311,842
Restricted for capital projects	1,519,799	-
Restricted for transportation programs	-	108,265
Unrestricted	<u>28,421,778</u>	<u>20,506,869</u>
Total net position	<u>77,993,196</u>	<u>68,926,976</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 91,443,821</u>	<u>\$ 85,639,516</u>

Salem Area Mass Transit District
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Passenger fares	\$ 1,532	\$ 2,056,140
Accessible services and medicaid	168,502	1,850,146
Other revenues	706,962	471,874
OPEB revenue	52,447	-
Total operating revenues	<u>929,443</u>	<u>4,378,160</u>
Operating expenses		
Personnel services	24,510,436	24,687,263
Materials and services	12,353,109	12,945,521
Depreciation	2,639,019	2,695,840
OPEB expense	-	29,690
Total operating expenses	<u>39,502,564</u>	<u>40,358,314</u>
Operating loss	(38,573,121)	(35,980,154)
Non-operating revenues		
Property taxes	13,540,219	12,955,320
State assistance	17,254,069	14,515,991
Federal assistance	14,866,738	10,558,045
Earnings on investments	174,707	314,597
Insurance settlement	-	10,023
Gain on disposal of capital assets	125,718	4,989
Total non-operating revenues	<u>45,961,451</u>	<u>38,358,965</u>
Change in net position before capital contributions	7,388,330	2,378,811
Capital contributions		
Federal and state grants for capital acquisition	<u>1,677,890</u>	<u>5,671,192</u>
Changes in net position	9,066,220	8,050,003
Total net position - beginning of year	<u>68,926,976</u>	<u>60,876,973</u>
Total net position - end of year	<u>\$ 77,993,196</u>	<u>\$ 68,926,976</u>

Salem Area Mass Transit District
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from customers	\$ 935,749	\$ 4,384,793
Payments to employees for services	(26,551,397)	(24,465,709)
Cash paid to suppliers for good and services	(12,634,565)	(13,174,246)
Net cash used for operating activities	<u>(38,250,213)</u>	<u>(33,255,162)</u>
Cash flows from noncapital financing activities		
Receipts from property taxes	13,574,248	12,988,602
Receipts from state assistance	16,008,112	15,283,252
Receipts from federal assistance	16,537,880	7,203,644
Net cash provided by noncapital financing activities	<u>46,120,240</u>	<u>35,475,498</u>
Cash flows from capital and related financing activities		
Receipts from capital grants	6,175,431	10,168,733
Acquisition and construction of capital assets	(2,598,112)	(7,036,123)
Proceeds from sale of capital assets	336,843	4,989
Net cash provided by capital and related financing activities	<u>3,914,162</u>	<u>3,137,599</u>
Cash flows from investing activities		
Interest received	174,707	314,597
Net change in cash and cash equivalents	11,958,896	5,682,555
Cash and cash equivalents, beginning of year	<u>18,332,178</u>	<u>12,649,623</u>
Cash and cash equivalents, end of year	<u>\$ 30,291,074</u>	<u>\$ 18,332,178</u>
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	\$ (38,573,121)	\$ (35,980,154)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	2,639,019	2,695,840
Change in net pension liability and related deferrals	(2,183,664)	(154,541)
Change in OPEB obligation and related deferrals	(52,447)	29,690
(Increase) decrease in accounts receivable	(37,313)	10,329
(Increase) decrease in prepaid items	(67,807)	(55,767)
(Increase) decrease in inventories	110,907	(25,384)
Increase (decrease) in accounts payable	(254,562)	341,622
Increase (decrease) in accounts payable from restricted assets	(69,994)	(489,196)
Increase (decrease) in payroll, withholdings and payroll taxes	219,007	275,666
Increase (decrease) in accrued vacation and sick leave	(23,857)	100,429
Increase (decrease) in unearned revenue	43,619	(3,696)
Net cash used for operating activities	<u>\$ (38,250,213)</u>	<u>\$ (33,255,162)</u>

**Salem Area Mass Transit District
Statements of Fiduciary Net Position
For the Years Ended June 30, 2021 and 2020**

	2021		
	Defined Benefit Plan		
	Non-Bargaining	Bargaining	Total
Assets			
Cash and cash equivalents	\$ 385,757	\$ 1,016,481	\$ 1,402,238
Investments			
Fixed Income	4,951,416	13,983,243	18,934,659
Stocks	5,054,431	14,405,635	19,460,066
Total investments	10,005,847	28,388,878	38,394,725
Total assets	10,391,604	29,405,359	39,796,963
Fiduciary net position - Restricted	\$ 10,391,604	\$ 29,405,359	\$ 39,796,963
	2020		
	Defined Benefit Plan		
	Non-Bargaining	Bargaining	Total
Assets			
Cash and cash equivalents	\$ 245,841	\$ 605,697	\$ 851,538
Investments			
Fixed Income	3,705,612	10,791,920	14,497,532
Stocks	4,185,002	12,118,378	16,303,380
Total investments	7,890,614	22,910,298	30,800,912
Total assets	8,136,455	23,515,995	31,652,450
Fiduciary net position - Restricted	\$ 8,136,455	\$ 23,515,995	\$ 31,652,450

Salem Area Mass Transit District
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2021 and 2020

	2021		
	Defined Benefit Plan		
	Non-Bargaining	Bargaining	Total
Additions			
ICMA Transfers	\$ 652,482	\$ 252,907	\$ 905,389
Employer contributions	862,643	2,533,622	3,396,265
Total contributions	1,515,125	2,786,529	4,301,654
Net increase in fair value of investments	1,567,128	4,479,695	6,046,823
Investment expense	(50,943)	(145,497)	(196,440)
Net investment income	1,516,185	4,334,198	5,850,383
Total additions	3,031,310	7,120,727	10,152,037
Deductions			
Service benefits	776,161	1,231,363	2,007,524
Net increase in fiduciary net position	2,255,149	5,889,364	8,144,513
Fiduciary net position - Restricted - beginning of year	8,136,455	23,515,995	31,652,450
Fiduciary net position - Restricted - end of year	<u>\$ 10,391,604</u>	<u>\$ 29,405,359</u>	<u>\$ 39,796,963</u>
	2020		
	Defined Benefit Plan		
	Non-Bargaining	Bargaining	Total
Additions			
ICMA Transfers	\$ 611,541	\$ 102,957	\$ 714,498
Employer contributions	811,492	2,274,734	3,086,226
Total contributions	1,423,033	2,377,691	3,800,724
Net increase in fair value of investments	317,469	980,590	1,298,059
Investment expense	(48,972)	(140,069)	(189,041)
Net investment income	268,497	840,521	1,109,018
Total additions	1,691,530	3,218,212	4,909,742
Deductions			
Service benefits	735,498	1,192,203	1,927,701
Net increase in fiduciary net position	956,032	2,026,009	2,982,041
Fiduciary net position - Restricted - beginning of year	7,180,423	21,489,986	28,670,409
Fiduciary net position - Restricted - end of year	<u>\$ 8,136,455</u>	<u>\$ 23,515,995</u>	<u>\$ 31,652,450</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements
For the Years Ended June 30, 2021 and 2020

(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 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, 2021 and 2020

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, 2021 and 2020

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.

Asset	Years
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, 2021 and 2020

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 position 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, 2021 and 2020

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 position 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, Administration, Finance, Transportation Development, 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, 2021 and 2020

The Board of Directors, by resolution, may amend the budget as originally adopted. Two amendments were made to the budget during the year. The first amendment totaling approximately \$1.4 million was made to the budget during the year ended June 30, 2021. The purpose of the amendment was to appropriate new Federal Assistance fund resources. The second amendment was also to appropriate unanticipated federal funding as well as to transfer \$30,600 from the General fund to Transportation Programs.

(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, 2021 and 2020 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>2021</u>	<u>2020</u>
<i>Cash</i>		
Cash on hand	\$ 3,016	\$ 6,671
Deposits with financial institutions	2,777,325	2,848,062
<i>Investments</i>		
Local government investment pool	<u>27,510,733</u>	<u>15,477,445</u>
 <i>Total cash and cash equivalents</i>	 <u>\$ 30,291,074</u>	 <u>\$ 18,332,178</u>
 Unrestricted cash and cash equivalents	 \$ 28,771,275	 \$ 18,223,913
Restricted cash and cash equivalents	<u>1,519,799</u>	<u>108,265</u>
 <i>Total cash and cash equivalents</i>	 <u>\$ 30,291,074</u>	 <u>\$ 18,332,178</u>

A. Deposits

As of June 30, 2021 and 2020, the book balance of the District's bank deposits (checking accounts) was \$2,777,325 and \$2,848,062 and the bank balance was \$2,963,991 and \$3,600,821 respectively. The difference is due to transactions in process.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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, 2021 and 2020, \$2,398,876 and \$3,100,821 of the District's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

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, 2021 and 2020, 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.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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.

(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>
2021			
<i>Restricted for capital projects</i>			
Cash and cash equivalents	\$ 9,554	\$ (200,997)	\$ (191,443)
Federal grants receivable	1,357,518	-	1,357,518
State grants receivable	353,724	-	353,724
<i>Total restricted for capital projects</i>	<u>1,720,796</u>	<u>(200,997)</u>	<u>1,519,799</u>
<i>Restricted for transportation programs</i>			
Cash and cash equivalents	(1,266,541)	(18,388)	(1,284,929)
Federal grants receivable	1,279,673	-	1,279,673
State grants receivable	5,256	-	5,256
<i>Total restricted for transportation programs</i>	<u>18,388</u>	<u>(18,388)</u>	<u>-</u>
	<u>\$ 1,739,184</u>	<u>\$ (219,385)</u>	<u>\$ 1,519,799</u>
2020			
<i>Restricted for capital projects</i>			
Cash and cash equivalents	\$ (1,303,239)	\$ (133,710)	\$ (1,436,949)
Federal grants receivable	1,433,472	-	1,433,472
State grants receivable	3,477	-	3,477
<i>Total restricted for capital projects</i>	<u>133,710</u>	<u>(133,710)</u>	<u>-</u>
<i>Restricted for transportation programs</i>			
Cash and cash equivalents	(1,197,728)	(643,824)	(1,841,552)
Federal grants receivable	1,949,817	-	1,949,817
<i>Total restricted for transportation programs</i>	<u>752,089</u>	<u>(643,824)</u>	<u>108,265</u>
	<u>\$ 885,799</u>	<u>\$ (777,534)</u>	<u>\$ 108,265</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

(5) Capital Assets

The changes in capital assets for the year ended June 30, 2021 are summarized below:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 3,250,691	\$ -	\$ (211,125)	\$ -	\$ 3,039,566
Construction in progress	6,488,767	1,282,749	(1,017,406)	-	6,754,110
Total capital assets, non-depreciable	<u>9,739,458</u>	<u>1,282,749</u>	<u>(1,228,531)</u>	<u>-</u>	<u>9,793,676</u>
Capital assets, depreciable:					
Buildings and improvements	24,312,256	80,084	-	-	24,392,340
Land improvements	3,915,844	942,318	-	-	4,858,162
Revenue rolling stock	39,798,816	642,102	(3,330,423)	-	37,110,495
Equipment	6,334,138	660,074	-	-	6,994,212
Total capital assets, depreciable	<u>74,361,054</u>	<u>2,324,578</u>	<u>(3,330,423)</u>	<u>-</u>	<u>73,355,209</u>
Less accumulated depreciation:					
Buildings and improvements	(7,730,517)	(545,802)	-	-	(8,276,319)
Land improvements	(862,720)	(139,714)	-	-	(1,002,434)
Revenue rolling stock	(22,324,680)	(1,765,750)	3,330,423	-	(20,760,007)
Equipment	(4,870,753)	(187,753)	-	-	(5,058,506)
Total accumulated depreciation	<u>(35,788,670)</u>	<u>(2,639,019)</u>	<u>3,330,423</u>	<u>-</u>	<u>(35,097,266)</u>
Net depreciable capital assets	<u>38,572,384</u>	<u>(314,441)</u>	<u>-</u>	<u>-</u>	<u>38,257,943</u>
Net capital assets	<u>\$ 48,311,842</u>	<u>\$ 968,308</u>	<u>\$ (1,228,531)</u>	<u>\$ -</u>	<u>\$ 48,051,619</u>

The changes in capital assets for the year ended June 30, 2020 are summarized below:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 3,250,691	\$ -	\$ -	\$ -	\$ 3,250,691
Construction in progress	4,828,265	1,672,782	-	(12,280)	6,488,767
Total capital assets, non-depreciable	<u>8,078,956</u>	<u>1,672,782</u>	<u>-</u>	<u>(12,280)</u>	<u>9,739,458</u>
Capital assets, depreciable:					
Buildings and improvements	24,218,322	93,934	-	-	24,312,256
Land improvements	3,899,365	16,479	-	-	3,915,844
Revenue rolling stock	38,212,968	5,019,745	(3,433,897)	-	39,798,816
Equipment	6,016,980	338,979	(21,821)	-	6,334,138
Total capital assets, depreciable	<u>72,347,635</u>	<u>5,469,137</u>	<u>(3,455,718)</u>	<u>-</u>	<u>74,361,054</u>
Less accumulated depreciation:					
Buildings and improvements	(7,191,781)	(538,736)	-	-	(7,730,517)
Land improvements	(727,203)	(135,517)	-	-	(862,720)
Revenue rolling stock	(23,925,210)	(1,845,647)	3,433,897	12,280	(22,324,680)
Equipment	(4,716,634)	(175,940)	21,821	-	(4,870,753)
Total accumulated depreciation	<u>(36,560,828)</u>	<u>(2,695,840)</u>	<u>3,455,718</u>	<u>12,280</u>	<u>(35,788,670)</u>
Net depreciable capital assets	<u>35,786,807</u>	<u>2,773,297</u>	<u>-</u>	<u>-</u>	<u>38,572,384</u>
Net capital assets	<u>\$ 43,865,763</u>	<u>\$ 4,446,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,311,842</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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, 2021 and 2020

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	45
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>67</u>
	<u>118</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, 17.48 percent and 16.94 percent for the years ended June 30, 2021 and 2020, respectively.

The District makes additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2021 and 2020, that amount was \$403,763 and \$386,331 respectively.

Net Pension Liability

The District's net pension liability for the non-bargaining plan at June 30, 2021, 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, 2019.

The District's net pension liability for the non-bargaining plan at June 30, 2020 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, 2019.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2019, 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:	6.00%
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, 2021 and 2020

The non-bargaining plan recently adopted a change to the pre-retirement death benefit which was included in the July 1, 2019 valuation. The pre-retirement death benefit was changed from 50% of the participant's accrued benefit to the survivor benefit payable under 100% Joint and Survivor annuity option as if elected on the participant's date of death.

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, 2021:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.70%	-0.32%
Core Fixed Income	37.80%	1.37%
Non-US Fixed Income	9.50%	-0.27%
Large Cap US Equities	18.00%	5.15%
Mid Cap US Equities	6.00%	5.71%
Small Cap US Equities	4.00%	6.58%
Developed Foreign Equities	16.20%	6.27%
Small Cap Foreign Equities	3.00%	8.71%
Emerging Market Equities	2.80%	8.64%
	100.00%	
		5.50%

Rate of Return

For the years ended June 30, 2021 and 2020, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.80 percent and 3.56 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, 2021 and 2020

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, 2021 and 2020. 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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 9,699,966	\$ 8,136,455	\$ 1,563,511
Changes for the year:			
Service cost	156,995	-	156,995
Interest on total pension liability	521,074	-	521,074
Benefit payments	(776,161)	(776,161)	-
Employer contributions	-	862,643	(862,643)
ICMA transfers	-	652,482	(652,482)
Net investment income	-	1,516,185	(1,516,185)
Balance at June 30, 2021	\$ 9,601,874	\$ 10,391,604	\$ (789,730)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019	\$ 8,463,692	\$ 7,180,423	\$ 1,283,269
Changes for the year:			
Service cost	118,278	-	118,278
Interest on total pension liability	493,175	-	493,175
Effect of economic/demographic gains or losses	495,674	-	495,674
Effect of assumption changes or inputs	864,645	-	864,645
Benefit payments	(735,498)	(735,498)	-
Employer contributions	-	811,492	(811,492)
ICMA transfers	-	611,541	(611,541)
Net investment income	-	268,497	(268,497)
Balance at June 30, 2020	\$ 9,699,966	\$ 8,136,455	\$ 1,563,511

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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 FY2021 and FY2020, 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	
	2021	2020
1% decrease (4.50%)	\$ 997,737	\$ 3,277,981
Current discount rate (5.50%)	(789,730)	1,563,511
1% increase (6.50%)	(2,234,897)	178,415

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, 2021 and 2020, the District recognized pension expense of \$991,985 and \$837,580 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2021:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 212,432
Changes of assumptions	-	370,563
Net difference between projected and actual earnings	(838,905)	161,262
Total	<u>\$ (838,905)</u>	<u>\$ 744,257</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:	
2022	\$ 248,049
2023	40,226
2024	(173,196)
2025	(209,727)
	<u>\$ (94,648)</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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	97
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>121</u>
	<u>244</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, 36.37 percent and 33.63 percent for the years ended June 30, 2021 and 2020, respectively.

Net Pension Liability

The District's net pension liability for the bargaining plan at June 30, 2021, 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, 2019.

The District's net pension liability for the bargaining plan at June 30, 2020, 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, 2019.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2019, 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:	6.00%
Mortality:	RP-2014 tables, generationally projected using Scale MP-2019

The bargaining plan recently adopted a change to the pre-retirement death benefit which was included in the July 1, 2019 valuation. The pre-retirement death benefit was changed from 50% of the participant's accrued benefit to the survivor benefit payable under 100% Joint and Survivor annuity option as if elected on the participant's date of death.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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, 2021:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.70%	-0.32%
Core Fixed Income	37.80%	1.37%
Non-US Fixed Income	9.50%	-0.27%
Large Cap US Equities	18.00%	5.15%
Mid Cap US Equities	6.00%	5.71%
Small Cap US Equities	4.00%	6.58%
Developed Foreign Equities	16.20%	6.27%
Small Cap Foreign Equities	3.00%	8.71%
Emerging Market Equities	2.80%	8.64%
	100.00%	
		5.50%

Rate of Return

For the years ended June 30, 2021 and 2020, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.83 percent and 3.78 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, 2021 and 2020. 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, 2021 and 2020

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 29,026,130	\$ 23,515,995	\$ 5,510,135
Changes for the year:			
Service cost	932,353	-	932,353
Interest on total pension liability	1,614,307	-	1,614,307
Benefit payments	(1,231,363)	(1,231,363)	-
Employer contributions	-	2,533,622	(2,533,622)
ICMA transfers	-	252,907	(252,907)
Net investment income	-	4,334,198	(4,334,198)
Balance at June 30, 2021	<u>\$ 30,341,427</u>	<u>\$ 29,405,359</u>	<u>\$ 936,068</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019	\$ 25,098,434	\$ 21,489,986	\$ 3,608,448
Changes for the year:			
Service cost	889,836	-	889,836
Interest on total pension liability	1,524,050	-	1,524,050
Effect of economic/demographic gains or losses	782,840	-	782,840
Effect of assumption changes or inputs	1,923,173	-	1,923,173
Benefit payments	(1,192,203)	(1,192,203)	-
Employer contributions	-	2,274,734	(2,274,734)
ICMA transfers	-	102,957	(102,957)
Net investment income	-	840,521	(840,521)
Balance at June 30, 2020	<u>\$ 29,026,130</u>	<u>\$ 23,515,995</u>	<u>\$ 5,510,135</u>

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 FY2021 and FY2020, 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	
	2021	2020
1% decrease (4.50%)	\$ 4,595,562	\$ 9,075,096
Current discount rate (5.50%)	936,068	5,510,135
1% increase (6.50%)	(2,153,219)	2,505,081

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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, 2021 and 2020, the District recognized pension expense of \$1,191,679 and \$2,000,923 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2021:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 563,002
Changes of assumptions	-	1,068,429
Net difference between projected and actual earnings	(2,398,899)	457,921
Total	<u>\$ (2,398,899)</u>	<u>\$ 2,089,352</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:	
2022	\$ 317,056
2023	175,392
2024	(202,271)
2025	(599,724)
	<u>\$ (309,547)</u>

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.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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, 2021 and 2020, employer contributions recognized as expense were \$573,502 and \$545,096, respectively.

(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	67
Eligible retirees	4
Spouses of ineligible retirees	-
	71
	71

Bargaining Employees Covered by Benefit Terms:

Active employees	121
Eligible retirees	11
Spouses of ineligible retirees	-
	132
	132

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.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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, 2021 and 2020 was \$101,599 and \$126,151 respectively.

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

As of June 30, 2021, the District reported a total OPEB liability of \$3,858,236, based on a July 1, 2019 actuarial valuation, rolled forward to the measurement date of June 30, 2021. For the years ended June 30, 2021 and 2020, the District recognized OPEB (revenue) expense of (\$52,447) and \$29,690, respectively.

At June 30, 2021, 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	\$ -	\$ 128,140
Changes of assumptions or inputs	(1,397,579)	216,991
Benefit payments	-	206,884
Total	<u>\$ (1,397,579)</u>	<u>\$ 552,015</u>

The \$1,052,452 net deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (213,818)
2023	(213,818)
2024	(213,818)
2025	(213,818)
2026	(181,219)
Thereafter	(15,961)
	<u>\$ (1,052,452)</u>

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

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.

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 OBEP liability in the July 1, 2019, 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 Morality Tables, set forward one year, generationally projected using Scale MP-2019

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

E. Changes in the Total OPEB Liability

	<u>2021</u>	<u>2020</u>
Total OPEB Liability		
Total OPEB liability, beginning of year	\$3,489,227	\$4,703,440
Service cost	242,011	338,583
Interest on total OPEB liability	126,244	190,048
Effect of economic/demographic gains or losses	-	176,496
Effect of assumption changes	251,434	(1,654,383)
Benefit payments	(250,680)	(264,957)
Net change in total OPEB liability	<u>369,009</u>	<u>(1,214,213)</u>
Total OPEB liability, ending of year	<u>\$3,858,236</u>	<u>\$3,489,227</u>

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	
	<u>2021</u>	<u>2020</u>
1% decrease (1.21%, 2.50%)	\$ 4,150,753	\$ 3,761,711
Current discount rate (2.21%, 3.50%)	3,858,236	3,489,227
1% increase (3.21%, 4.50%)	3,586,081	3,238,133

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	
	<u>2021</u>	<u>2020</u>
1% decrease (5.00%)	\$ 3,458,530	\$ 3,137,874
Current trend rate (6.00%)	3,858,236	3,489,227
1% increase (7.00%)	4,328,950	3,902,086

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

(8) Tax Abatement

The District's property taxes were reduced by \$116,140 in FY21 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)	\$ 70,156
Marion County	Charitable Low Income Rental Housing (ORS 307.541)	19,739
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	16,147
State of Oregon	Historical Property (ORS 358.475 to 565)	10,098
		<u>\$ 116,140</u>

The District's property taxes were reduced by \$92,930 in FY20 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)	\$ 24,991
Marion County	Charitable Low Income Rental Housing (ORS 307.541)	17,008
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	19,830
State of Oregon	Historical Property (ORS 358.475 to 565)	31,101
		<u>\$ 92,930</u>

(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) Reclassification

Certain amounts in prior-year financial statements have been reclassified for comparative purposes to conform to presentation in the current-year financial statements.

(11) 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.

Salem Area Mass Transit District
Notes to the Basic Financial Statements (continued)
For the Years Ended June 30, 2021 and 2020

(12) Risks and Uncertainties

As a result of the recent coronavirus pandemic (COVID-19), numerous sectors of the economy are suffering damage and the long-term economic and business consequences of this remain unknown. The extent to which this will impact the District is uncertain



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Salem Area Mass Transit District
Schedule of Changes in the Net Pension Liability and Related Ratios, Non-Bargaining
For the Years Ended June 30, 2021 and 2020

Defined Benefit Pension Plan - Non-Bargaining (in 1,000s)							
Last 10 Fiscal Years ¹							
Fiscal Year ending June 30							
	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 157	\$ 118	\$ 111	\$ 83	\$ 59	\$ 55	\$ 68
Interest on total pension liability	521	493	498	476	483	486	437
Effect of plan changes	-	-	-	-	-	4	-
Effect of economic/demographic gains or losses	-	496	-	422	-	771	-
Effect of assumption changes or inputs	-	865	-	-	555	284	-
Benefit payments	(776)	(735)	(654)	(635)	(595)	(579)	(527)
Net change in total pension liability	(98)	1,237	(45)	345	501	1,021	(22)
Total pension liability, beginning	9,699	8,462	8,507	8,162	7,661	6,640	6,662
Total pension liability, ending (a)	<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>
Fiduciary Net Position							
Employer contributions	\$ 863	\$ 811	\$ 702	\$ 644	\$ 567	\$ 473	\$ 451
ICMA transfers	652	612	104	340	134	152	334
Investment income net of investment expenses	1516	268	312	306	620	(119)	76
Benefit payments	(776)	(735)	(654)	(635)	(594)	(579)	(527)
Net change in plan fiduciary position	2,255	956	464	655	727	(73)	334
Fiduciary net position, beginning	8,136	7,180	6,716	6,061	5,334	5,407	5,073
Fiduciary net position, ending (b)	<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>
Net pension liability, ending = (a)-(b)	<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>
Fiduciary net position as a % of total pension liability	108.22%	83.84%	84.84%	78.94%	74.25%	69.63%	81.43%
Covered payroll	\$ 4,934	\$ 4,790	\$ 4,300	\$ 4,175	\$ 3,512	\$ 3,449	\$ 3,572
Net pension liability as a % of covered payroll	-16.01%	32.64%	29.85%	42.93%	59.84%	67.46%	34.52%

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



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

<u>Fiscal Year Ending June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a % of Covered Payroll</u>
2012	\$ 544,976	\$ 316,025	\$ 228,951	\$ 3,707,321	8.52%
2013	418,720	704,449	(285,729)	3,323,178	21.20%
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%

Notes to Schedule:

Valuation date: 7/1/2019

Investment rate of return assumption: 6.00%

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 7/1/19: 12 years

Amortization growth rate: 0.00%

Asset valuation method: Fair value

Inflation: 2.75%

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

Investment rate of return: 6.00%

Cost of living adjustments: None

Turnover: Service based

Salem Area Mass Transit District
Schedule of Changes in the Net Pension Liability and Related Ratios, Bargaining
For the Years Ended June 30, 2021 and 2020

Defined Benefit Pension Plan - Bargaining								
(in 1,000s)								
Last 10 Fiscal Years ¹								
Fiscal Year ending June 30								
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 932	\$ 889	\$ 839	\$ 714	\$ 608	\$ 571	\$ 572	\$ 535
Interest on total pension liability	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	-	783	-	594	-	714	-	-
Effect of assumption changes or inputs	-	1,924	-	-	1,198	373	-	-
Benefit payments	(1,231)	(1,192)	(1,113)	(1,058)	(896)	(818)	(738)	(564)
Net change in total pension liability	1,315	3,928	1,179	1,600	2,227	2,155	992	1,060
Total pension liability, beginning	29,026	25,098	23,919	22,319	20,092	17,937	16,945	15,885
Total pension liability, ending (a)	<u>\$ 30,341</u>	<u>\$ 29,026</u>	<u>\$ 25,098</u>	<u>\$ 23,919</u>	<u>\$ 22,319</u>	<u>\$ 20,092</u>	<u>\$ 17,937</u>	<u>\$ 16,945</u>
Fiduciary Net Position								
Employer contributions	\$ 2,534	\$ 2,274	\$ 2,222	\$ 1,846	\$ 1,778	\$ 1,470	\$ 1,374	\$ 2,363
ICMA transfers	253	103	110	305	154	62	389	94
Investment income net of investment expenses	4,334	841	873	893	1,751	(313)	205	1,331
Benefit payments	(1,231)	(1,192)	(1,113)	(1,058)	(896)	(818)	(738)	(564)
Net change in plan fiduciary position	5,890	2,026	2,092	1,986	2,787	401	1,230	3,224
Fiduciary net position, beginning	23,516	21,490	19,398	17,412	14,625	14,224	12,994	9,770
Fiduciary net position, ending (b)	<u>\$ 29,406</u>	<u>\$ 23,516</u>	<u>\$ 21,490</u>	<u>\$ 19,398</u>	<u>\$ 17,412</u>	<u>\$ 14,625</u>	<u>\$ 14,224</u>	<u>\$ 12,994</u>
Net pension liability, ending = (a)-(b)	<u>\$ 935</u>	<u>\$ 5,510</u>	<u>\$ 3,608</u>	<u>\$ 4,521</u>	<u>\$ 4,907</u>	<u>\$ 5,467</u>	<u>\$ 3,713</u>	<u>\$ 3,951</u>
Fiduciary net position as a % of total pension liability	96.91%	81.02%	85.62%	81.10%	78.01%	72.79%	79.30%	76.68%
Covered payroll	\$ 6,966	\$ 6,763	\$ 7,035	\$ 6,830	\$ 5,912	\$ 5,883	\$ 5,633	\$ 6,210
Net pension liability as a % of covered payroll	13.44%	81.47%	51.29%	66.20%	83.00%	92.93%	65.92%	63.62%

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



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**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
2012	\$1,336,104	\$1,352,215	\$ (16,111)	\$5,991,497	22.57%
2013	1,310,605	1,314,866	(4,261)	5,850,916	22.47%
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%

Notes to Schedule:

Valuation date: 7/1/2019

Investment rate of return assumption: 6.00%

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 7/1/19: 12 years

Amortization growth rate: 0.00%

Asset valuation method: Fair value

Inflation: 2.75%

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

Investment rate of return: 6.00%

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, 2021 and 2020

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

Last 10 Fiscal Years¹
Fiscal Year ending June 30

	2021	2020	2019	2018
Total OPEB Liability				
Total OPEB liability, beginning of year	\$ 3,488	\$ 4,703	\$ 4,553	\$ 4,591
Service cost	242	339	342	373
Interest on total OPEB liability	126	190	171	137
Effect of economic/demographic gains or losses	-	176	-	-
Effect of assumption changes or inputs	251	(1,654)	(106)	(261)
Benefit payments	(251)	(265)	(256)	(289)
Net change in total OPEB liability	368	(1,214)	151	(39)
Total OPEB liability, ending of year	<u>\$ 3,855</u>	<u>\$ 3,488</u>	<u>\$ 4,703</u>	<u>\$ (4,553)</u>
Covered payroll	\$ 11,900	\$ 11,554	\$ 11,335	\$ 11,005
Total OPEB liability as a % of covered payroll	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.



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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



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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, 2021

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local revenue				
Passenger fares, passes & other fixed route services	\$ 1,565,910	\$ 1,565,910	\$ 882	\$ (1,565,028)
Property taxes	12,950,000	12,950,000	13,596,564	646,564
Advertising & other promotions	120,000	120,000	148,306	28,306
Courthouse square rentals	94,550	94,550	30,945	(63,605)
Earnings on investments	292,000	292,000	161,860	(130,140)
Miscellaneous	350,300	350,300	622,164	271,864
Total local revenue	<u>15,372,760</u>	<u>15,372,760</u>	<u>14,560,721</u>	<u>(812,039)</u>
State revenue				
STIF funds	5,223,856	5,223,856	6,073,326	849,470
State in lieu taxes	7,118,000	7,118,000	7,665,837	547,837
Total state revenue	<u>12,341,856</u>	<u>12,341,856</u>	<u>13,739,163</u>	<u>1,397,307</u>
Federal revenue				
Urbanized area formula (Section 5307)	10,941,035	10,941,035	10,921,481	(19,554)
Energy tax credits	225,000	225,000	573,660	348,660
FTA metropolitan & statewide planning (5303)	120,000	120,000	70,649	(49,351)
Formula grants for other than urbanized areas (5311)	14,385	14,385	-	(14,385)
FEMA Grant	100,000	100,000	-	(100,000)
Corona virus relief fund	-	-	50,093	50,093
Total federal revenue	<u>11,400,420</u>	<u>11,400,420</u>	<u>11,615,883</u>	<u>215,463</u>
Total revenues	<u>39,115,036</u>	<u>39,115,036</u>	<u>39,915,767</u>	<u>800,731</u>
Expenditures				
General Manager/Board of Directors/SI	1,212,032	1,212,032	795,315	416,717
Administration	855,391	855,391	857,181	(1,790)
Finance and Technology	3,156,021	3,156,021	2,944,974	211,047
Communication	2,246,264	2,246,264	1,495,823	750,441
Operations	25,832,481	25,832,481	23,975,183	1,857,298
Unallocated	1,298,841	1,298,841	1,063,328	235,513
Contingency	1,500,000	1,500,000	-	1,500,000
Total expenditures	<u>36,101,030</u>	<u>36,101,030</u>	<u>31,131,804</u>	<u>4,969,226</u>
Excess (deficiency) of revenues over expenditures	3,014,006	3,014,006	8,783,963	5,769,957
Other financing sources (uses)				
Transfer out to other funds	(3,546,576)	(3,904,138)	(3,904,138)	-
Net change in fund balance	(532,570)	(890,132)	4,879,825	5,769,957
Fund balance, beginning of year	<u>29,259,248</u>	<u>29,259,248</u>	<u>26,935,742</u>	<u>(2,323,506)</u>
Fund balance, end of year	<u>\$ 28,726,678</u>	<u>\$ 28,369,116</u>	<u>\$ 31,815,567</u>	<u>\$ 3,446,451</u>

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, 2021

Revenues	Budget		Actual	Variance
	Original	Final		
State Revenue				
Connect Oregon	\$ -	\$ -	\$ 189,093	\$ 189,093
STIF funds	1,140,065	1,140,065	341,179	(798,886)
Miscellaneous income	537,363	537,363	-	(537,363)
Total state revenue	<u>1,677,428</u>	<u>1,677,428</u>	<u>530,272</u>	<u>(1,147,156)</u>
Federal revenue				
Urbanized area formula (Section 5307)	4,641,199	5,680,257	40,678	(5,639,579)
Federal STP Funds	4,245,907	4,245,907	1,045,927	(3,199,980)
Transportation for elderly persons and persons with disabilities (5310)	242,271	242,271	219,080	(23,191)
Bus & Bus Facilities Infrastructure Investment Program (5339)	1,560,675	1,560,675	207,205	(1,353,470)
Total federal revenue	<u>10,690,052</u>	<u>11,729,110</u>	<u>1,512,890</u>	<u>(10,216,220)</u>
Total revenues	<u>12,367,480</u>	<u>13,406,538</u>	<u>2,043,162</u>	<u>(11,363,376)</u>
Expenditures				
Finance and Technology	468,450	468,450	143,226	325,224
Operations	8,507,213	9,873,233	898,839	8,974,394
General Manager/Board/SI	4,084,033	4,084,033	1,549,867	2,534,166
Total expenditures	<u>13,059,696</u>	<u>14,425,716</u>	<u>2,591,932</u>	<u>11,833,784</u>
Excess (deficiency) of revenues over expenditures	(692,216)	(1,019,178)	(548,770)	(23,197,160)
Other financing sources (uses)				
Transfer from general fund	1,991,576	2,318,538	2,318,538	-
Net change in fund balance	1,299,360	1,299,360	1,769,768	470,408
Fund balance, beginning of year	<u>(1,299,360)</u>	<u>(1,299,360)</u>	<u>(249,969)</u>	<u>1,049,391</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,519,799</u>	<u>\$ 1,519,799</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, 2021

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local revenue				
Passenger fares	\$ 278,200	\$ 278,200	\$ 650	\$ (277,550)
Miscellaneous income	-	-	66,143	66,143
Total local revenue	278,200	278,200	66,793	(211,407)
State revenue				
Special transportation fund program (ODOT)	1,473,449	1,473,449	1,001,620	(471,829)
STIF funds	904,550	904,550	1,763,446	858,896
Total state revenue	2,377,999	2,377,999	2,765,066	387,067
Federal revenue				
Developmental disabilities transportation services (DD53)	1,762,350	1,762,350	168,502	(1,593,848)
Transportation for elderly persons and persons with disabilities (5310)	1,474,276	1,474,276	1,380,894	(93,382)
Formula grants for other than urbanized areas (5311)	482,741	650,141	825,269	175,128
Rideshare/TDM grant	455,392	455,392	326,542	(128,850)
Corona virus relief fund	-	-	-	-
Urbanized area formula (Section 5307)	2,677,625	2,677,625	1,291,811	(1,385,814)
Total federal revenue	6,852,384	7,019,784	3,993,018	(3,026,766)
Total revenues	9,508,583	9,675,983	6,824,877	(2,851,106)
Expenditures				
Communication	494,260	494,260	337,594	156,666
General Manager/Board/SI	337,485	337,485	460,014	(122,529)
Operations	9,592,927	9,790,927	7,342,953	2,447,974
Total expenditures	10,424,672	10,622,672	8,140,561	2,482,111
Excess (deficiency) of revenues over expenditures	(916,089)	(946,689)	(1,315,684)	(5,333,217)
Other financing sources (uses)				
Transfer from general fund	1,555,000	1,585,600	1,585,600	-
Net change in fund balance	638,911	638,911	269,916	(368,995)
Fund balance, beginning of year	(638,911)	(638,911)	360,198	999,109
Fund balance, end of year	\$ -	\$ -	\$ 630,114	\$ 630,114

Salem Area Mass Transit District
Schedule of Expenditure Comparison
Budgetary Division Basis vs Object Classification Basis
For the Year Ended June 30, 2021

	General Fund	Capital Project Fund	Transportation Programs Fund	District Wide Total
Expenditures by Division				
General Manager/Board of Directors/SI	\$ 795,315	\$ 1,549,867	\$ 460,014	\$ 2,805,196
Administration	857,181	-	-	857,181
Finance and Technology	2,944,974	143,226	-	3,088,200
Communication	1,495,823	-	337,594	1,833,417
Operations	23,975,183	898,839	7,342,953	32,216,975
Unallocated	1,063,328	-	-	1,063,328
Total expenditures	<u>\$ 31,131,804</u>	<u>\$ 2,591,932</u>	<u>\$ 8,140,561</u>	<u>\$ 41,864,297</u>
Expenditures by Object Classification				
Personnel services	\$ 25,857,559	\$ 2,216	\$ 1,036,161	\$ 26,895,936
Materials and services	5,274,245	328,570	7,103,131	12,705,946
Capital outlay	-	2,261,146	1,269	2,262,415
Total expenditures	<u>\$ 31,131,804</u>	<u>\$ 2,591,932</u>	<u>\$ 8,140,561</u>	<u>\$ 41,864,297</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, 2021

Net change in fund balance:	
General fund	\$ 4,879,825
Capital projects fund	1,769,768
Transportation programs fund	<u>269,916</u>
Total change in fund balance	6,919,509
GAAP basis adjustments:	
Capitalized capital assets	2,589,920
Disposal of capital assets	(211,125)
Depreciation expense	(2,639,019)
Accrued vacation and sick payable	23,857
Net pension liability including related deferrals	2,386,977
Property taxes accrual	(56,346)
Total OPEB liability adjustment including related deferrals	<u>52,447</u>
Change in net position	<u><u>\$ 9,066,220</u></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, 2021

	Capital Project Administration	CNG Station Improvements	Del Webb Improvements	ADA Assessment Center	Cherriots Local Vehicles	Cherriots Lift Vehicles
Revenues						
State Revenue						
Connect Oregon						
State discretionary grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STIF funds	-	-	-	-	-	-
Total state revenue	-	-	-	-	-	-
Federal revenue						
Urbanized area formula (Section 5307)	-	-	14,678	-	-	-
Federal STP Funds	-	-	-	-	-	-
Transportation for elderly persons and persons with disabilities (5310)	-	-	-	-	-	219,080
Bus & Bus Facilities Infrastructure Investment Program (5339)	-	-	-	-	84,000	-
Total federal revenue	-	-	14,678	-	84,000	219,080
Total revenues	-	-	14,678	-	84,000	219,080
Expenditures						
Personnel services	-	-	-	-	-	-
Materials and services	-	-	-	-	128,200	931
Capital outlay	-	931	348,838	-	-	243,224
Total expenditures	-	931	348,838	-	128,200	244,155
Excess (deficiency) of revenues over expenditures	-	(931)	(334,160)	-	(44,200)	(25,075)
Other financing sources (uses)						
Transfer from general fund	-	-	2,318,538	-	-	-
Net change in fund balance	-	(931)	1,984,378	-	(44,200)	(25,075)
Fund balance, beginning of year	39,386	-	(109,403)	2,010	(785,475)	83,987
Fund balance, end of year	\$ 39,386	\$ (931)	\$ 1,874,975	\$ 2,010	\$ (829,675)	\$ 58,912

Regional Vehicles	Shop and Ride Vehicles	Keizer Transit Center	South Salem Transit Center	Bus Stop Improvements	Regional Stop Improvements	Technology Equipment	Downtown Transit Center	Courthouse Square Improvements	Total Capital Projects Fund
\$ -	\$ -	\$ 189,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,093
299,644	-	-	-	-	41,535	-	-	-	341,179
<u>299,644</u>	<u>-</u>	<u>189,093</u>	<u>-</u>	<u>-</u>	<u>41,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,272</u>
-	-	-	-	-	-	26,000	-	-	40,678
-	-	-	92,205	-	-	953,722	-	-	1,045,927
-	-	-	-	-	-	-	-	-	219,080
-	-	123,205	-	-	-	-	-	-	207,205
-	-	<u>123,205</u>	<u>92,205</u>	<u>-</u>	<u>-</u>	<u>979,722</u>	<u>-</u>	<u>-</u>	<u>1,512,890</u>
<u>299,644</u>	<u>-</u>	<u>312,298</u>	<u>92,205</u>	<u>-</u>	<u>41,535</u>	<u>979,722</u>	<u>-</u>	<u>-</u>	<u>2,043,162</u>
-	-	528	352	80	1,256	-	-	-	2,216
1,826	-	306	159	24,576	5,129	167,443	-	-	328,570
<u>167,430</u>	<u>-</u>	<u>41,464</u>	<u>102,374</u>	<u>44,704</u>	<u>45,840</u>	<u>1,265,893</u>	<u>448</u>	<u>-</u>	<u>2,261,146</u>
<u>169,256</u>	<u>-</u>	<u>42,298</u>	<u>102,885</u>	<u>69,360</u>	<u>52,225</u>	<u>1,433,336</u>	<u>448</u>	<u>-</u>	<u>2,591,932</u>
130,388	-	270,000	(10,680)	(69,360)	(10,690)	(453,614)	(448)	-	(548,770)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,318,538</u>
130,388	-	270,000	(10,680)	(69,360)	(10,690)	(453,614)	(448)	-	1,769,768
<u>690,562</u>	<u>(8,432)</u>	<u>(101,481)</u>	<u>12,656</u>	<u>107,045</u>	<u>(3,371)</u>	<u>(171,714)</u>	<u>(10,739)</u>	<u>5,000</u>	<u>(249,969)</u>
<u>\$ 820,950</u>	<u>\$ (8,432)</u>	<u>\$ 168,519</u>	<u>\$ 1,976</u>	<u>\$ 37,685</u>	<u>\$ (14,061)</u>	<u>\$ (625,328)</u>	<u>\$ (11,187)</u>	<u>\$ 5,000</u>	<u>\$ 1,519,799</u>

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, 2021

	Cherriots Lift	Cherriots Shop & Ride
Revenues		
Local revenue		
Passenger fares	\$ -	\$ -
Miscellaneous income	53,297	-
Total local revenue	<u>53,297</u>	<u>-</u>
State revenue		
Special transportation fund program (ODOT)	300,277	83,648
STIF funds	303,539	-
Total state revenue	<u>603,816</u>	<u>83,648</u>
Federal revenue		
Developmental disabilities transportation services (DD53)	168,502	-
Transportation for elderly persons and persons with disabilities (5310)	466,569	328,583
Formula grants for other than urbanized areas (5311)	-	-
Rideshare/TDM grant	-	-
Urbanized area formula (Section 5307)	1,222,584	69,227
Total federal revenue	<u>1,857,655</u>	<u>397,810</u>
Total revenues	<u>2,514,768</u>	<u>481,458</u>
Expenditures		
Personnel services	399,477	24,902
Materials and services		
Other materials and services	3,535,597	255,346
Call center allocation	857,275	160,739
Capital outlay	-	-
Total expenditures	<u>4,792,349</u>	<u>440,987</u>
Excess (deficiency) of revenues over expenditures	(2,277,581)	40,471
Other financing sources (uses)		
Transfer from general fund	1,585,600	-
Net change in fund balance	(691,981)	40,471
Fund balance, beginning of year	<u>(1,356,163)</u>	<u>26,642</u>
Fund balance, end of year	<u>\$ (2,048,144)</u>	<u>\$ 67,113</u>

<u>Cherriots Regional</u>	<u>DMAP/ WVCH</u>	<u>Cherriots Call Center</u>	<u>Mobility Management</u>	<u>Special Transportation Coordination</u>	<u>Cherriots TripChoice</u>	<u>Total Transportation Programs Fund</u>
\$ 650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650
-	-	-	-	12,846	-	66,143
<u>650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,846</u>	<u>-</u>	<u>66,793</u>
331,548	-	-	23,123	263,024	-	1,001,620
723,767	-	-	-	736,140	-	1,763,446
<u>1,055,315</u>	<u>-</u>	<u>-</u>	<u>23,123</u>	<u>999,164</u>	<u>-</u>	<u>2,765,066</u>
-	-	-	-	-	-	168,502
434,553	-	-	151,189	-	-	1,380,894
825,269	-	-	-	-	-	825,269
-	-	-	-	-	326,542	326,542
-	-	-	-	-	-	1,291,811
<u>1,259,822</u>	<u>-</u>	<u>-</u>	<u>151,189</u>	<u>-</u>	<u>326,542</u>	<u>3,993,018</u>
<u>2,315,787</u>	<u>-</u>	<u>-</u>	<u>174,312</u>	<u>1,012,010</u>	<u>326,542</u>	<u>6,824,877</u>
183,848	-	2,757	131,704	1,211	292,262	1,036,161
1,762,063	-	1,009,923	36,066	458,804	45,332	7,103,131
53,580	-	(1,071,594)	-	-	-	-
1,269	-	-	-	-	-	1,269
<u>2,000,760</u>	<u>-</u>	<u>(58,914)</u>	<u>167,770</u>	<u>460,015</u>	<u>337,594</u>	<u>8,140,561</u>
315,027	-	58,914	6,542	551,995	(11,052)	(1,315,684)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,585,600</u>
315,027	-	58,914	6,542	551,995	(11,052)	269,916
461,989	763,046	-	17,611	446,295	778	360,198
<u>\$ 777,016</u>	<u>\$ 763,046</u>	<u>\$ 58,914</u>	<u>\$ 24,153</u>	<u>\$ 998,290</u>	<u>\$ (10,274)</u>	<u>\$ 630,114</u>



CHERRIOTS



CHERRIOTS

LOCAL



CHERRIOTS

REGIONAL



CHERRIOTS

LIFT



CHERRIOTS

SHOP AND RIDE

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.



CHERRIOTS



CHERRIOTS

LOCAL



CHERRIOTS

REGIONAL



CHERRIOTS

LIFT



CHERRIOTS

SHOP AND RIDE

Financial Trend Information



CHERRIOTS



CHERRIOTS

LOCAL



CHERRIOTS

REGIONAL



CHERRIOTS

LIFT



CHERRIOTS

SHOP AND RIDE

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

	2012	2013	(restated) 2014
ASSETS			
Current and other assets	\$ 23,652,119	\$ 24,153,129	\$ 20,148,979
Noncurrent assets	-	-	-
Capital assets, net	<u>28,156,242</u>	<u>34,371,636</u>	<u>36,855,141</u>
Total assets	<u>51,808,361</u>	<u>58,524,765</u>	<u>57,004,120</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 51,808,361</u>	<u>\$ 58,524,765</u>	<u>\$ 57,004,120</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Current liabilities	\$ 7,938,659	\$ 6,078,400	\$ 3,717,897
Noncurrent liabilities	<u>1,523,030</u>	<u>1,904,030</u>	<u>7,826,851</u>
Total liabilities	<u>9,461,689</u>	<u>7,982,430</u>	<u>11,544,748</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>675,936</u>
NET POSITION			
Investment in capital assets	28,156,242	34,371,636	36,855,141
Restricted for capital projects and transportation programs	2,178,935	4,928,337	5,055,907
Unrestricted	<u>12,011,495</u>	<u>11,242,362</u>	<u>2,872,388</u>
Total net position	<u>42,346,672</u>	<u>50,542,335</u>	<u>44,783,436</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 51,808,361</u>	<u>\$ 58,524,765</u>	<u>\$ 57,004,120</u>

(restated) 2015	2016	2017	(restated) 2018	2019	2020	2021
\$ 24,911,083	\$ 29,396,596	\$ 28,795,580	\$ 29,931,754	\$ 28,504,479	\$ 32,377,724	\$ 39,216,848
-	-	-	-	-	-	789,730
<u>35,578,093</u>	<u>34,434,992</u>	<u>32,887,854</u>	<u>32,953,227</u>	<u>43,865,763</u>	<u>48,311,842</u>	<u>48,051,619</u>
<u>60,489,176</u>	<u>63,831,588</u>	<u>61,683,434</u>	<u>62,884,981</u>	<u>72,370,242</u>	<u>80,689,566</u>	<u>88,058,197</u>
<u>277,838</u>	<u>3,349,887</u>	<u>3,086,390</u>	<u>3,349,902</u>	<u>2,267,936</u>	<u>4,742,447</u>	<u>3,385,624</u>
<u>\$ 60,767,014</u>	<u>\$ 67,181,475</u>	<u>\$ 64,769,824</u>	<u>\$ 66,234,883</u>	<u>\$ 74,638,178</u>	<u>\$ 85,432,013</u>	<u>\$ 91,443,821</u>
\$ 3,488,792	\$ 4,266,140	\$ 3,511,481	\$ 3,922,591	\$ 2,684,862	\$ 3,003,712	\$ 2,770,397
<u>7,451,813</u>	<u>10,502,968</u>	<u>9,911,645</u>	<u>10,866,390</u>	<u>10,788,269</u>	<u>11,831,307</u>	<u>6,044,845</u>
<u>10,940,605</u>	<u>14,769,108</u>	<u>13,423,126</u>	<u>14,788,981</u>	<u>13,473,131</u>	<u>14,835,019</u>	<u>8,815,242</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>228,196</u>	<u>288,074</u>	<u>1,670,018</u>	<u>4,635,383</u>
34,772,770	34,434,992	32,887,854	32,953,227	43,865,763	48,311,842	48,051,619
5,957,083	6,577,713	5,401,135	4,054,982	1,322,208	108,265	1,519,799
<u>8,291,233</u>	<u>11,399,662</u>	<u>13,057,709</u>	<u>14,209,497</u>	<u>15,689,002</u>	<u>20,506,869</u>	<u>28,421,778</u>
<u>49,826,409</u>	<u>52,412,367</u>	<u>51,346,698</u>	<u>51,217,706</u>	<u>60,876,973</u>	<u>68,926,976</u>	<u>77,993,196</u>
<u>\$ 60,767,014</u>	<u>\$ 67,181,475</u>	<u>\$ 64,769,824</u>	<u>\$ 66,234,883</u>	<u>\$ 74,638,178</u>	<u>\$ 85,432,013</u>	<u>\$ 91,443,821</u>

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

	2012	2013	(restated) 2014	(restated) 2015
OPERATING REVENUES:				
Passenger fares	\$ 2,916,951	\$ 2,793,604	\$ 2,776,575	\$ 2,817,514
Accessible services and medicaid	2,472,645	3,127,234	3,129,220	2,948,422
Other revenue	594,405	653,937	465,052	365,058
Total operating revenues	5,984,001	6,574,775	6,370,847	6,130,994
OPERATING EXPENSES:				
Personnel services	15,715,505	16,130,831	13,960,216	16,204,737
Materials and services	14,901,593	16,200,005	18,310,843	20,294,244
Depreciation	3,556,442	2,883,582	3,032,068	3,059,323
OPEB expense	369,426	381,000	381,000	219,749
Total operating expenses	34,542,966	35,595,418	35,684,127	39,778,053
Operating loss	(28,558,965)	(29,020,643)	(29,313,280)	(33,647,059)
NON-OPERATING REVENUES (EXPENSES):				
Property taxes	9,733,903	9,984,733	10,179,017	10,714,350
State assistance	7,459,771	5,251,979	5,746,114	7,708,296
Federal assistance	11,014,530	12,538,020	11,786,100	18,721,493
Investment income	58,336	65,672	53,457	94,776
Insurance settlement	-	-	-	22,557
(Loss) gain on disposal of capital assets	(21,817)	14,000	1,859	8,607
Total non-operating revenues (expenses)	28,244,723	27,854,404	27,766,547	37,270,079
Net income (loss) before contributions	(314,242)	(1,166,239)	(1,546,733)	3,623,020
EXTRAORDINARY ITEMS				
Loss on capital asset impairment	(4,033,628)	-	-	-
Litigation settlement	-	3,842,554	-	-
CAPITAL CONTRIBUTIONS	2,459,714	5,519,348	4,691,727	644,630
Change in net position	(1,888,156)	8,195,663	3,144,994	4,267,650
NET POSITION, BEGINNING	44,234,828	42,346,672	50,542,335	44,783,436
Cumulative effect of restatement	-	-	(8,903,893)	775,323
NET POSITION, ENDING	\$ 42,346,672	\$ 50,542,335	\$ 44,783,436	\$ 49,826,409

		(restated)			
2016	2017	2018	2019	2020	2021
\$ 2,694,423	\$ 3,201,972	\$ 2,934,938	\$ 2,598,276	\$ 2,056,140	\$ 1,532
2,662,441	2,455,869	2,361,353	2,257,875	1,850,146	168,502
<u>366,047</u>	<u>550,519</u>	<u>377,044</u>	<u>291,406</u>	<u>471,874</u>	<u>759,409</u>
<u>5,722,911</u>	<u>6,208,360</u>	<u>5,673,335</u>	<u>5,147,557</u>	<u>4,378,160</u>	<u>929,443</u>
18,478,140	20,359,793	19,492,184	22,396,985	24,687,263	24,510,436
20,170,430	20,947,830	19,347,396	12,545,814	12,945,521	12,353,109
2,576,402	2,305,590	2,151,089	2,212,211	2,695,840	2,639,019
<u>204,295</u>	<u>193,456</u>	<u>(38,507)</u>	<u>201,585</u>	<u>29,690</u>	<u>-</u>
<u>41,429,267</u>	<u>43,806,669</u>	<u>40,952,162</u>	<u>37,356,595</u>	<u>40,358,314</u>	<u>39,502,564</u>
(35,706,356)	(37,598,309)	(35,278,827)	(32,209,038)	(35,980,154)	(38,573,121)
11,258,672	11,574,433	12,161,750	12,823,442	12,955,320	13,540,219
7,195,009	7,371,134	7,440,285	10,536,782	14,515,991	17,254,069
18,198,155	16,901,469	15,458,127	6,528,594	10,558,045	14,866,738
140,579	241,753	354,870	431,753	314,597	174,707
29,942	-	-	-	10,023	-
<u>(39,539)</u>	<u>1,660</u>	<u>-</u>	<u>5,285</u>	<u>4,989</u>	<u>125,718</u>
<u>36,782,818</u>	<u>36,090,449</u>	<u>35,415,032</u>	<u>30,325,856</u>	<u>38,358,965</u>	<u>45,961,451</u>
1,076,462	(1,507,860)	136,205	(1,883,182)	2,378,811	7,388,330
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,509,496</u>	<u>442,191</u>	<u>1,395,752</u>	<u>11,542,449</u>	<u>5,671,192</u>	<u>1,677,890</u>
2,585,958	(1,065,669)	1,531,957	9,659,267	8,050,003	9,066,220
<u>49,826,409</u>	<u>52,412,367</u>	<u>51,346,698</u>	<u>51,217,706</u>	<u>60,876,973</u>	<u>68,926,976</u>
-	-	(1,660,949)	-	-	-
<u>\$ 52,412,367</u>	<u>\$ 51,346,698</u>	<u>\$ 51,217,706</u>	<u>\$ 60,876,973</u>	<u>\$ 68,926,976</u>	<u>\$ 77,993,196</u>



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Revenue Capacity Information



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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	
2021	\$12,493,909,469	\$ 5,199,625,677	\$ 1,184,612,089	\$ 628,230,809
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	1,072,775,917	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
2013	9,006,179,549	3,843,092,878	897,491,335	369,029,826
2012	8,751,466,244	3,467,604,024	1,316,801,286	379,657,608

Sources:

Marion County and Polk County Assessors.

Notes:

- (1) Estimated actual value of taxable property equals fair value except for tax exempt property which is excluded, and farm use property which is included at its lower taxable value. Fair 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 fair values and limits the annual increase in assessed values to 3%.

<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value of Taxable Property</u>
\$ 515,059,468	\$ 20,021,437,512	0.7609	\$ 35,546,316,883
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
390,105,749	14,505,899,337	0.7609	21,902,212,924
380,494,517	14,296,023,679	0.7609	21,194,096,852

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</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	2.09	2.54
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 - 7.83	0.30 - 7.84	0.30 - 7.92	0.30 - 8.12	0.30 - 8.34
Chemeketa Community College	0.89	0.89	0.90	0.90	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	0.04 - 1.00	0.05 - 1.00	0.05 - 1.00
Rural Fire Protection Districts	0.53 - 2.34	0.53 - 2.90	0.53 - 2.91	0.53 - 2.92	0.53 - 2.93
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.

2016	2015	2014	2013	2012
\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609
3.03	3.03	3.03	3.03	3.03
2.54	2.26	2.26	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 - 8.42	0.30 - 8.07	0.30 - 8.12	0.30 - 8.25
0.92	0.89	0.86	0.90	0.88
0.05	0.00	0.00	0.00	0.00
0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.03
0.53 - 2.51	0.53 - 2.52	0.53 - 2.53	0.53 - 2.47	1.01 - 2.35
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	2021 (estimated)			2012		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric Co	1	\$ 212,112,745	1.06%	1	\$ 113,770,900	0.80%
Northwest Natural Gas Co	2	186,570,600	0.93%	2	73,951,800	0.52%
CenturyLink	3	84,912,000	0.42%	3	61,193,800	0.43%
Comcast Corporation	4	78,386,000	0.39%	8	36,857,300	0.26%
Donahue Schriber Realty Group	5	70,188,410	0.35%	5	49,049,190	0.34%
State Accident Insurance Fund	6	55,532,740	0.28%	10	27,839,500	0.19%
Lancaster Development Company LLC	7	54,313,000	0.27%	4	60,195,480	0.42%
Metropolitan Life Insurance Co	8	49,177,420	0.25%	7	39,838,290	0.28%
State Investments LLC	9	44,073,249	0.22%		-	0.00%
5639 HD LLC	10	37,599,430	0.19%		-	0.00%
HD Salem OR Landlord LLC		-		6	40,422,290	0.28%
Wal-Mart Real Estate Business Trust		-		9	31,118,130	0.22%
Total for principal taxpayers		<u>872,865,594</u>	4.36%		<u>534,236,680</u>	3.74%
Total taxable assessed value		<u>\$ 20,021,437,512</u>			<u>\$ 14,296,023,679</u>	

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
2021	\$ 13,949,784	\$ 13,331,718	95.57%	\$ -	\$ 13,331,718	95.57%
2020	13,375,200	12,747,112	95.30%	164,067	12,911,179	96.53%
2019	12,906,585	12,304,644	95.34%	150,316	12,454,960	96.50%
2018	12,426,577	11,958,195	96.23%	200,249	12,158,444	97.84%
2017	11,965,300	11,378,225	95.09%	246,032	11,624,257	97.15%
2016	11,509,781	10,905,167	94.75%	277,184	11,182,351	97.16%
2015	10,882,259	10,279,838	94.46%	303,824	10,583,662	97.26%
2014	10,472,555	9,853,189	94.09%	330,998	10,184,187	97.25%
2013	10,233,065	9,570,505	93.53%	347,387	9,917,892	96.92%
2012	10,084,413	9,412,400	93.34%	343,243	9,755,643	96.74%

Sources:

Marion County Assessor and Polk County Treasurer



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SHOP AND RIDE

Demographic and Economic Information



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**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)(2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2021	349,204	\$ 16,809,093	\$ 48,135	7.6%
2020	349,120	15,706,672	45,158	3.9%
2019	347,760	14,929,947	43,042	4.3%
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%
2013	322,880	11,249,451	35,156	8.5%
2012	319,985	11,249,451	35,156	9.6%

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, 2021; Population Research Center, Portland State University

(2) Personal Income estimate as of calendar year 2020; Bureau of Economic Analysis, Regional Economic Data

(3) Per Capita Personal Income as of calendar year 2020; Bureau of Economic Analysis, Regional Economic Data

(4) Unemployment Rate is average of calendar year 2020; Bureau of Labor Statistics, Local Unemployment Statistics

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>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>% of Total</u>	<u>Employees</u>	<u>% of Total</u>
Government	41,500	23.87%	40,400	28.13%
Trade, transportation, and utilities	31,100	17.87%	25,300	17.62%
Educational and health services	30,000	17.24%	22,900	15.95%
Professional and business services	17,300	9.94%	11,500	8.01%
Leisure and hospitality	14,500	8.33%	12,300	8.57%
Construction	13,000	7.47%	6,400	4.46%
Manufacturing	12,400	7.13%	10,800	7.52%
Financial activities	6,700	3.85%	7,000	4.87%
Other services	5,400	3.10%	5,100	3.55%
Information	1,500	0.86%	1,100	0.77%
Mining and logging	600	0.34%	800	0.56%
Total Salem Metropolitan Area Non-Farm Payroll Employment	<u>174,000</u>	<u>100.00%</u>	<u>143,600</u>	<u>100.00%</u>

Source: Oregon Employment Department Salem Area MSA Nonfarm Employment

- Notes: (1) Information is presented for the prior calendar year
(2) Includes full-time and part-time employees



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Operating Information



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

Division	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
General Manager/Board of Directors Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.5	4.5
Human Resources	4.5	3.5	4.0	4.5	4.1	4.7	5.2	4.8	4.8	4.8
Human Resources-Safety	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Communication										
Marketing & Communication	-	2.0	3.0	3.0	3.0	3.0	3.0	4.0	4.3	4.3
Customer Service	6.0	6.0	6.0	6.1	6.0	5.8	5.8	8.9	8.3	8.3
Travel Trainer	-	-	-	-	-	0.2	0.1	0.3	0.4	0.4
Finance and Technology										
Finance	7.0	7.0	7.0	6.5	6.5	7.5	5.0	6.9	9.5	9.5
Procurement	-	-	-	-	-	-	2.6	1.6	2.0	2.0
Information Technology	-	-	-	-	-	-	-	-	5.9	5.9
Operations										
Administration	2.0	5.5	4.0	3.0	3.0	3.1	3.1	4.1	4.1	4.1
Security & Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0	3.0
Fixed Route Operations	108.5	106.5	106.0	110.0	110.0	110.0	110.0	136.0	147.5	147.5
Vehicle Maintenance	25.0	25.0	26.0	24.5	24.0	24.1	23.6	31.8	31.1	31.1
Facilities Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	8.0	9.0	9.0	9.0
Planning	-	-	-	-	-	-	-	-	4.0	4.0
Transportation Development										
Transportation Development Administration	7.0	4.7	4.5	4.0	4.5	5.6	6.4	6.1	-	-
Information Technology	4.0	4.0	5.0	4.5	5.0	5.0	5.0	5.1	-	-
Rideshare Program	1.5	2.0	2.0	-	-	-	-	-	-	-
Total General Fund FTE Per Budget	<u>174.5</u>	<u>176.0</u>	<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>
Transportation Programs Fund										
Cherriots Lift	3.0	3.0	3.0	3.5	3.5	3.1	3.1	3.7	3.4	3.4
Cherriots Shop & Ride	-	-	-	-	-	0.2	0.2	0.6	0.4	0.4
Cherriots Regional	0.5	0.5	0.5	1.5	1.5	1.4	1.0	1.5	0.9	0.9
DMAP	2.0	2.0	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
Mobility Management/Travel Trainer	1.5	1.5	1.5	3.0	2.0	2.1	0.8	1.6	1.5	1.5
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
Total Special Transportation Fund FTE Per Budget	<u>7.0</u>	<u>7.0</u>	<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>
Capital Project Fund										
Total District Wide FTE Per Budget	<u>182.5</u>	<u>184.0</u>	<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>239.4</u>



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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)
2012	\$ 2,487,342	\$ 18,582,768	13.4%	2,089,966	1,951,757	3,363,002
2013	2,358,925	19,555,613	12.1%	2,117,115	1,982,591	3,413,873
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	882	31,036,925	0.0%	2,419,098	2,258,436	1,718,883

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

*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)
2012	\$ 248,961	\$ 11,527,023	2.2%	4,789,771	4,789,771	429,685
2013	198,154	12,865,869	1.5%	4,530,236	4,182,683	488,466
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	650	5,420,831	0.0%	483,078	424,076	58,208

Vanpool

Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)
2012	\$ 140,800	\$ 289,517	48.6%	343,211	343,211	55,830
2013	182,063	376,183	48.4%	399,775	399,775	66,175
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

** 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 Cherris Lift, Shop & Ride, and the Polk County Flex services.

Fixed Route System							
Fiscal Year	Annual	Annual	Operating	Operating	Operating	Operating	Operating
	Passenger	Vehicle	Expense per	Expense per	Expense per	Expense per	Expense per
	Miles	Revenue	Mile	Revenue Mile	UPT	Mile	Mile
2012	10,896,126	154,772	\$ 8.89	\$ 9.52	\$ 5.53	\$ 1.71	
2013	11,060,948	154,905	9.24	9.86	5.73	1.77	
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	

Regional Fixed Route*							
Fiscal Year	Annual	Annual	Operating	Operating	Operating	Operating	Operating
	Passenger	Vehicle	Expense per	Expense per	Expense per	Expense per	Expense per
	Miles	Revenue	Mile	Revenue Mile	UPT	Mile	Mile
2020	278,508	17,024	\$ 3.45	\$ 3.97	\$ 17.80	\$ 5.22	
2021	845,237	18,566	4.11	4.71	32.79	2.21	

Demand Response**							
Fiscal Year	Annual	Annual	Operating	Operating	Operating	Operating	Operating
	Passenger	Vehicle	Expense per	Expense per	Expense per	Expense per	Expense per
	Miles	Revenue	Mile	Revenue Mile	UPT	Mile	Mile
2012	8,340,340	232,769	\$ 2.41	\$ 2.41	\$ 26.83	\$ 1.38	
2013	5,534,320	244,964	2.84	3.08	26.34	2.32	
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	

Vanpool							
Fiscal Year	Annual	Annual	Operating	Operating	Operating	Operating	Operating
	Passenger	Vehicle	Expense per	Expense per	Expense per	Expense per	Expense per
	Miles	Revenue	Mile	Revenue Mile	UPT	Mile	Mile
2012	2,060,457	7,705	\$ 0.84	\$ 0.84	\$ 5.19	\$ 0.14	
2013	2,611,080	8,704	0.94	0.94	5.68	0.14	
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	



CHERRIOTS



CHERRIOTS

LOCAL



CHERRIOTS

REGIONAL



CHERRIOTS

LIFT



CHERRIOTS

SHOP AND RIDE

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



GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Salem Area Mass 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, 2021, and have issued our report thereon dated February 17, 2022.

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).**

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.


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, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Ryan T. Pasquarella, A Shareholder
February 17, 2022