



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*Fiscal Years Ended June 30, 2024 and 2023*

SALEM, OR

DECEMBER 31, 2024

**SALEM AREA MASS TRANSIT DISTRICT**

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Annual Comprehensive Financial Report

For the years ended

June 30, 2024 and 2023

Marion County, Oregon

Prepared by

Denise LaRue, Chief Financial Officer  
Dorrene Edwards, Controller

**Salem Area Mass Transit District**  
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**For the Years Ended June 30, 2024 and 2023**

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## **Introductory Section**



December 31, 2024

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

It is our pleasure to submit to you the Annual Comprehensive Financial Report of the Salem Area Mass Transit District for the fiscal year that ended June 30, 2024. Oregon Statutes require that the District publish, within six months of the close of each fiscal year (FY), a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States, and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

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

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

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

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

REDW, LLC, a firm of licensed certified public accountants, audited the District's financial statements. The goal of this independent audit was to provide reasonable assurance that the financial statements of the District for the FY that ended June 30, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the FY that ended June 30, 2024, 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 also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget's (OMB) Super Circular 2 Code of Federal Regulations (CFR) Part 200, the Uniform Guidance. These standards require the independent government's internal controls to be established and maintained effectively and the District to be in compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. The results of the independent audit for the FY that ended June 30, 2024, 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 and regional services. District buses provide service over a 78-square mile area in Salem-Keizer and the Mid-Willamette Valley. The combined population of Marion and Polk counties is about 437,000.

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

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

In FY 2024, annual Cherriots ridership among all services was approximately 3.5 million, averaging more than 11,631 riders per weekday, 5,701 on Saturday, and 3,139 on Sunday. The District maintains 68 active buses for fixed route service, Cherriots Local; 37 buses for the paratransit service, Cherriots LIFT; and 14 buses for the Cherriots Regional service.

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

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

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

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

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

## **Local Economy**

The District is located within the Salem Metropolitan Statistical Area (MSA). The Salem MSA, as defined by the U.S. Census Bureau, is an area consisting of two counties in western Oregon, Marion and Polk. The principal city is Salem, which has a population of 177,432 according to the 2023 U.S. Census estimate. In 2023, there were an estimated 436,597 living in the Salem MSA compared with a population of 433,551 in the 2020 census. Marion and Polk counties are located south of the Portland metropolitan area in the center of the Willamette Valley. The District's boundaries are contiguous with the urban growth boundaries and include the city of Salem and the city of Keizer. The District also provides regional services to Marion and Polk counties and express commuter services to Wilsonville in Clackamas County.

Salem is the capital of Oregon and the county seat for Marion County. Population estimates from Portland State University's Population Research Center rank Salem as the second largest city. The Salem MSA had the second largest population in the state at July 1, 2024. The major industries in the Salem MSA are agribusiness, health care, technology, government, and education.

The average unemployment rate in the Salem MSA in 2024 was 3.9 percent.

The county(s) do provide a property tax abatement in which Salem Area Mass Transit District participates to stimulate economic growth in the District. In FY 2024, the abatement resulted in a .005% reduction in property tax revenues as compared to a .008% reduction in property tax revenues in FY 2023. This abatement does not affect the overall financial health for the the District.

### **Fixed Route Transportation**

Approximately 8.3 million passenger miles were traveled annually, with total ridership of 3,228,778 for FY 2024. This total ridership represents an increase of 16.9 percent from FY 2023. For FY 2024, the operating costs per revenue mile for the fixed route service amounted to \$15.80 compared to a cost of \$15.68 for FY 2023 (a 1 percent increase), while the average cost per ride decreased from \$13.53 in FY 2023 to \$12.36 for FY 2024 (a 9 percent decrease). The decrease in the cost per ride is driven by the significant increase in ridership.

### **Alternative Transportation**

Ridership in the demand response programs increased during FY 2024. The total rides provided in FY 2024 were 104,912 compared to 84,798 rides provided in FY 2023. The average cost of providing demand response rides in FY 2024 was \$57.00 compared with \$53.10 for FY 2023. This increase in cost per ride is the result of increased expenses to operate the programs and offset partially by increased ridership for FY2024 versus FY2023.

A small portion of the cost of providing these alternative transportation services is typically covered with fare revenue. There was \$148,237 collected in fares for FY24, as compared to \$198,854 collected for fares in FY 2023.

Cherriots has undertaken several transformative initiatives aimed at modernizing its services, enhancing customer experience, and addressing community needs. Below is an updated overview of their major initiatives and future plans:

### **Major Initiatives**

## **Modernization Projects**

Cherriots continues to modernize its infrastructure with several key projects:

- **Electronic Fare Payment System:** The UMO system allows riders to pay via mobile phones or fare cards.
- **Intelligent Transportation System (ITS):** Enhancements are underway to improve operational efficiency and rider experience.
- **Transit Signal Prioritization:** This system aims to reduce delays for buses at traffic signals.
- **South Salem Transit Center:** Ongoing development includes environmental reviews and land acquisition for this critical mobility hub.
- **Enterprise Resource Planning (ERP):** Implementation of the new HR/Finance software streamlines operations.

## **Heritage and History in Transit Initiative**

The "Heritage and History in Transit" initiative, spearheaded by the Cherriots Board of Directors, aims to celebrate the rich tapestry of cultures within the Salem-Keizer community. The unifying theme for this initiative is "Connecting Cultures, Creating Community," which encapsulates the goal of fostering understanding and appreciation among diverse groups.

- Recognition of three Heritage and History Months annually
- Custom-designed bus wraps featuring the theme "Connecting Cultures, Creating Community"
- Each wrapped bus will operate for 4-6 months, serving as a rolling tribute to diverse cultural experiences

By participating in this initiative, Cherriots joins other transit agencies, including TriMet, which has been celebrating heritage months with custom-designed vehicle wraps by local artists. These programs not only beautify public transit but also serve as mobile educational tools, fostering a sense of community and inclusivity among riders.

The "Heritage and History in Transit" initiative by Cherriots is a testament to the power of public transportation in bringing people together and celebrating the diverse cultures that make up the fabric of our communities.

### **Zero-Emission Buses**

Cherriots received its first fleet of 10 battery-electric buses in 2023 and began creating the district's first zero-emission corridor on Route 11 (Lancaster Drive). This initiative represents a major step toward sustainability by reducing greenhouse gas emissions and noise pollution. The electric buses were funded through federal grants and local investments, with plans for an additional 10 buses in late 2025. These buses are expected to significantly lower energy consumption while serving historically underserved communities along the route.

### **Route 22 Kuebler Link Launch**

The Salem Area Mass Transit District began operating its new Kuebler Link bus route, connecting south Lancaster Drive and south Commercial Street. By connecting these two key arteries, Cherriots is not only enhancing mobility but also fostering greater economic activity and social interaction within the community it serves. Route 22 provides service every 20 minutes during weekday peak service times. It operates seven days a week, serving key destinations along Kuebler Boulevard. Up to four buses serve Route 22. At 25 feet in length, these vehicles are smaller than the standard 35 or 40-foot-bus. The smaller size allows access to areas that a typical bus could not. The introduction of the Kuebler Link is expected to have a significant positive impact on the community, reducing traffic congestion, lowering carbon emissions, and providing a cost-effective alternative to car travel.

### **Youth Ride Free Program**

One of the most impactful initiatives has been the Youth Ride Free program for residents aged 0 to 18. This community-sponsored program led to an 89% increase in youth ridership, with over 747,000 youth rides provided in FY23 and exceeded 979,000 rides in FY24. The program has fostered independence among young residents, improved access to education and employment opportunities, and promoted environmental benefits by reducing car emissions. It also nurtures a new generation of environmentally conscious transit users.

### **Future Strategic Initiatives**

The upcoming fiscal year will see the implementation of several key projects and initiatives aimed at enhancing our public transit system's efficiency, sustainability, and security. These include:

### 1. Environmental Review and Land Acquisition

We anticipate finalizing the environmental review process and completing land acquisition for the South Salem Transit Center, marking a significant step towards expanding our service infrastructure.

### 2. Sustainable Transportation

September will herald the introduction of battery-electric bus service on Route 11, designated as the Electric Corridor. This initiative underscores our commitment to reducing carbon emissions and promoting eco-friendly public transportation options.

### 3. Technological Advancements

The completion of the Intelligent Transportation System (ITS) project is on track, which will significantly improve our ability to manage and optimize transit operations.

### 4. Enhanced Security Measures

We will finalize the implementation of physical security enhancements at Del Webb, KTC, and DTC facilities, ensuring a safer environment for both passengers and staff.

### 5. Operational Optimization

A Comprehensive Operations Analysis will be conducted to identify areas for improvement and streamline our services.

### 6. Environmental Stewardship

The implementation of our Climate Action Plan will commence, demonstrating our proactive approach to addressing environmental challenges and promoting sustainable practices within our transit system.

These strategic initiatives reflect our ongoing dedication to providing efficient, safe, and environmentally responsible public transportation services to our community.

## **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. We work to ensure that we can

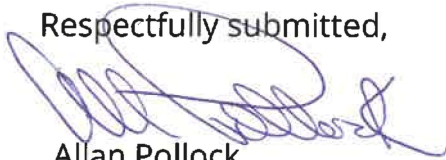
fiscally maintain our services long-term and that we continue to be able to fund our 10-year capital improvement plan.

### **Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the FY that ended June 30, 2023. This was the 12<sup>th</sup> consecutive year that the District received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



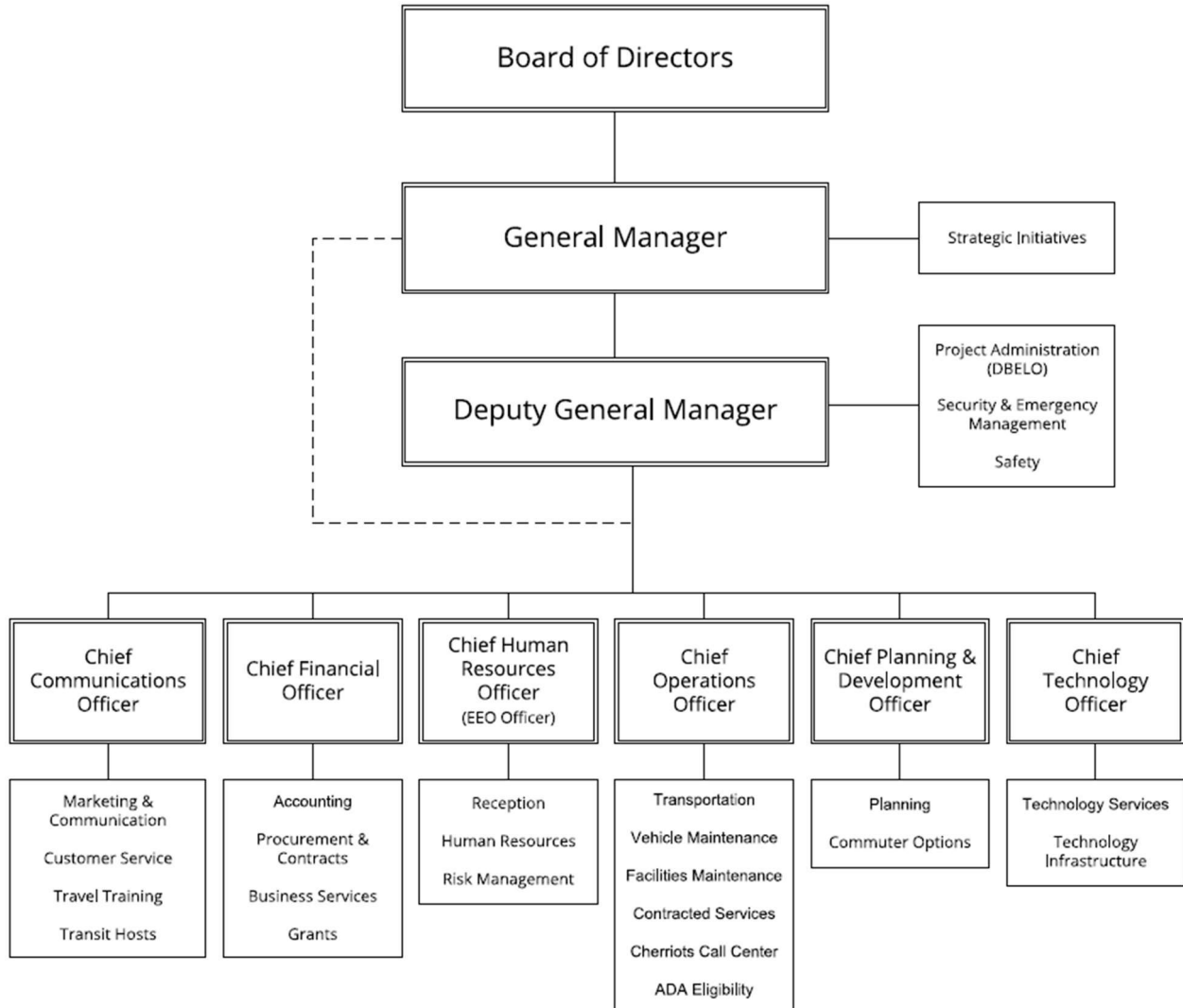
Allan Pollock  
General Manager/CEO



Denise LaRue  
Chief Financial Officer



# SALEM AREA MASS TRANSIT DISTRICT







## Salem Area Mass Transit District

Board of Directors

July 2023 - June 2024



**JOAQUÍN LARA MIDKIFF (Subdistrict #1)**

*(He/Him)*

**P:** (971)599-8614 **E:** joaquin.laramidkiff@cherriots.org

Appointed: 10/5/2023-6/30/2027



**RAMIRO "RJ" NAVARRO JR (Subdistrict #2)**

*(He/His/Him/El)*

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

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



**SADIE CARNEY (Subdistrict #3)**

*(She/Her)*

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

Appointed: 07/01/2019-06/30/2023, Reappointed 7/1/2023-6/30/2027



**MARIA HINOJOS PRESSEY (Subdistrict #4)**

*(She/Her/Ella)*

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

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



**IAN DAVIDSON (Subdistrict #5)**

*(He/Him)*

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

Appointed: 07/01/2019-06/30/2023, Reappointed 7/1/2023-6/30/2027



**SARA DUNCAN (Subdistrict #6)**

*(She/They)*

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

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



**BILL HOLMSTROM (Subdistrict #7)**

*(He/Him)*

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

Appointed: 09/30/2022-06/30/2023, Reappointed 7/1/2023-6/30/2027



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, 2023

*Christopher P. Morrill*

Executive Director/CEO

## **Financial Section**



# GROVE, MUELLER & SWANK

**redw**  
Advisors & CPAs

## ***INDEPENDENT AUDITOR'S REPORT***

Board of Directors  
Salem Area Mass Transit District  
Salem, Oregon

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

#### ***Opinions***

We have audited the financial statements of the enterprise and fiduciary funds of Salem Area Mass Transit District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the enterprise and fiduciary funds of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Other Matter – Auditor's Report on the June 30, 2023 Financial Statements***

The financial statements as of and for the year ended June 30, 2023, were audited by Grove, Mueller & Swank, P.C., whose shareholders, and professional staff joined REDW LLC as of November 30, 2023, and has substantially ceased operations. Grove, Mueller & Swank, P.C. expressed an unmodified opinion on those statements in their report dated February 29, 2024.

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

## **Reports on Other Legal and Regulatory Requirements**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### *Other Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 31, 2024, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ryan T. Pasquarella, Principal  
For REDW LLC  
Salem, Oregon  
December 31, 2024

## **Salem Area Mass Transit District Management's Discussion and Analysis**

The management of Salem Area Mass Transit District (District) presents this narrative overview and analysis to facilitate both a short-term and long-term analysis of the financial activities of the District for the fiscal years ended June 30, 2024 and 2023. 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 2024 from \$127.4 million to \$137.3 million, due to an increase of capital assets, mainly the purchase of 10 battery electric buses. The District's total assets increased in FY 2023 from \$109.3 million to \$127.4 million, due to an increase in unrestricted cash, federal grants receivable, and state grants receivable.

The District's deferred outflows decreased in FY 2024 by approximately \$.9 million and the District's deferred outflows decreased in FY 2023 by approximately \$5.4 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 2024 by \$2.7 million, due mostly to a decrease in net pension liabilities of the District. The District's total liabilities decreased in FY 2023 by \$1.9 million, due mostly to a decrease in net pension liabilities of the District.

In FY 2024, the District's total net position increased by \$11.3 million. Restricted net position for capital projects increased by \$1.5 million and restricted net position for transportation programs increased by \$.6 million. Unrestricted net position decreased by approximately \$4.1 million.

In FY 2023, the District's total net position increased by \$17.2 million. Restricted net position for capital projects increased by \$4.3 million and restricted net position for transportation programs increased by \$5.4 million. Unrestricted net position increased by approximately \$2.7 million.

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

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

	<i>June 30,</i>		
	<i>2024</i>	<i>2023</i>	<i>2022</i>
<b>Assets</b>			
Current and restricted assets	\$ 71,799,555	\$ 74,559,161	\$ 61,147,609
Noncurrent assets	696,468	-	-
Capital assets, net of depreciation	<u>64,804,393</u>	<u>52,886,041</u>	<u>48,119,928</u>
Total assets	137,300,416	127,445,202	109,267,537
<b>Deferred outflows of resources</b>			
	<u>4,169,535</u>	<u>5,054,031</u>	<u>10,409,616</u>
Total assets and deferred outflows of resources	<u>\$ 141,469,951</u>	<u>\$ 132,499,233</u>	<u>\$ 119,677,153</u>
<b>Liabilities</b>			
Current liabilities	\$ 9,188,825	\$ 10,319,720	\$ 8,916,341
Noncurrent liabilities	<u>6,482,465</u>	<u>8,017,413</u>	<u>11,348,104</u>
Total liabilities	15,671,290	18,337,133	20,264,445
<b>Deferred inflows of resources</b>			
	2,049,806	1,676,069	4,127,360
<b>Net position</b>			
Investment in capital assets	64,804,393	52,886,041	48,119,928
Restricted for capital projects	9,980,233	8,471,874	4,130,496
Restricted for transportation programs	9,620,767	8,373,265	2,941,080
Restricted for pensions	696,468	-	-
Unrestricted	<u>38,646,994</u>	<u>42,754,851</u>	<u>40,093,844</u>
Total net position	<u>123,748,855</u>	<u>112,486,031</u>	<u>95,285,348</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 141,469,951</u>	<u>\$ 132,499,233</u>	<u>\$ 119,677,153</u>

In FY 2024, operating revenue increased approximately \$830 thousand from \$3.7 million from the prior year. This increase was due to increasing service levels. Non-operating revenues, including capital contributions, decreased approximately \$2.6 million from the prior year with a decrease in federal funding offset partially by an increase in state funding and capital contributions. Operating expenses increased by approximately \$4.2 million from the prior year, mainly due to an increase in personnel services and increased materials and services expenses due to increased services levels.

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



In FY 2024, the District's total revenue decreased approximately \$7.7 million, or 12.4 percent during mainly due to no longer having additional COVID-19 resources. The District's total revenue increased approximately \$7.8 million, or 14.3 percent, during FY 2023, primarily from non-operating sources, such as federal assistance (up \$5.8 million) for COVID-19 pandemic-related costs, and earnings on investments, \$1.1 million.

	<i>Year Ended June 30,</i>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues			
Passenger fares	\$ 2,634,822	\$ 2,466,510	\$ 2,015,718
Accessible services and Medicaid	1,360,308	765,427	465,018
Other revenues	525,855	460,271	700,695
Non-operating revenues			
Property taxes	15,386,082	14,810,245	14,227,455
State assistance	23,470,230	18,166,795	18,411,572
Federal assistance	8,997,909	24,061,671	18,251,835
Other revenues	2,002,529	1,334,817	221,492
Total revenue	54,377,735	62,065,736	54,293,785
Operating expenses	<u>(52,642,689)</u>	<u>(48,450,934)</u>	<u>(41,606,235)</u>
Changes in net position before capital contributions	1,735,046	13,614,802	12,687,550
Capital contributions	<u>9,527,778</u>	<u>3,585,881</u>	<u>1,222,623</u>
Changes in net position	11,262,824	17,200,683	13,910,173
<b>Beginning net position</b>	<u>112,486,031</u>	<u>95,285,348</u>	<u>81,375,175</u>
<b>Ending net position</b>	<u><u>\$ 123,748,855</u></u>	<u><u>\$ 112,486,031</u></u>	<u><u>\$ 95,285,348</u></u>

## Capital Assets

The District's investment in capital assets amounts to \$64.8 million and \$52.9 million net of accumulated depreciation as of June 30, 2024 and 2023, respectively. This investment in capital assets includes land, construction in progress, buildings, land improvements, revenue rolling stock, and equipment. The total increase in the District's investment in capital assets for FY 2024 was 22.5 percent. The total increase in the District's investment in capital assets for FY 2023 was 9.9 percent.

Major capital projects during FY 2024 included the battery electric buses and associated charging equipment. Construction in progress at the end of the year was approximately \$18.9 million for various projects.

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

	<i>June 30,</i>			<i>Increase/(decrease)</i>	
	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2024-2023</i>	<i>2023-2022</i>
Land	\$ 3,039,566	\$ 3,039,566	\$ 3,039,566	\$ -	\$ -
Construction in progress	18,941,802	9,722,333	8,077,725	9,219,469	1,644,608
Land improvements, net	6,651,927	3,531,427	3,693,577	3,120,500	(162,150)
Buildings, net	14,650,138	15,112,960	15,606,758	(462,822)	(493,798)
Revenue rolling stock, net	16,607,323	17,488,711	15,815,692	(881,388)	1,673,019
Equipment, net	4,913,637	3,991,044	1,886,610	922,593	2,104,434
	<u>\$ 64,804,393</u>	<u>\$ 52,886,041</u>	<u>\$ 48,119,928</u>	<u>\$ 11,918,352</u>	<u>\$ 4,766,113</u>

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

## **Economic Factors**

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

## **Request for Information**

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

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

## **Basic Financial Statements**



**Salem Area Mass Transit District**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets		
Unrestricted cash and cash equivalents	\$ 38,363,312	\$ 40,688,487
Accounts receivable	221,310	482,367
Property taxes receivable	565,052	492,105
Prepaid items	1,439,043	1,199,553
Inventories	896,667	826,872
Restricted cash and cash equivalents	19,601,000	16,845,139
Federal grants receivable	7,351,448	9,276,298
State grants receivable	<u>3,361,723</u>	<u>4,748,340</u>
Total current assets	<u>71,799,555</u>	<u>74,559,161</u>
Capital assets		
Land	3,039,566	3,039,566
Construction in progress	18,941,802	9,722,333
Land improvements (net of depreciation)	6,651,927	3,531,427
Buildings and improvements (net of depreciation)	14,650,138	15,112,960
Revenue rolling stock (net of depreciation)	16,607,323	17,488,711
Equipment (net of depreciation)	<u>4,913,637</u>	<u>3,991,044</u>
Total capital assets	<u>64,804,393</u>	<u>52,886,041</u>
Other noncurrent assets		
Net pension asset	<u>696,468</u>	<u>-</u>
Total noncurrent assets	<u>65,500,861</u>	<u>52,886,041</u>
Total assets	<u>137,300,416</u>	<u>127,445,202</u>
<b>Deferred outflows of resources</b>		
Related to pensions	3,400,846	4,374,614
Related to total OPEB liability	<u>768,689</u>	<u>679,417</u>
Total deferred outflows of resources	<u>4,169,535</u>	<u>5,054,031</u>
Total assets and deferred outflows of resources	<u>\$ 141,469,951</u>	<u>\$ 132,499,233</u>

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

**Salem Area Mass Transit District**  
**Statements of Net Position (Continued)**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 606,049	\$ 627,126
Accounts payable from restricted assets	1,104,347	1,094,692
Payroll, withholdings and payroll taxes	1,152,097	1,183,469
Construction retainage	113,773	118,816
Due to other governments from restricted assets	54,929	338,701
Accrued vacation and sick leave - current portion	960,363	808,423
OPEB - current portion	238,783	220,009
Unearned revenue	4,958,484	5,928,484
Total current liabilities	<u>9,188,825</u>	<u>10,319,720</u>
Noncurrent liabilities		
Net pension liability	1,791,052	3,267,764
Total OPEB liability, net of current portion	3,731,051	3,941,225
Accrued vacation and sick leave, net of current portion	960,362	808,424
Total noncurrent liabilities	<u>6,482,465</u>	<u>8,017,413</u>
Total liabilities	<u>15,671,290</u>	<u>18,337,133</u>
<b>Deferred inflows of resources</b>		
Related to pensions	563,525	421,916
Related to total OPEB liability	1,486,281	1,254,153
Total deferred inflows of resources	<u>2,049,806</u>	<u>1,676,069</u>
<b>Net position</b>		
Investment in capital assets	64,804,393	52,886,041
Restricted for capital projects	9,980,233	8,471,874
Restricted for transportation programs	9,620,767	8,373,265
Restricted for pensions	696,468	-
Unrestricted	38,646,994	42,754,851
Total net position	<u>123,748,855</u>	<u>112,486,031</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 141,469,951</u>	<u>\$ 132,499,233</u>

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

**Salem Area Mass Transit District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating revenues</b>		
Passenger fares	\$ 2,634,822	\$ 2,466,510
Accessible services and Medicaid	1,360,308	765,427
Other revenues	477,311	460,271
OPEB revenue	48,544	-
Total operating revenues	<u>4,520,985</u>	<u>3,692,208</u>
<b>Operating expenses</b>		
Personnel services	32,330,794	30,593,046
Materials and services	17,229,248	15,033,329
Depreciation	3,082,647	2,780,383
OPEB expense	-	44,176
Total operating expenses	<u>52,642,689</u>	<u>48,450,934</u>
<b>Operating loss</b>	(48,121,704)	(44,758,726)
<b>Non-operating revenues</b>		
Property taxes	15,386,082	14,810,245
State assistance	23,470,230	18,166,795
Federal assistance	8,997,909	24,061,671
Earnings on investments	2,499,929	1,369,510
Gain (loss) on disposal of capital assets	(497,400)	(34,693)
Total non-operating revenues	<u>49,856,750</u>	<u>58,373,528</u>
Change in net position before capital contributions	1,735,046	13,614,802
<b>Capital contributions</b>		
Federal and state grants for capital acquisition	<u>9,527,778</u>	<u>3,585,881</u>
Changes in net position	11,262,824	17,200,683
<b>Total net position - beginning of year</b>	<u>112,486,031</u>	<u>95,285,348</u>
<b>Total net position - end of year</b>	<u>\$ 123,748,855</u>	<u>\$ 112,486,031</u>

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

**Salem Area Mass Transit District**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 3,812,042	\$ 3,375,007
Payments to employees for services	(33,164,635)	(31,516,944)
Cash paid to suppliers for good and services	(17,549,955)	(14,855,920)
Net cash used for operating activities	<u>(46,902,548)</u>	<u>(42,997,857)</u>
<b>Cash flows from noncapital financing activities</b>		
Receipts from property taxes	15,313,135	14,789,597
Receipts from state assistance	24,573,075	16,694,395
Receipts from federal assistance	11,594,009	24,663,389
Net cash provided by noncapital financing activities	<u>51,480,219</u>	<u>56,147,381</u>
<b>Cash flows from capital and related financing activities</b>		
Receipts from capital grants	8,856,528	3,708,906
Acquisition and construction of capital assets	(15,503,442)	(7,576,146)
Net cash provided (used) by capital and related financing activities	<u>(6,646,914)</u>	<u>(3,867,240)</u>
<b>Cash flows from investing activities</b>		
Interest received	2,499,929	1,369,510
<b>Net change in cash and cash equivalents</b>	430,686	10,651,794
<b>Cash and cash equivalents, beginning of year</b>	<u>57,533,626</u>	<u>46,881,832</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 57,964,312</u>	<u>\$ 57,533,626</u>
<b>Reconciliation of operating loss to net cash used for operating activities</b>		
Operating loss	\$ (48,121,704)	\$ (44,758,726)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	3,082,647	2,780,383
Change in net pension liability/asset and related deferrals	(1,057,803)	3,139,147
Change in OPEB obligation and related deferrals	(48,544)	(4,330,438)
(Increase) decrease in accounts receivable	261,057	(317,201)
(Increase) decrease in prepaid items	(239,490)	(216,678)
(Increase) decrease in inventories	(69,795)	129,485
Increase (decrease) in accounts payable	(21,077)	(181,787)
Increase (decrease) in accounts payable from restricted assets	9,655	446,389
Increase (decrease) in payroll, withholdings and payroll taxes	(31,372)	209,443
Increase (decrease) in accrued vacation and sick leave	303,878	102,126
Increase (decrease) in unearned revenue	(970,000)	-
Net cash used for operating activities	<u>\$ (46,902,548)</u>	<u>\$ (42,997,857)</u>

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



**Salem Area Mass Transit District  
Statements of Fiduciary Net Position  
June 30, 2024 and 2023**

	<b><i>2024</i></b>	<b><i>2023</i></b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,266,756	\$ 2,155,289
Investments		
Fixed Income	22,849,153	17,911,523
Stocks	24,134,232	21,338,909
Total investments	46,983,385	39,250,432
Total assets	48,250,141	41,405,721
<b>Fiduciary net position - Restricted</b>	<b>\$ 48,250,141</b>	<b>\$ 41,405,721</b>

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

**Salem Area Mass Transit District**  
**Statements of Changes in Fiduciary Net Position**  
**For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Additions</b>		
ICMA Transfers	\$ 831,209	\$ 53,137
Employer contributions	4,056,297	3,805,356
Total contributions	<u>4,887,506</u>	<u>3,858,493</u>
Net increase in fair value of investments	4,774,652	2,765,231
Investment expense	(234,018)	(213,007)
Net investment income	<u>4,540,634</u>	<u>2,552,224</u>
Total additions	9,428,140	6,410,717
<b>Deductions</b>		
Service benefits	<u>2,583,720</u>	<u>2,466,685</u>
Net increase in fiduciary net position	6,844,420	3,944,032
<b>Fiduciary net position - Restricted - beginning of year</b>	<u>41,405,721</u>	<u>37,461,689</u>
<b>Fiduciary net position - Restricted - end of year</b>	<u><u>\$ 48,250,141</u></u>	<u><u>\$ 41,405,721</u></u>

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**(1) Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

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

**B. Organization and Operation**

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

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

**C. Basis of Accounting and Revenue Recognition**

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

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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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, 2024 and 2023**

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**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, 2024 and 2023**

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

**M. Deferred Inflows and Outflows of Resources**

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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

**(2) Stewardship, Compliance, and Accountability**

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

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

*General Fund*

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

*Capital Projects Fund*

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

*Transportation Programs Fund*

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

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

The District legally adopts its annual budget prior to July 1 through passage of a resolution. The resolution authorizes appropriations by fund and at broad classification levels for the divisions in each fund. 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, 2024 and 2023**

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**(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, 2024 and 2023 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>2024</u>	<u>2023</u>
<b><i>Cash</i></b>		
Cash on hand	\$ 3,466	\$ 3,466
Deposits with financial institutions	10,867,062	7,901,264
<b><i>Investments</i></b>		
Local government investment pool	<u>47,093,784</u>	<u>49,628,896</u>
 <i>Total cash and cash equivalents</i>	 <u>\$ 57,964,312</u>	 <u>\$ 57,533,626</u>
 Unrestricted cash and cash equivalents	 \$ 38,363,312	 \$ 40,688,487
Restricted cash and cash equivalents	<u>19,601,000</u>	<u>16,845,139</u>
 <i>Total cash and cash equivalents</i>	 <u>\$ 57,964,312</u>	 <u>\$ 57,533,626</u>

**A. Deposits**

As of June 30, 2024 and 2023, the book balance of the District’s bank deposits (checking accounts) was \$10,867,062 and \$7,901,264 and the bank balance was \$11,615,191 and \$8,627,599 respectively. The difference is due to transactions in process.

**B. Custodial Risk – Deposits**

This is the risk that in the event of a bank failure, the District’s deposits may not be returned. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the \$250,000 limit of federal depository insurance, and eliminating the need for certificates of participation. As of June 30, 2024 and 2023, \$11,115,191 and \$8,127,599 of the District’s bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.



**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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**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, 2024 and 2023, the fair value of the District's position in the LGIP was approximately equal to the value of the pool shares. The investment in the Oregon Short term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short term Fund are available from the Oregon State Treasurer.

**D. Interest Rate Risk - Investments**

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

**E. Custodial Risk - Investments**

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

**F. Credit Risk - Investments**

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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**(4) Restricted Net Position**

Net Position is restricted for capital projects and transportation programs.

	<i><b>Total Restricted Assets</b></i>	<i><b>Less Current Liabilities Payable</b></i>	<i><b>Restricted (Liabilities)</b></i>
<b>2024</b>			
<i><b>Restricted for capital projects</b></i>			
Cash and cash equivalents	\$ 6,974,930	\$ (500,271)	\$ 6,474,659
Federal grants receivable	2,980,067	-	2,980,067
State grants receivable	525,507	-	525,507
<i>Total restricted for capital projects</i>	<u>10,480,504</u>	<u>(500,271)</u>	<u>9,980,233</u>
<i><b>Restricted for transportation programs</b></i>			
Cash and cash equivalents	8,995,065	(699,304)	8,295,761
Federal grants receivable	929,414	-	929,414
State grants receivable	395,592	-	395,592
<i>Total restricted for transportation programs</i>	<u>10,320,071</u>	<u>(699,304)</u>	<u>9,620,767</u>
	<u>\$ 20,800,575</u>	<u>\$ (1,199,575)</u>	<u>\$ 19,601,000</u>
<b>2023</b>			
<i><b>Restricted for capital projects</b></i>			
Cash and cash equivalents	\$ 4,815,040	\$ (539,697)	\$ 4,275,343
Federal grants receivable	3,651,317	-	3,651,317
State grants receivable	545,214	-	545,214
<i>Total restricted for capital projects</i>	<u>9,011,571</u>	<u>(539,697)</u>	<u>8,471,874</u>
<i><b>Restricted for transportation programs</b></i>			
Cash and cash equivalents	6,452,114	(960,156)	5,491,958
Federal grants receivable	1,204,535	-	1,204,535
State grants receivable	1,676,772	-	1,676,772
<i>Total restricted for transportation programs</i>	<u>9,333,421</u>	<u>(960,156)</u>	<u>8,373,265</u>
	<u>\$ 18,344,992</u>	<u>\$ (1,499,853)</u>	<u>\$ 16,845,139</u>

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

**(5) Capital Assets**

The changes in capital assets for the year ended June 30, 2024 are summarized below:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Adjustments</i>	<i>Ending Balance</i>
<b>Capital assets, non-depreciable:</b>					
Land	\$ 3,039,566	\$ -	\$ -	\$ -	\$ 3,039,566
Construction in progress	9,722,333	11,623,100	-	(2,403,631)	18,941,802
Total capital assets, non-depreciable	<u>12,761,899</u>	<u>11,623,100</u>	<u>-</u>	<u>(2,403,631)</u>	<u>21,981,368</u>
<b>Capital assets, depreciable:</b>					
Land improvements	4,858,162	1,860,419	-	1,445,188	8,163,769
Buildings and improvements	24,500,117	100,754	(35,775)	-	24,565,096
Revenue rolling stock	37,004,432	880,905	(680,115)	-	37,205,222
Equipment	9,592,279	1,033,221	(338,451)	461,043	10,748,092
Total capital assets, depreciable	<u>75,954,990</u>	<u>3,875,299</u>	<u>(1,054,341)</u>	<u>1,906,231</u>	<u>80,682,179</u>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	(9,387,157)	(563,576)	35,775	-	(9,914,958)
Land improvements	(1,326,735)	(185,107)	-	-	(1,511,842)
Revenue rolling stock	(19,515,721)	(1,762,293)	680,115	-	(20,597,899)
Equipment	(5,601,235)	(571,671)	338,451	-	(5,834,455)
Total accumulated depreciation	<u>(35,830,848)</u>	<u>(3,082,647)</u>	<u>1,054,341</u>	<u>-</u>	<u>(37,859,154)</u>
Net depreciable capital assets	<u>40,124,142</u>	<u>792,652</u>	<u>-</u>	<u>1,906,231</u>	<u>42,823,025</u>
<b>Net capital assets</b>	<u>\$ 52,886,041</u>	<u>\$ 12,415,752</u>	<u>\$ -</u>	<u>\$ (497,400)</u>	<u>\$ 64,804,393</u>

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

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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.

The District's two pension plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	<i>Fiscal Year Ended June 30, 2024</i>		
	<i>Non-Bargaining Plan</i>	<i>Bargaining Plan</i>	<i>Total Pension on Financials</i>
Net pension asset	\$ -	\$ 696,468	\$ 696,468
Net pension liability	1,791,052	-	1,791,052
Deferred outflows of resources	2,887,304	513,542	3,400,846
Deferred inflows of resources	34,671	528,854	563,525
Pension expense/(income)	1,802,654	2,027,049	3,829,703

	<i>Fiscal Year Ended June 30, 2023</i>		
	<i>Non-Bargaining Plan</i>	<i>Bargaining Plan</i>	<i>Total Pension on Financials</i>
Net pension liability	\$ 130,984	\$ 3,136,780	\$ 3,267,764
Deferred outflows of resources	1,573,706	2,800,908	4,374,614
Deferred inflows of resources	97,146	324,770	421,916
Pension expense/(income)	1,101,521	2,834,025	3,935,546

**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.

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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*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. The non-bargaining plan closed to new entrants effective March 1, 2021 with certain exceptions for subsequent hires agreed to by the District. The plan change will cause the number of active employees covered by the Plan to gradually decline over time. The actuarial roll-forward of liabilities from the valuation date to the measurement date as prescribed by GASB reflects the projected decline in active membership.

*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.

**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	69
Inactive employees entitled to but not yet receiving benefits	6
Active employees	56
	<u>131</u>

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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*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, 15.89 percent and 19.17 percent for the years ended June 30, 2024 and 2023, respectively.

The District makes additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2024 and 2023, that amount was \$606,899 and \$700,733 respectively.

*Net Pension Liability*

The District's net pension liability for the non-bargaining plan at June 30, 2024, 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, 2023.

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

*Actuarial Methods and Assumptions*

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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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, 2023:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>
Cash	2.70%	0.76%
Core Fixed Income	37.80%	2.21%
Non-US Fixed Income	9.50%	0.51%
Large Cap US Equities	18.00%	5.38%
Mid Cap US Equities	6.00%	5.95%
Small Cap US Equities	4.00%	6.94%
Developed Foreign Equities	16.20%	6.92%
Emerging Market Equities	2.80%	9.59%
Small Cap Foreign Equities	3.00%	9.78%
	100.00%	
		<b>5.50%</b>

*Rate of Return*

For the years ended June 30, 2024 and 2023, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.50 percent and 6.62 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, 2024 and 2023. 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.

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

<b>Changes in Net Pension Liability</b>		
	<u>2024</u>	<u>2023</u>
Total pension liability		
Service cost	\$ 124,092	\$ 137,037
Interest on total pension liability	578,925	595,450
Effect of economic/demographic gains or losses	3,471,888	(12,013)
Effect of assumption changes or inputs	182,877	-
Benefit payments	<u>(1,030,518)</u>	<u>(986,038)</u>
Net change in total pension liability	3,327,264	(265,564)
Total pension liability, beginning	<u>10,910,181</u>	<u>11,175,745</u>
Total pension liability, ending	<u>14,237,445</u>	<u>10,910,181</u>
Plan fiduciary net position		
Benefit payments	(1,030,518)	(986,038)
Employer contributions	877,535	934,764
ICMA transfers	641,123	-
Net investment income	<u>1,179,056</u>	<u>674,046</u>
Net change in plan fiduciary net position	1,667,196	622,772
Plan fiduciary net position, beginning	<u>10,779,197</u>	<u>10,156,425</u>
Plan fiduciary net position, ending	<u>12,446,393</u>	<u>10,779,197</u>
Net pension liability (asset), ending	<u>\$ 1,791,052</u>	<u>\$ 130,984</u>
Plan fiduciary net position as a percent of total pension liability (asset)	87%	99%
Covered payroll	5,523,185	4,875,644
Net pension liability as a percent of covered payroll	32%	3%

*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 FY2024 and FY2023, 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:

	<b>Net Pension Liability (Asset)</b>	
	<u>2024</u>	<u>2023</u>
1% decrease (4.50%)	\$ 4,134,027	\$ 2,183,767
Current discount rate (5.50%)	1,791,052	130,984
1% increase (6.50%)	(109,116)	(1,443,370)



**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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*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, 2024 and 2023, the District recognized pension expense of \$1,802,654 and \$1,101,521 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ (5,149)	\$ 2,708,298
Changes of assumptions	(29,522)	127,460
Net difference between projected and actual earnings	-	51,546
Total	<u>\$ (34,671)</u>	<u>\$ 2,887,304</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:	
2025	\$ 1,410,232
2026	1,362,697
2027	194,296
2028	(114,592)
	<u>\$ 2,852,633</u>

**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	120
Inactive employees entitled to but not yet receiving benefits	38
Active employees	<u>154</u>
	<u>312</u>

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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*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, 30.51 percent and 29.94 percent for the years ended June 30, 2024 and 2023, respectively.

*Net Pension Liability*

The District's net pension liability for the bargaining plan at June 30, 2024, 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, 2023.

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

*Actuarial Methods and Assumptions*

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

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

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, 2023:

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>
Cash	2.70%	0.76%
Core Fixed Income	37.80%	2.21%
Non-US Fixed Income	9.50%	0.51%
Large Cap US Equities	18.00%	5.38%
Mid Cap US Equities	6.00%	5.95%
Small Cap US Equities	4.00%	6.94%
Developed Foreign Equities	16.20%	6.92%
Emerging Market Equities	2.80%	9.59%
Small Cap Foreign Equities	3.00%	9.78%
	100.00%	

*Rate of Return*

For the years ended June 30, 2024 and 2023, respectively, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.58 percent and 6.67 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, 2024 and 2023. 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.

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

**Changes in Net Pension Liability**

	<u>2024</u>	<u>2023</u>
Total pension liability		
Service cost	\$ 1,362,679	\$ 1,291,639
Interest on total pension liability	1,889,788	1,799,283
Effect of economic/demographic gains or losses	(383,928)	-
Effect of assumption changes or inputs	28,639	-
Benefit payments	<u>(1,553,203)</u>	<u>(1,480,647)</u>
Net change in total pension liability	1,343,975	1,610,275
Total pension liability, beginning	<u>33,763,305</u>	<u>32,153,030</u>
Total pension liability, ending	<u>35,107,280</u>	<u>33,763,305</u>
Plan fiduciary net position		
Benefit payments	(1,553,203)	(1,480,647)
Employer contributions	3,178,762	2,870,592
ICMA transfers	190,086	53,137
Net investment income	<u>3,361,578</u>	<u>1,878,178</u>
Net change in plan fiduciary net position	5,177,223	3,321,260
Plan fiduciary net position, beginning	<u>30,626,525</u>	<u>27,305,265</u>
Plan fiduciary net position, ending	<u>35,803,748</u>	<u>30,626,525</u>
Net pension liability (asset), ending	<u>\$ (696,468)</u>	<u>\$ 3,136,780</u>
Plan fiduciary net position as a percent of total pension liability (asset)	102%	91%
Covered payroll	10,418,558	9,589,154
Net pension liability as a percent of covered payroll	-7%	33%

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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*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 FY2024 and FY2023, 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:

	<b>Net Pension Liability (Asset)</b>	
	<b>2024</b>	<b>2023</b>
1% decrease (4.50%)	\$ 3,663,935	\$ 7,203,055
Current discount rate (5.50%)	(696,468)	3,136,780
1% increase (6.50%)	(4,217,519)	(295,245)

*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, 2024 and 2023, the District recognized pension expense of \$2,027,049 and \$2,834,025 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ (305,575)	\$ 439,091
Changes of assumptions	(223,279)	22,794
Net difference between projected and actual earnings	-	51,657
Total	<u>\$ (528,854)</u>	<u>\$ 513,542</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:	
2025	\$ 110,850
2026	710,574
2027	(445,906)
2028	(390,830)
	<u>\$ (15,312)</u>

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

The following schedules present the combining Fiduciary Statements of Net Position and the Statement of Changes in Fiduciary Net Position for fiscal years June 30, 2024 and 2023, for the District's pension plans.

The fiduciary net position as of June 30 are the following:

	<i>As of June 30, 2024</i>		
	<u>Non-bargaining</u>	<u>Bargaining</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 342,262	\$ 924,494	\$ 1,266,756
Investments			
Fixed income	5,898,171	16,950,982	22,849,153
Stocks	6,205,960	17,928,272	24,134,232
Total investments	<u>12,104,131</u>	<u>34,879,254</u>	<u>46,983,385</u>
Total assets	<u>12,446,393</u>	<u>35,803,748</u>	<u>48,250,141</u>
<b>Fiduciary net position</b>			
Restricted for pension benefits	<u>\$ 12,446,393</u>	<u>\$ 35,803,748</u>	<u>\$ 48,250,141</u>

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

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

The changes in fiduciary net position for the fiscal years ended June 30 are the following:

	<i>Fiscal Year Ended June 30, 2024</i>		
	<u>Non-bargaining</u>	<u>Bargaining</u>	<u>Total</u>
<b>Additions</b>			
ICMA Transfers	\$ 641,123	\$ 190,086	\$ 831,209
Employer contributions	877,535	3,178,762	4,056,297
Total contributions	<u>1,518,658</u>	<u>3,368,848</u>	<u>4,887,506</u>
Investment income (loss):			
Net increase in fair value of investments	1,240,169	3,534,483	4,774,652
Investment expense	61,113	172,905	234,018
Net investment income	<u>1,179,056</u>	<u>3,361,578</u>	<u>4,540,634</u>
Total additions	<u>2,697,714</u>	<u>6,730,426</u>	<u>9,428,140</u>
<b>Deductions</b>			
Service benefits	<u>1,030,518</u>	<u>1,553,203</u>	<u>2,583,721</u>
Change in fiduciary net position	1,667,196	5,177,223	6,844,419
<b>Fiduciary net position - Restricted</b>			
<b>- beginning of year</b>	<u>10,779,197</u>	<u>30,626,525</u>	<u>41,405,722</u>
<b>Fiduciary net position - Restricted</b>			
<b>- end of year</b>	<u>\$ 12,446,393</u>	<u>\$ 35,803,748</u>	<u>\$ 48,250,141</u>
	<i>Fiscal Year Ended June 30, 2023</i>		
	<u>Non-bargaining</u>	<u>Bargaining</u>	<u>Total</u>
<b>Additions</b>			
ICMA Transfers	\$ -	\$ 53,137	\$ 53,137
Employer contributions	934,764	2,870,592	3,805,356
Total contributions	<u>934,764</u>	<u>2,923,729</u>	<u>3,858,493</u>
Investment income (loss):			
Net increase in fair value of investments	730,729	2,034,502	2,765,231
Investment expense	(56,683)	(156,324)	(213,007)
Net investment income	<u>674,046</u>	<u>1,878,178</u>	<u>2,552,224</u>
Total additions	<u>1,608,810</u>	<u>4,801,907</u>	<u>6,410,717</u>
<b>Deductions</b>			
Service benefits	<u>986,038</u>	<u>1,480,647</u>	<u>2,466,685</u>
Change in fiduciary net position	622,772	3,321,260	3,944,032
<b>Fiduciary net position - Restricted</b>			
<b>- beginning of year</b>	<u>10,156,425</u>	<u>27,305,264</u>	<u>37,461,689</u>
<b>Fiduciary net position - Restricted</b>			
<b>- end of year</b>	<u>\$ 10,779,197</u>	<u>\$ 30,626,524</u>	<u>\$ 41,405,721</u>

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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**B. Defined Contribution Plan**

*Plan Description*

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

*Benefits Provided*

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

*Contributions*

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

The contribution rate is 10 percent of employee’s gross salary for non-bargaining unit employees. For the years ended June 30, 2024 and 2023, employer contributions recognized as expense were \$660,681 and \$670,118, 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	74
Eligible retirees	3
Spouses of ineligible retirees	-
	<u>77</u>



**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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*Bargaining Employees Covered by Benefit Terms:*

Active employees	154
Eligible retirees	6
Spouses of ineligible retirees	-
	160

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

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

**B. Funding Policy**

The District collects insurance premiums, net of applied explicit benefits, from all retirees each month. The District then pays health insurance premiums for all retirees at the blended rate for each family classification. The required contribution to the plan included the employer's pay-as-you-go amount, an amount paid by retirees and an additional amount calculated to prefund future benefits as determined by the actuary. The District has elected to not pre-fund the actuarially determined future cost. The amount paid by the District for retirees, and eligible retiree spouses, healthcare for the years ended June 30, 2024 and 2023 was \$125,111 and \$135,163 respectively.

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

As of June 30, 2024, the District reported a total OPEB liability of \$3,969,834 based on a July 1, 2023 actuarial valuation, rolled forward to the measurement date of June 30, 2024. For the years ended June 30, 2024 and 2023, the District recognized OPEB expense (revenue) of \$(48,544), and \$44,176, respectively.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ (565,393)	\$ 91,355
Changes of assumptions or inputs	(920,888)	438,551
Benefit payments	-	238,783
Total	\$ (1,486,281)	\$ 768,689

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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The \$956,375 net deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (293,136)
2026	(260,541)
2027	(105,616)
2028	(68,989)
2029	(95,860)
2030	(96,335)
Thereafter	(35,898)
	\$ (956,375)

**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.

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

**E. Changes in the Total OPEB Liability**

	<u>2024</u>	<u>2023</u>
<b>Total OPEB Liability</b>		
Total OPEB liability, beginning of year	\$4,161,234	\$4,344,979
Service cost	328,310	397,402
Interest on total OPEB liability	155,070	100,083
Effect of economic/demographic gains or losses	(651,059)	-
Effect of assumption changes	196,288	(462,278)
Benefit payments	(220,009)	(218,952)
Net change in total OPEB liability	<u>(191,400)</u>	<u>(183,745)</u>
Total OPEB liability, ending of year	<u>\$3,969,834</u>	<u>\$4,161,234</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:*

	<b>OPEB Liability</b>	
	<u>2024</u>	<u>2023</u>
1% decrease (2.65%, 2.54%)	\$ 4,255,644	\$ 4,487,619
Current discount rate (3.65%, 3.54%)	3,969,834	4,161,234
1% increase (4.65%, 4.54%)	3,703,090	3,858,523

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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:*

	<b>OPEB Liability</b>	
	<u>2024</u>	<u>2023</u>
1% decrease (9.00%, 7.00%)	\$ 3,576,423	\$ 3,718,306
Current trend rate (10.00%, 8.00%)	3,969,834	4,161,234
1% increase (11.00%, 9.00%)	4,428,348	4,682,262

**(8) Compensated Absences**

The changes in compensated absences for the years ended June 30, 2024 and 2023 are summarized below:

	<u>Outstanding July 1, 2023</u>	<u>Net Change</u>	<u>Outstanding June 30, 2024</u>	<u>Due Within One Year</u>
Compensated absences	\$ 1,616,847	\$ 303,878	1,920,725	\$ 960,363

	<u>Outstanding July 1, 2022</u>	<u>Net Change</u>	<u>Outstanding June 30, 2023</u>	<u>Due Within One Year</u>
Compensated absences	\$ 1,514,721	\$ 102,126	\$ 1,616,847	\$ 808,423

**(9) Tax Abatement**

The District's property taxes were reduced by \$69,521 in FY24 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)	\$ 13,521
Marion County	Charitable Low Income Rental Housing (ORS 307.541)	11,508
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	44,492
		<u>\$ 69,521</u>

**Salem Area Mass Transit District**  
**Notes to the Basic Financial Statements (continued)**  
**For the Years Ended June 30, 2024 and 2023**

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

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

**(10) 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.

**(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. The District is committed under various accepted bid agreements and contracts for goods, services, equipment, and construction of facilities.

**(12) Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.



## **Required Supplementary Information**





**Salem Area Mass Transit District  
Schedule of Changes in the Net Pension Liability and Related Ratios, Non-Bargaining  
For the Years Ended June 30, 2024 and 2023**

	Defined Benefit Pension Plan - Non-Bargaining (in 1,000s) Last 10 Fiscal Years Fiscal Year ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 124	\$ 137	\$ 166	\$ 157	\$ 118	\$ 111	\$ 83	\$ 59	\$ 55	\$ 68
Interest on total pension liability	579	595	512	521	493	498	475	482	486	437
Effect of plan changes	-	-	-	-	-	-	-	-	4	-
Effect of economic/demographic gains or losses	3,472	(12)	2,020	-	496	-	422	-	771	-
Effect of assumption changes or inputs	183	-	(207)	-	865	-	-	555	284	-
Benefit payments	(1,030)	(986)	(917)	(776)	(735)	(654)	(635)	(595)	(579)	(527)
Net change in total pension liability	3,328	(266)	1,574	(98)	1,237	(45)	345	501	1,021	(22)
Total pension liability, beginning	10,909	11,175	9,601	9,699	8,462	8,507	8,162	7,661	6,640	6,662
Total pension liability, ending (a)	<u>\$ 14,237</u>	<u>\$ 10,909</u>	<u>\$ 11,175</u>	<u>\$ 9,601</u>	<u>\$ 9,699</u>	<u>\$ 8,462</u>	<u>\$ 8,507</u>	<u>\$ 8,162</u>	<u>\$ 7,661</u>	<u>\$ 6,640</u>
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 877	\$ 935	\$ 908	\$ 863	\$ 811	\$ 702	\$ 644	\$ 567	\$ 473	\$ 451
ICMA transfers	641	-	1,145	652	612	104	340	134	152	334
Investment income net of investment expenses	1,179	674	(1,371)	1516	268	312	306	620	(119)	76
Benefit payments	(1,030)	(986)	(917)	(776)	(735)	(654)	(635)	(594)	(579)	(527)
Net change in plan fiduciary position	1,667	623	(235)	2,255	936	464	655	727	(73)	334
Fiduciary net position, beginning	10,779	10,156	10,391	8,136	7,180	6,716	6,061	5,334	5,407	5,073
Fiduciary net position, ending (b)	<u>\$ 12,446</u>	<u>\$ 10,779</u>	<u>\$ 10,156</u>	<u>\$ 10,391</u>	<u>\$ 8,136</u>	<u>\$ 7,180</u>	<u>\$ 6,716</u>	<u>\$ 6,061</u>	<u>\$ 5,334</u>	<u>\$ 5,407</u>
Net pension liability, ending = (a)-(b)	\$ 1,791	\$ 130	\$ 1,019	\$ (790)	\$ 1,563	\$ 1,282	\$ 1,791	\$ 2,101	\$ 2,327	\$ 1,233
Fiduciary net position as a % of total pension liability	87.42%	98.80%	90.88%	108.22%	83.84%	84.84%	78.94%	74.25%	69.63%	81.43%
Covered payroll	\$ 5,523	\$ 4,876	\$ 5,318	\$ 4,934	\$ 4,790	\$ 4,300	\$ 4,175	\$ 3,512	\$ 3,449	\$ 3,572
Net pension liability as a % of covered payroll	32.43%	2.69%	19.17%	-16.01%	32.64%	29.85%	42.93%	59.84%	67.46%	34.52%

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

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<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>
2015	\$ 400,040	\$ 450,685	\$ (50,645)	\$ 3,571,786	12.62%
2016	386,311	472,904	(86,593)	3,449,206	13.71%
2017	512,754	566,742	(53,988)	3,512,016	16.14%
2018	609,482	644,325	(34,843)	4,174,534	15.43%
2019	666,464	701,679	(35,215)	4,299,770	16.32%
2020	425,161	811,492	(386,331)	4,790,477	16.94%
2021	458,880	862,643	(403,763)	4,934,191	17.48%
2022	421,824	908,345	(486,521)	5,317,522	17.08%
2023	234,031	934,764	(700,733)	4,875,644	19.17%
2024	270,636	877,535	(606,899)	5,523,185	15.89%

**Notes to Schedule:**

Valuation date: 7/1/2023

Investment rate of return assumption: 5.50%

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level dollar

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

Amortization period at 7/1/23: 12 years

Amortization growth rate: 0.00%

Asset valuation method: Market value

Inflation: 2.75%

Salary increases: 4.25% for first 5 years of service; 3.25% thereafter

Investment rate of return: 5.50%

Cost of living adjustments: None

Turnover: Service based

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

**Salem Area Mass Transit District  
Schedule of Changes in the Net Pension Liability and Related Ratios, Bargaining  
For the Years Ended June 30, 2024 and 2023**

	Defined Benefit Pension Plan - Bargaining (in 1,000s) Last 10 Fiscal Years Fiscal Year ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 1,363	\$ 1,292	\$ 984	\$ 932	\$ 889	\$ 839	\$ 714	\$ 608	\$ 571	\$ 572
Interest on total pension liability	1,890	1,799	1,686	1,614	1,524	1,453	1,350	1,317	1,252	1,158
Effect of plan changes	-	-	-	-	-	-	-	-	63	-
Effect of economic/demographic gains or losses	(384)	-	1,038	-	783	-	594	-	714	-
Effect of assumption changes or inputs	28	-	(528)	-	1,924	-	-	1,198	373	-
Benefit payments	(1,553)	(1,481)	(1,368)	(1,231)	(1,192)	(1,113)	(1,058)	(896)	(818)	(738)
Net change in total pension liability	1,344	1,610	1,812	1,315	3,928	1,179	1,600	2,227	2,155	992
Total pension liability, beginning	33,763	32,153	30,341	29,026	25,098	23,919	22,319	20,092	17,937	16,945
Total pension liability, ending (a)	\$ 35,107	\$ 33,763	\$ 32,153	\$ 30,341	\$ 29,026	\$ 25,098	\$ 23,919	\$ 22,319	\$ 20,092	\$ 17,937
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 3,179	\$ 2,871	\$ 2,772	\$ 2,534	\$ 2,274	\$ 2,222	\$ 1,846	\$ 1,778	\$ 1,470	\$ 1,374
ICMA transfers	190	53	224	253	103	110	305	154	62	389
Investment income net of investment expenses	3,361	1,878	(3,729)	4,334	841	873	893	1,751	(313)	205
Benefit payments	(1,553)	(1,481)	(1,368)	(1,231)	(1,192)	(1,113)	(1,058)	(896)	(818)	(738)
Net change in plan fiduciary position	5,177	3,321	(2,101)	5,890	2,026	2,092	1,986	2,787	401	1,230
Fiduciary net position, beginning	30,626	27,305	29,406	23,516	21,490	19,398	17,412	14,625	14,224	12,994
Fiduciary net position, ending (b)	\$ 35,803	\$ 30,626	\$ 27,305	\$ 29,406	\$ 23,516	\$ 21,490	\$ 19,398	\$ 17,412	\$ 14,625	\$ 14,224
Net pension liability, ending = (a)-(b)	\$ (696)	\$ 3,137	\$ 4,848	\$ 935	\$ 5,510	\$ 3,608	\$ 4,521	\$ 4,907	\$ 5,467	\$ 3,713
Fiduciary net position as a % of total pension liability	101.98%	90.71%	84.92%	96.91%	81.02%	85.62%	81.10%	78.01%	72.79%	79.30%
Covered payroll	\$ 10,418	\$ 9,589	\$ 9,310	\$ 6,966	\$ 6,763	\$ 7,035	\$ 6,830	\$ 5,912	\$ 5,883	\$ 5,633
Net pension liability as a % of covered payroll	-6.68%	32.71%	52.07%	13.44%	81.47%	51.29%	66.20%	83.00%	92.93%	65.92%

**Salem Area Mass Transit District  
Schedule of Employer Contributions – Defined Benefit Plan - 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>
2015	\$ 1,385,691	\$ 1,374,052	\$ 11,639	\$ 5,632,890	24.39%
2016	1,447,252	1,470,050	(22,798)	5,883,137	24.99%
2017	1,620,016	1,778,155	(158,139)	5,912,467	30.07%
2018	1,871,550	1,846,814	24,736	6,830,475	27.04%
2019	2,075,440	2,221,893	(146,453)	7,035,389	31.58%
2020	1,615,959	2,274,734	(658,775)	6,763,144	33.63%
2021	1,720,611	2,533,622	(813,011)	6,966,038	36.37%
2022	1,571,329	2,772,055	(1,200,726)	9,309,858	29.78%
2023	1,543,854	2,870,592	(1,326,738)	9,589,154	29.94%
2024	1,677,388	3,178,762	(1,501,374)	10,418,558	30.51%

**Notes to Schedule:**

Valuation date: 7/1/2023

Investment rate of return assumption: 5.50%

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level dollar

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

Amortization period at 7/1/23: 12 years

Amortization growth rate: 0.00%

Asset valuation method: Market value

Inflation: 2.75%

Salary increases: 4.25% for first 5 years of service; 3.25% thereafter

Investment rate of return: 5.50%

Cost of living adjustments: None

Turnover: Service based

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

**Salem Area Mass Transit District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
For the Years Ended June 30, 2024 and 2023**

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

Last 10 Fiscal Years<sup>1</sup>  
Fiscal Year ending June 30

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Total OPEB liability, beginning of year	\$ 4,161	\$ 4,345	\$ 3,858	\$ 3,489	\$ 4,703	\$ 4,553	\$ 4,591
Service cost	329	397	291	243	339	341	374
Interest on total OPEB liability	155	100	89	126	190	171	138
Effect of economic/demographic gains or losses	(651)	-	59	-	176	-	-
Effect of assumption changes or inputs	196	(462)	255	251	(1,654)	(106)	(261)
Benefit payments	(220)	(219)	(207)	(251)	(265)	(256)	(289)
Net change in total OPEB liability	(191)	(184)	487	369	(1,214)	150	(38)
Total OPEB liability, ending of year	<u>\$ 3,970</u>	<u>\$ 4,161</u>	<u>\$ 4,345</u>	<u>\$ 3,858</u>	<u>\$ 3,489</u>	<u>\$ 4,703</u>	<u>\$ 4,553</u>
Covered-employee payroll	\$ 17,203	\$ 15,066	\$ 14,627	\$ 11,900	\$ 11,554	\$ 11,335	\$ 11,005
Total OPEB liability as a % of covered-employee payroll	23.08%	27.62%	29.70%	32.42%	30.20%	41.49%	41.37%

<sup>1</sup> 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.

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



# **Supplementary Information**

## **BUDGETARY COMPARISON SCHEDULES**

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

Enterprise Budgetary Comparison schedules include the following:

- General Fund
- Capital Projects Fund
- Transportation Programs Fund

**Salem Area Mass Transit District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual On A Non-GAAP Budgetary Basis – General Fund  
For the Year Ended June 30, 2024**

	<i>Budget</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Local revenue				
Passenger fares, passes & other fixed route services	\$ 2,134,783	\$ 2,134,783	\$ 2,349,710	\$ 214,927
Property taxes	14,762,527	14,762,527	15,313,135	550,608
Courthouse square rentals	-	-	100,544	100,544
Earnings on investments	998,797	998,797	2,413,053	1,414,256
Miscellaneous	438,008	438,008	179,670	(258,338)
Total local revenue	<u>18,334,115</u>	<u>18,334,115</u>	<u>20,356,112</u>	<u>2,021,997</u>
State revenue				
STIF funds	5,992,526	5,992,526	7,949,571	1,957,045
State in lieu taxes	8,600,000	8,600,000	10,068,949	1,468,949
Total state revenue	<u>14,592,526</u>	<u>14,592,526</u>	<u>18,018,520</u>	<u>3,425,994</u>
Federal revenue				
Urbanized area formula (Section 5307)	3,202,037	3,202,037	3,202,037	-
Energy tax credits	240,000	240,000	182,373	(57,627)
Renewable natural gas tax credit	230,000	230,000	197,097	(32,903)
FTA metropolitan & statewide planning (5303)	120,000	120,000	120,000	-
ARPA funds	-	-	1,724,812	1,724,812
Total federal revenue	<u>3,792,037</u>	<u>3,792,037</u>	<u>5,426,319</u>	<u>1,634,282</u>
Total revenues	<u>36,718,678</u>	<u>36,718,678</u>	<u>43,800,951</u>	<u>7,082,273</u>
<b>Expenditures</b>				
General Manager/Board	1,394,739	1,394,739	989,637	405,102
Deputy General Manager	2,920,450	2,920,450	1,913,756	1,006,694
Human Resources and Labor Relations	1,495,190	1,495,190	1,261,706	233,484
Finance	1,863,562	1,863,562	1,759,391	104,171
Information Technology & Infrastructure	1,871,879	1,871,879	1,559,089	312,790
Communication	2,193,275	2,193,275	1,905,936	287,339
Operations	29,872,098	29,872,098	27,746,883	2,125,215
Planning & Development	1,805,416	1,805,416	1,374,887	430,529.00
Unallocated - General Administration	1,608,650	1,608,650	1,569,345	39,305
Contingency	1,500,000	1,500,000	-	1,500,000
Total expenditures	<u>46,525,259</u>	<u>46,525,259</u>	<u>40,080,630</u>	<u>6,444,629</u>
Excess (deficiency) of revenues over expenditures	(9,806,581)	(9,806,581)	3,720,321	13,526,902
<b>Other financing sources (uses)</b>				
Transfer out to other funds	<u>(8,111,888)</u>	<u>(8,111,888)</u>	<u>(8,111,888)</u>	<u>-</u>
Net change in fund balance	(17,918,469)	(17,918,469)	(4,391,567)	13,526,902
<b>Fund balance, beginning of year</b>	<u>51,637,254</u>	<u>51,637,254</u>	<u>45,477,430</u>	<u>(6,159,824)</u>
<b>Fund balance, end of year</b>	<u>\$ 33,718,785</u>	<u>\$ 33,718,785</u>	<u>\$ 41,085,863</u>	<u>\$ 7,367,078</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, 2024**

<b>Revenues</b>	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
State Revenue				
STIF funds	\$ 3,339,729	\$ 3,339,729	\$ 547,097	\$ (2,792,632)
Miscellaneous income	1,345,000	1,345,000	970,000	(375,000)
Total state revenue	<u>4,684,729</u>	<u>4,684,729</u>	<u>1,517,097</u>	<u>(3,167,632)</u>
Federal revenue				
Urbanized area formula (Section 5307)	6,792,376	6,792,376	1,465,425	(5,326,951)
Federal STP Funds	1,287,729	1,287,729	768,717	(519,012)
Transportation for elderly persons and persons with disabilities (5310)	717,840	717,840	4,321	(713,519)
Bus & Bus Facilities Infrastructure Investment Program (5339)	11,766,234	11,766,234	8,754,740	(3,011,494)
Discretionary grants - section (5309)	-	-	48,519	48,519
Total federal revenue	<u>20,564,179</u>	<u>20,564,179</u>	<u>11,041,722</u>	<u>(9,522,457)</u>
Total revenues	<u>25,248,908</u>	<u>25,248,908</u>	<u>12,558,819</u>	<u>(12,690,089)</u>
<b>Expenditures</b>				
Deputy General Manager	1,922,729	1,922,729	422,872	1,499,857
Finance	46,824	46,824	(10,487)	57,311
Information Technology & Infrastructure	586,000	586,000	244,139	341,861
Operations	21,017,306	21,017,306	14,144,716	6,872,590
Planning & Development	6,130,834	6,130,834	697,964	5,432,870
Total expenditures	<u>29,703,693</u>	<u>29,703,693</u>	<u>15,499,204</u>	<u>14,204,489</u>
Excess (deficiency) of revenues over expenditures	(4,454,785)	(4,454,785)	(2,940,385)	1,514,400
<b>Other financing sources (uses)</b>				
Transfer from general fund	<u>4,454,784</u>	<u>4,454,784</u>	<u>4,454,785</u>	<u>1</u>
Net change in fund balance	(1)	(1)	1,514,400	1,514,401
<b>Fund balance, beginning of year</b>	<u>3,198,318</u>	<u>3,198,318</u>	<u>8,471,466</u>	<u>5,273,148</u>
<b>Fund balance, end of year</b>	<u>\$ 3,198,317</u>	<u>\$ 3,198,317</u>	<u>\$ 9,985,866</u>	<u>\$ 6,787,549</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, 2024**

	<i>Budget</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Local revenue				
Passenger fares	\$ 305,161	\$ 305,161	\$ 231,296	\$ (73,865)
Other Pass Through	1,176,912	1,176,912	849,476	(327,436)
Miscellaneous income	40,673	40,673	86,876	46,203
Total local revenue	1,522,746	1,522,746	1,167,648	(355,098)
State revenue				
Special transportation fund program (ODOT)	966,885	966,885	946,698	(20,187)
STIF funds	4,570,704	4,570,704	2,935,591	(1,635,113)
Federal revenue				
Developmental disabilities transportation services (DD53)	657,018	657,018	1,360,308	703,290
Transportation for elderly persons and persons with disabilities (5310)	376,958	376,958	383,312	6,354
Formula grants for other than urbanized areas (5311)	366,336	366,336	385,902	19,566
Rideshare/TDM grant	870,962	870,962	189,738	(681,224)
Urbanized area formula (Section 5307)	552,456	552,456	552,456	-
Total federal revenue	2,823,730	2,823,730	2,871,716	47,986
Total revenues	9,884,065	9,884,065	7,921,653	(1,962,412)
<b>Expenditures</b>				
Planning & Development	1,551,462	1,551,462	1,440,489	110,973
Communication	145,360	145,360	89,228	56,132
Operations	9,462,743	9,462,743	8,947,243	515,500
Total expenditures	11,159,565	11,159,565	10,476,960	682,605
Excess (deficiency) of revenues over expenditures	(1,275,500)	(1,275,500)	(2,555,307)	(1,279,807)
<b>Other financing sources (uses)</b>				
Transfer from general fund	3,657,104	3,657,104	3,657,104	-
<b>Net change in fund balance</b>	2,381,604	2,381,604	1,101,797	(1,279,807)
<b>Fund balance, beginning of year</b>	4,029,378	4,029,378	8,538,671	4,509,293
<b>Fund balance, end of year</b>	\$ 6,410,982	\$ 6,410,982	\$ 9,640,468	\$ 3,229,486

**Salem Area Mass Transit District  
Schedule of Expenditure Comparison  
Budgetary Division Basis vs Object Classification Basis  
For the Year Ended June 30, 2024**

	General Fund	Capital Project Fund	Transportation Programs Fund	District Wide Total
<b>Expenditures by Division</b>				
General Manager/Board	\$ 989,637	\$ -	\$ -	\$ 989,637
Deputy General Manager	1,913,756	422,872	-	2,336,628
Human Resources and Labor Relations	1,261,706	-	-	1,261,706
Finance	1,759,391	(10,487)	-	1,748,904
Information Technology & Infrastructure	1,559,089	244,139	-	1,803,228
Communication	1,905,936	14,144,716	89,228	16,139,880
Operations	27,746,883	-	8,947,243	36,694,126
Planning & Development	1,374,887	697,964	1,440,489	3,513,340
Unallocated	1,569,345	-	-	1,569,345
Total expenditures	<u>\$ 40,080,630</u>	<u>\$ 15,499,204</u>	<u>\$ 10,476,960</u>	<u>\$ 66,056,794</u>
<b>Expenditures by Object Classification</b>				
Personnel services	\$ 32,334,073	\$ 5,213	\$ 996,627	\$ 33,335,913
Materials and services	7,746,557	176,087	9,480,333	17,402,977
Capital outlay	-	15,317,904	-	15,317,904
Total expenditures	<u>\$ 40,080,630</u>	<u>\$ 15,499,204</u>	<u>\$ 10,476,960</u>	<u>\$ 66,056,794</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, 2024**

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Net change in fund balance:	
General fund	\$ (4,391,567)
Capital projects fund	1,514,400
Transportation programs fund	<u>1,101,797</u>
Total change in fund balance	(1,775,370)
GAAP basis adjustments:	
Capitalized capital assets	15,498,399
Disposal of capital assets	(497,400)
Depreciation expense	(3,082,647)
Accrued vacation and sick payable	(303,878)
Net pension liability including related deferrals	1,302,228
Property taxes accrual	72,948
Total OPEB liability adjustment including related deferrals	<u>48,544</u>
Change in net position	<u>\$ 11,262,824</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, 2024

Project	Project Name	Federal Revenues					State Revenues					Expenditures					Net Change
		Urbanized Area Formula 5307	Transportation for Elderly Persons with Disabilities	Bus & Bus Facilities Infrastructure Investment Program 5339	Federal STP Funds	FTA Community Project Funding - CFP	State Discretionary Grants - DAS	STIF Funds	Personnel Services	Materials & Services	Capital Outlay	Transfers					
230001	Contactless Fare Payment System	\$ 145,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (56,370)
230003	BEB (10 Qty) FY22-24 Implementation	316,600	-	7,036,973	-	-	970,000	-	-	10,050,195	-	-	-	-	-	-	(1,797,569)
230004	DW Admin Bldg Metal Roof Repainting	39,952	-	-	-	-	-	-	-	49,940	-	-	-	-	-	-	(9,988)
230005	ERP Minis-MARTI Implementation	-	-	11,488	-	-	-	-	-	(10,487)	-	-	-	-	-	-	21,975
230006	Cherriots ITS (CITS) Replacement	1,690	-	-	580,427	-	-	-	-	646,859	-	-	-	-	-	-	(66,854)
230007	Transit Signal Priority & RTP1	-	-	99,643	-	-	-	-	-	124,553	-	-	-	-	-	-	(24,910)
230008	Steam Bay Vehicle Hoist Replacement	122,691	-	-	-	-	-	-	-	149,987	-	-	-	-	-	-	(30,672)
230009	DW Admin Bldg Call Cut-Conf Rm Reno	7,957	-	-	-	-	-	-	-	12,392	-	-	-	-	-	-	(4,435)
230012	DW Admin Bldg Ext Repair/Repaint	30,738	-	-	-	-	-	-	-	38,423	-	-	-	-	-	-	(7,685)
230014	Incident Management System	7,200	-	-	-	-	-	-	-	9,000	-	-	-	-	-	-	(1,800)
230016	Portable Electric Battery Charger	35,978	-	-	-	-	-	-	-	44,972	-	-	-	-	-	-	(8,994)
230017	Supervisor Replacement Vehicles	17,242	-	-	-	-	-	-	-	21,552	-	-	-	-	-	-	(4,310)
230018	Network Equipment Life Cycle FY22	880	-	-	-	-	-	-	-	1,100	-	-	-	-	-	-	(220)
230021	DW Fence & Ext Security Upgrades	-	-	48,519	-	-	-	-	-	42,288	-	-	-	-	-	-	(12,131)
230022	7 CNG ADA Replacement Vehicles	-	4,321	-	-	-	-	-	-	3,556	900	-	-	-	-	-	(135)
230023	DW Vehicle Hoist Replacements FY23	-	-	326	-	-	-	-	-	408	-	-	-	-	-	-	(82)
230029	Vehicles-Rev. Local Right-Size (4)	-	-	-	-	-	-	-	-	784,264	700	-	-	-	-	-	(260,199)
240001	SAMTD Facilities Cameras	275,979	-	-	-	-	-	-	-	343,128	1,845	-	-	-	-	-	(68,994)
240006	FY23 Low-No BEB (5 qty) & Infra	41,594	-	404	-	-	-	-	-	475	-	-	-	-	-	-	(71)
240007	Bus Mobile Access Router Replacement	-	-	-	-	-	-	-	-	51,992	-	-	-	-	-	-	(10,398)
240008	STIF Regional Facilities NR Vehicle	52,948	-	-	-	-	-	-	-	76,462	-	-	-	-	-	-	(76,462)
240018	Network Lifecycle Server Repl. FY24	40,253	-	-	-	-	-	-	-	66,184	-	-	-	-	-	-	(13,236)
240021	Network Life Cycle Equip Repl FY24	20,616	-	-	-	-	-	-	-	50,316	-	-	-	-	-	-	(10,063)
240027	Paris Room Cabinet FY24 (Phase 2)	13,600	-	-	-	-	-	-	-	25,770	-	-	-	-	-	-	(5,154)
240028	Protected Lease/Disability Mgmt-Sys	(7,893)	-	-	-	-	-	-	-	17,000	-	-	-	-	-	-	(3,400)
240033	Walkway Repairs at DW	-	-	-	-	-	-	-	-	475	-	-	-	-	-	-	(7,893)
240034	FY22 CDS-CPT BEB (5 qty) & Infra	-	-	672	-	-	-	-	-	840	-	-	-	-	-	-	(72)
240035	Regional Bus Stop Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(168)
240040	Tire Machine Replacement 2023	14,000	-	-	-	-	-	-	-	17,500	-	-	-	-	-	-	(3,500)
240043	Fixed Route Video Server/Software	20,748	-	-	-	-	-	-	-	25,935	-	-	-	-	-	-	(5,187)
240044	Facebook Server Replacement	957	-	-	-	-	-	-	-	8,974	-	-	-	-	-	-	(8,017)
240046	Overhead Fluid Dispensing System	66,050	-	-	-	-	-	-	-	82,563	-	-	-	-	-	-	(16,513)
240055	DW & KTC Card Reader & Card Replmt	199,761	-	602,369	-	-	-	-	-	17,248	-	-	-	-	-	-	(17,248)
DWChgInf	DW BEB Charging Infrastructure	-	-	-	-	-	-	-	-	1,037,216	392	-	-	-	-	-	(235,478)
KTCChgInf	KTC BEB Charging Infrastructure	-	-	-	-	-	-	-	-	832,205	224	-	-	-	-	-	(124,864)
LocalSAIP	Local Stop Accessibility Imprv Prog	-	-	707,565	-	-	-	-	-	160,986	48,863	-	-	-	-	-	(21,559)
SSTCMH	South Salem Transit Center	-	-	295,300	-	-	-	-	-	369,125	11,023	-	-	-	-	-	(67,729)
	Fund Transfer	-	-	-	-	-	-	-	-	-	-	-	-	4,454,785	-	-	4,454,785
	<b>Sub Totals</b>	\$ 1,465,022	\$ 4,321	\$ 8,803,259	\$ 768,717	\$ 403	\$ 970,000	\$ 547,097	\$ 547,097	\$ 15,317,904	\$ 176,087	\$ 5,213	\$ 4,454,785	\$ 15,144,400	\$ 4,454,785	\$ 1,514,400	
	<i>Source Sub Totals</i>																
	<i>Other Funding Sources</i>									\$ 15,499,204	\$ -	\$ -	\$ 4,454,785	\$ (2,940,385)	\$ -	\$ -	(2,940,385)
	<b>Net Change in Fund Balance</b>																\$ 1,514,400
	<i>Fund Balance, Beginning of Year</i>																\$ 8,471,466
	<b>Fund Balance, End of Year</b>																\$ 9,985,866

**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, 2024**

	Cherriots Lift	Cherriots Shop & Ride	Cherriots Regional
<b>Revenues</b>			
Local revenue			
Passenger fares	\$ 134,479	\$ 13,758	\$ 83,059
Other pass through	-	-	-
Miscellaneous income	-	-	-
Total local revenue	<u>134,479</u>	<u>13,758</u>	<u>83,059</u>
State revenue			
Special transportation fund program (ODOT)	-	56,496	810,138
STIF funds	<u>702,372</u>	<u>54,044</u>	<u>1,036,491</u>
Total state revenue	<u>702,372</u>	<u>110,540</u>	<u>1,846,629</u>
Federal revenue			
Developmental disabilities transportation services (DD53)	1,360,308	-	-
Transportation for elderly persons and persons with disabilities (5310)	170,823	212,489	-
Formula grants for other than urbanized areas (5311)	-	-	385,902
Rideshare/TDM grant	-	-	-
Urbanized area formula (Section 5307)	<u>552,456</u>	<u>-</u>	<u>-</u>
Total federal revenue	<u>2,083,587</u>	<u>212,489</u>	<u>385,902</u>
Total revenues	<u>2,920,438</u>	<u>336,787</u>	<u>2,315,590</u>
<b>Expenditures</b>			
Personnel services	408,385	55,475	287,487
Materials and services			
Other materials and services	<u>5,433,461</u>	<u>347,489</u>	<u>2,414,946</u>
Total expenditures	<u>5,841,846</u>	<u>402,964</u>	<u>2,702,433</u>
Excess (deficiency) of revenues over expenditures	(2,921,408)	(66,177)	(386,843)
<b>Other financing sources (uses)</b>			
Transfer from general fund	<u>3,657,104</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	735,696	(66,177)	(386,843)
<b>Fund balance, beginning of year</b>	<u>4,841,169</u>	<u>91,543</u>	<u>2,218,991</u>
<b>Fund balance, end of year</b>	<u>\$ 5,576,865</u>	<u>\$ 25,366</u>	<u>\$ 1,832,148</u>

DMAP/ WVCH	Charriots Call Center	Mobility Management	Special Transportation Coordination	Rideshare	Cherriots TripChoice	Total Transportation Programs Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,296
-	-	-	849,476	-	-	849,476
-	-	-	86,876	-	-	86,876
-	-	-	936,352	-	-	1,167,648
-	-	80,064	-	-	-	946,698
-	-	7,120	1,135,564	-	-	2,935,591
-	-	87,184	1,135,564	-	-	3,882,289
-	-	-	-	-	-	1,360,308
-	-	-	-	-	-	383,312
-	-	-	-	-	-	385,902
-	-	-	-	1,138	188,600	189,738
-	-	-	-	-	-	552,456
-	-	-	-	1,138	188,600	2,871,716
-	-	87,184	2,071,916	1,138	188,600	7,921,653
-	-	49,192	22,417	2,789	170,882	996,627
-	-	40,036	1,221,856	-	22,545	9,480,333
-	-	89,228	1,244,273	2,789	193,427	10,476,960
-	-	(2,044)	827,643	(1,651)	(4,827)	(2,555,307)
-	-	-	-	-	-	3,657,104
-	-	(2,044)	827,643	(1,651)	(4,827)	1,101,797
(631)	54,398	5,986	1,319,957	-	7,258	8,538,671
\$ (631)	\$ 54,398	\$ 3,942	\$ 2,147,600	\$ (1,651)	\$ 2,431	\$ 9,640,468

## 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

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#### Financial Trend Information

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

#### Revenue Capacity Information

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

#### Demographic and Economic Information

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

#### Operating Information

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

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



## **Financial Trend Information**



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

	2015	2016	2017	2018	2019	2020	Restated 2021	2022	2023	2024
<b>ASSETS</b>										
Current and other assets	\$ 24,911,083	\$ 29,396,596	\$ 28,795,580	\$ 29,931,754	\$ 28,504,479	\$ 32,377,724	\$ 42,598,827	\$ 61,147,609	\$ 74,559,161	\$ 71,799,555
Noncurrent assets	-	-	-	-	-	-	789,730	-	-	696,468
Capital assets, net	35,578,093	34,434,992	32,887,854	32,953,227	43,865,763	48,311,842	48,051,619	48,119,928	52,886,041	64,804,393
Total assets	60,489,176	63,831,588	61,683,434	62,884,981	72,370,242	80,689,566	91,440,176	109,267,537	127,445,202	137,300,416
Deferred outflows of resources	277,838	3,349,887	3,086,390	3,349,902	2,267,936	4,742,447	3,385,624	10,409,616	5,054,031	4,169,535
Total assets and deferred outflows of resources	\$ 60,767,014	\$ 67,181,475	\$ 64,769,824	\$ 66,234,883	\$ 74,638,178	\$ 85,432,013	\$ 94,825,800	\$ 119,677,153	\$ 132,499,233	\$ 141,469,951
<b>LIABILITIES AND NET POSITION</b>										
<b>LIABILITIES</b>										
Current liabilities	\$ 3,488,792	\$ 4,266,140	\$ 3,511,481	\$ 3,922,591	\$ 2,684,862	\$ 3,003,712	\$ 2,770,397	\$ 8,916,341	\$ 10,319,720	\$ 9,188,825
Noncurrent liabilities	7,451,813	10,502,968	9,911,645	10,866,390	10,788,269	11,831,307	6,044,845	11,348,104	8,017,413	6,482,465
Total liabilities	10,940,605	14,769,108	13,423,126	14,788,981	13,473,131	14,835,019	8,815,242	20,264,445	18,337,133	15,671,290
Deferred inflow of resources	-	-	-	228,196	288,074	1,670,018	4,635,383	4,127,360	1,676,069	2,049,806
<b>NET POSITION</b>										
Investment in capital assets	34,772,770	34,434,992	32,887,854	32,953,227	43,865,763	48,311,842	48,051,619	48,119,928	52,886,041	64,804,393
Restricted for various purposes	5,957,083	6,577,713	5,401,135	4,054,982	1,322,208	108,265	2,547,540	7,071,576	15,450,860	20,297,468
Unrestricted	9,096,556	11,399,662	13,057,709	14,209,497	15,689,002	20,506,869	30,776,016	40,093,844	44,149,130	38,646,994
Total net position	49,826,409	52,412,367	51,346,698	51,217,706	60,876,973	68,926,976	81,375,175	95,285,348	112,486,031	123,748,855
Total liabilities, deferred inflows of resources and net position	\$ 60,767,014	\$ 67,181,475	\$ 64,769,824	\$ 66,234,883	\$ 74,638,178	\$ 85,432,013	\$ 94,825,800	\$ 119,677,153	\$ 132,499,233	\$ 141,469,951

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>OPERATING REVENUES:</b>										
Passenger fares	\$ 2,817,514	\$ 2,694,423	\$ 3,201,972	\$ 2,934,938	\$ 2,598,276	\$ 2,056,140	\$ 1,532	\$ 2,015,718	\$ 2,466,510	\$ 2,634,822
Accessible services and medicaid	2,948,422	2,662,441	2,455,869	2,361,353	2,257,875	1,850,146	168,502	465,018	765,427	1,360,308
Other revenue	365,058	366,047	550,519	377,044	291,406	471,874	759,409	700,695	460,271	477,311
OPEB revenue	-	-	-	-	-	-	-	-	-	48,544
Total operating revenues	6,130,994	5,722,911	6,208,360	5,673,335	5,147,557	4,378,160	929,443	3,181,431	3,692,208	4,520,985
<b>OPERATING EXPENSES:</b>										
Personnel services	16,204,737	18,478,140	20,359,793	19,492,184	22,396,985	24,687,263	24,510,436	26,154,684	30,593,046	32,330,794
Materials and services	20,294,244	20,170,430	20,947,830	19,347,396	12,545,814	12,945,521	12,353,109	12,712,260	15,033,329	17,229,248
Depreciation	3,059,323	2,576,402	2,305,590	2,151,089	2,212,211	2,695,840	2,639,019	2,739,291	2,780,383	3,082,647
OPEB expense	219,749	204,295	193,456	(38,507)	201,585	29,690	-	-	44,176	-
Total operating expenses	39,778,053	41,429,267	43,806,669	40,952,162	37,356,595	40,358,314	39,502,564	41,606,235	48,450,934	52,642,689
Operating loss	(33,647,059)	(35,706,356)	(37,598,309)	(35,278,827)	(32,209,038)	(35,980,154)	(38,573,121)	(38,424,804)	(44,758,726)	(48,121,704)
<b>NON-OPERATING REVENUES (EXPENSES):</b>										
Property taxes	10,714,350	11,258,672	11,574,433	12,161,750	12,823,442	12,955,320	13,540,219	14,227,455	14,810,245	15,386,082
State assistance	7,708,296	7,195,009	7,371,134	7,440,285	10,536,782	14,515,991	17,254,069	18,411,572	18,166,795	23,470,230
Federal assistance	18,721,493	18,198,155	16,901,469	15,458,127	6,528,594	10,558,045	14,866,738	18,251,835	24,061,671	8,997,909
Investment income	94,776	140,579	241,753	354,870	431,753	314,597	174,707	192,345	1,369,510	2,499,929
Insurance Settlement	22,557	29,942	-	-	-	10,023	-	-	-	-
(Loss) gain on disposal of capital assets	8,607	(39,539)	1,660	-	5,285	4,989	125,718	29,147	(34,693)	(497,400)
Total non-operating revenues (expenses)	37,270,079	36,782,818	36,090,449	35,415,032	30,325,856	38,358,965	45,961,451	51,112,354	58,373,528	49,856,750
Net income (loss) before contributions	3,623,020	1,076,462	(1,507,860)	136,205	(1,883,182)	2,378,811	7,388,330	12,687,550	13,614,802	1,735,046
<b>CAPITAL CONTRIBUTIONS</b>										
Change in net position	644,630	1,509,496	442,191	1,395,752	11,542,449	5,671,192	1,677,890	1,222,623	3,585,881	9,527,778
NET POSITION, BEGINNING	4,267,650	2,585,958	(1,065,669)	1,531,957	9,659,267	8,050,003	9,066,220	13,910,173	17,200,683	11,262,824
NET POSITION, ENDING	44,783,436	49,826,409	52,412,367	51,346,698	51,217,706	60,876,973	68,926,976	81,375,175	95,285,348	112,486,031
<b>Cumulative effect of restatement</b>	775,323	-	-	(1,660,949)	-	-	3,381,979	-	-	-
<b>NET POSITION, ENDING</b>	\$ 49,826,409	\$ 52,412,367	\$ 51,346,698	\$ 51,217,706	\$ 60,876,973	\$ 68,926,976	\$ 81,375,175	\$ 95,285,348	\$ 112,486,031	\$ 123,748,855

## **Revenue Capacity Information**



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

Fiscal Year Ended June 30	Real Property			Public Utilities	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
	Residential	Commercial	Other					
2024	\$ 14,011,793,435	\$ 6,066,727,839	\$ 1,400,907,703	\$ 693,618,892	\$ 594,599,211	\$ 22,767,647,080	0.7609	\$ 40,832,730,257
2023	13,514,489,124	5,824,240,011	1,314,566,191	679,650,086	562,035,927	21,894,981,339	0.7609	39,379,181,855
2022	13,011,535,210	5,414,020,871	1,240,751,532	661,184,988	545,158,430	20,872,651,031	0.7609	37,066,222,996
2021	12,528,453,174	5,143,599,211	1,200,789,908	595,651,714	522,827,255	19,991,321,262	0.7609	31,663,709,385
2020	12,011,666,418	4,999,418,272	1,132,716,186	606,896,866	498,819,849	19,249,517,591	0.7609	34,611,507,518
2019	11,526,943,227	4,878,211,846	347,402,200	560,447,832	465,486,768	18,503,865,590	0.7609	32,875,746,663
2018	11,068,458,201	4,600,364,794	1,041,137,160	572,108,794	475,964,706	17,758,033,655	0.7609	30,266,763,653
2017	10,609,988,492	4,386,449,426	1,036,795,905	448,922,166	436,390,694	16,418,918,782	0.7609	27,696,991,362
2016	10,190,655,657	4,249,688,977	1,022,709,766	417,339,803	413,860,724	15,742,935,794	0.7609	25,627,319,527
2015	9,800,288,264	4,094,261,279	954,630,626	379,053,441	382,966,983	15,611,200,594	0.7609	24,134,174,611

Sources:  
Marion County and Polk County Assessors.

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Salem Area Mass Transit District										
Permanent Tax Rate	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609	\$ 0.7609
Overlapping Rates:										
Marion County	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03
Polk County	\$ 2.21	\$ 2.21	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.09	\$ 2.54	\$ 2.54	\$ 2.26
Cities	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	0.28 - 8.09	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 - 8.74	0.30 - 7.74	0.30 - 7.74	0.30 - 7.83	0.30 - 7.84	0.30 - 7.92	0.30 - 8.12	0.30 - 8.34	0.30 - 8.12	0.30 - 8.42
Chemeketa Community College	0.87	0.89	0.89	0.89	0.89	0.90	0.90	0.90	0.92	0.89
Sewer & Service Districts	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.00
Water & Water Control Districts	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.04 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00
Rural Fire Protection Districts	0.53 - 2.89	0.53 - 2.82	0.53 - 2.82	0.53 - 2.34	0.53 - 2.90	0.53 - 2.91	0.53 - 2.92	0.53 - 2.93	0.53 - 2.51	0.53 - 2.52
Special Purpose Districts	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57	0.08 - 0.57

Sources:

Marion and Polk County Tax Collectors.

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.



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

Taxpayer	2024			2015		
	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	\$ 271,190,340	1.19%	1	\$ 126,569,221	0.81%
Northwest Natural Gas Co	2	232,830,000	1.02%	2	92,097,700	0.59%
Comcast Corporation	3	124,625,862	0.55%	7	39,818,000	0.26%
Bit Investment Ninety-Seven LLC	4	85,460,280	0.38%			-
Pacific Realty Associates LLC	5	63,823,050	0.28%			-
State Accident Insurance Fund	6	62,385,490	0.27%			
Lancaster Development Company LLC	7	59,709,400	0.26%	3	58,833,290	0.38%
GRI Keizer LLC	8	57,093,790	0.25%			-
Snyders-Lance Inc	9	50,539,370	0.22%			-
State Investments LLC	10	46,626,340	0.20%	8	38,153,602	0.24%
CenturyLink		-		4	47,886,000	0.31%
Donahue Schriber Realty Group		-		5	51,968,800	0.33%
Metropolitan Life Insurance Co		-		6	45,385,410	0.29%
Wal-Mart Real Estate Business Trust		-		9	33,706,160	0.22%
HD Salem OR Landlord LLC		-		10	33,954,000	0.22%
Total for principal taxpayers		<u>1,054,283,922</u>	4.63%		<u>568,372,183</u>	3.64%
Total taxable assessed value		<u>\$ 22,767,647,080</u>			<u>\$ 15,611,200,594</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
2024	\$ 15,771,003	\$ 15,025,740	95.27%	\$ -	\$ 15,025,740	95.27%
2023	15,175,489	14,496,110	95.52%	151,239	14,647,349	96.52%
2022	14,497,537	13,847,840	95.52%	181,370	14,029,210	96.77%
2021	13,949,784	13,331,718	95.57%	146,018	13,477,736	96.62%
2020	13,375,200	12,747,112	95.30%	243,831	12,990,943	97.13%
2019	12,906,585	12,304,644	95.34%	242,713	12,547,357	97.22%
2018	12,426,577	11,958,195	96.23%	268,347	12,226,542	98.39%
2017	11,965,300	11,378,225	95.09%	273,321	11,651,546	97.38%
2016	11,509,781	10,905,167	94.75%	280,272	11,185,439	97.18%
2015	10,882,259	10,279,838	94.46%	304,968	10,584,806	97.27%

Sources:

Marion County Assessor and Polk County Treasurer

## **Demographic and Economic Information**



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

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2024	347,798	\$ 21,777,307 *	\$ 61,643 *	3.9%
2023	346,741	20,274,092	58,470	3.6%
2022	348,616	20,538,903	58,632	3.9%
2021	347,119	18,671,730	53,791	5.0%
2020	346,202	16,971,368	49,022	6.9%
2019	344,842	15,490,534	44,921	3.9%
2018	344,035	14,024,346	41,093	4.3%
2017	339,200	12,836,365	38,168	4.5%
2016	333,950	12,301,699	37,199	5.5%
2015	329,770	11,614,203	35,614	6.1%

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, 2024; Population Research Center, Portland State University

(2) Personal Income estimate as of calendar year 2023; Bureau of Economic Analysis, Regional Economic Data

(3) Per Capita Personal Income as of calendar year 2023; Bureau of Economic Analysis, Regional Economic Data

(4) Unemployment Rate is average of 10 months of calendar year 2024; Bureau of Labor Statistics, Local Unemployment Statistics

\* Estimated

Sources:

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

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

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>% of Total</u>	<u>Employees</u>	<u>% of Total</u>
Government	45,700	24.21%	41,108	26.93%
Educational and health services	37,900	20.07%	24,283	15.90%
Trade, transportation, and utilities	30,100	15.94%	24,925	16.32%
Leisure and hospitality	18,900	10.01%	13,308	8.71%
Professional and business services	15,800	8.37%	13,958	9.14%
Construction	13,500	7.15%	8,125	5.32%
Manufacturing	12,300	6.51%	12,450	8.15%
Financial activities	6,300	3.34%	7,175	4.70%
Other services	5,900	3.13%	5,233	3.43%
Information	1,700	0.90%	1,000	0.65%
Mining and logging	700	0.37%	1,150	0.76%
Total Salem Metropolitan Area Non-Farm Payroll Employment	<u>188,800</u>	<u>100.00%</u>	<u>152,715</u>	<u>100.00%</u>

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

Notes: (1) Information for 2015 is presented for the calendar year.

Information for 2024 is preliminary numbers for October, 2024.

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

## **Operating Information**





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

Division	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
General Manager	2.0	2.0	2.0	2.0	2.0	4.5	4.5	3.0	3.0	3.0
Administration										
Human Resources	4.5	4.1	4.7	5.2	4.8	4.8	4.8	4.8	5.8	5.8
Human Resources-Safety	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Communication										
Marketing & Communication	3.0	3.0	3.0	3.0	4.0	4.3	4.3	4.3	4.3	4.3
Customer Service	6.1	6.0	5.8	5.8	8.9	8.3	8.3	8.3	8.3	8.7
Travel Trainer	-	-	0.2	0.1	0.3	0.4	0.4	1.2	1.2	1.2
Finance										
Finance	6.5	6.5	7.5	5.0	6.9	9.5	9.5	9.5	8.5	9.0
Procurement	-	-	-	2.6	1.6	2.0	2.0	2.0	2.0	2.0
Technology and Program Management										
Technology and Program Management	-	-	-	-	-	-	-	1.5	1.5	-
Information Technology	-	-	-	-	-	5.9	5.9	5.9	5.9	-
Deputy General Manager										
Deputy General Manager Admin	-	-	-	-	-	-	-	2.0	2.0	3.0
Security & Emergency Management	-	-	-	-	-	-	-	3.0	4.0	3.0
Safety Coordinator	-	-	-	-	-	-	-	-	-	1.0
Planning and Development										
Administration	-	-	-	-	-	-	-	-	-	1.0
Planning	-	-	-	-	-	-	-	-	-	5.0
Technology and Infrastructure										
Technology and Infrastructure	-	-	-	-	-	-	-	-	-	5.9
Operations										
Administration	3.0	3.0	3.1	3.1	4.1	4.1	4.1	3.0	4.0	2.0
Security & Emergency Management	1.0	1.0	1.0	1.0	1.0	3.0	3.0	-	-	-
Fixed Route Operations	110.0	110.0	110.0	110.0	136.0	147.5	147.5	147.8	148.0	158.0
Vehicle Maintenance	24.5	24.0	24.1	23.6	31.8	31.1	31.1	31.1	31.1	30.4
Facilities Maintenance	6.0	6.0	6.0	8.0	9.0	9.0	9.0	13.0	9.6	11.6
Planning	-	-	-	-	-	4.0	4.0	4.0	5.0	-
Transportation Development										
Transportation Development Administration	4.0	4.5	5.6	6.4	6.1	-	-	-	-	-
Information Technology	4.5	5.0	5.0	5.0	5.1	-	-	-	-	-
Rideshare Program	-	-	-	-	-	-	-	-	-	-
Total General Fund FTE Per Budget	<u>176.0</u>	<u>176.5</u>	<u>179.0</u>	<u>181.8</u>	<u>222.6</u>	<u>239.4</u>	<u>239.4</u>	<u>245.4</u>	<u>245.2</u>	<u>255.9</u>
<b>Special Transportation Fund</b>										
Cherriots Lift	3.5	3.5	3.1	3.1	3.7	3.4	3.4	3.4	3.4	3.3
Cherriots Shop & Ride	-	-	0.2	0.2	0.6	0.4	0.4	0.4	0.4	0.3
Cherriots Regional	1.5	1.5	1.4	1.0	1.5	0.9	0.9	1.9	1.3	2.2
DMAP	2.0	2.0	2.0	1.0	-	-	-	-	-	-
Cherriots Call Center	0.5	0.5	0.6	0.5	0.7	0.1	0.1	0.1	0.1	0.1
Mobility Management/Travel Trainer	3.0	2.0	2.1	0.8	1.6	1.5	1.5	0.6	0.6	0.6
Special Transportation Coordination	-	0.5	0.1	0.2	0.3	-	-	-	-	-
TripChoice/Transportation Demand Mgt	2.0	2.0	2.0	2.5	3.0	2.4	2.4	2.4	2.4	2.0
Total Special Transportation Fund FTE Per Budget	<u>12.5</u>	<u>12.0</u>	<u>11.5</u>	<u>9.3</u>	<u>11.4</u>	<u>8.7</u>	<u>8.7</u>	<u>8.8</u>	<u>8.2</u>	<u>8.5</u>
<b>Capital Project Fund</b>										
Capital Project Fund	1.5	1.0	3.2	1.6	0.4	-	-	-	-	-
Total District Wide FTE Per Budget	<u>190.0</u>	<u>189.5</u>	<u>193.7</u>	<u>192.7</u>	<u>234.4</u>	<u>248.1</u>	<u>248.1</u>	<u>254.2</u>	<u>253.4</u>	<u>264.4</u>

**Salem Area Mass Transit District  
Operating Revenue and Cost Measures  
Last Ten Fiscal Years**

Fixed Route System										Fixed Route System									
Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)	Fiscal Year	Annual Passenger Miles	Annual Revenue Hours	Operating Expense per Mile	Operating Revenue per Mile	Operating Expense per UPT	Operating Expense per Passenger Mile						
2015	\$ 2,623,816	\$ 20,751,653	12.6%	2,191,929	2,059,524	3,371,517	2015	11,867,740	155,246	\$ 9.47	\$ 10.08	\$ 6.15	\$ 1.75						
2016	2,305,504	21,699,414	10.6%	2,316,592	2,173,882	2,999,022	2016	10,556,745	159,283	9.37	9.98	7.24	2.06						
2017	2,825,740	23,395,701	12.1%	2,566,500	2,417,272	2,940,565	2017	9,703,865	173,457	9.12	9.68	7.96	2.41						
2018	2,519,889	24,493,950	10.3%	2,289,507	2,146,850	3,011,629	2018	9,938,376	166,004	10.70	11.41	8.13	2.46						
2019	2,196,271	26,343,862	8.3%	2,270,336	2,124,151	2,955,477	2019	9,753,074	167,949	11.60	12.40	8.91	2.70						
2020	1,771,170	28,535,939	6.2%	2,172,007	2,028,340	2,619,250	2020	8,014,905	163,402	13.14	14.07	10.89	3.56						
2021	-	31,036,925	0.0%	2,419,098	2,258,436	1,718,883	2021	5,259,782	182,197	12.83	13.74	18.06	5.90						
2022	1,688,365	32,358,719	5.2%	2,432,658	2,268,251	2,039,555	2022	6,241,038	184,184	13.30	14.27	15.87	5.18						
2023	2,146,859	37,364,843	5.7%	2,553,489	2,382,460	2,762,649	2023	7,138,072	194,433	14.63	15.68	13.53	5.23						
2024	2,349,710	39,917,599	5.9%	2,696,771	2,526,908	3,228,778	2024	8,344,624	206,182	14.80	15.80	12.36	4.78						

**Regional Fixed Route\***

Regional Fixed Route*										Regional Fixed Route*									
Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)	Fiscal Year	Annual Passenger Miles	Annual Revenue Hours	Operating Expense per Mile	Operating Revenue per Mile	Operating Expense per UPT	Operating Expense per Passenger Mile						
2020	\$ 118,138	\$ 1,453,046	8.1%	420,820	366,029	81,647	2020	1,283,822	17,024	\$ 3.45	\$ 3.97	\$ 17.80	\$ 1.13						
2021	-	1,867,590	0.0%	453,990	396,231	56,948	2021	845,237	18,566	4.11	4.71	32.79	2.21						
2022	136,837	1,945,736	7.0%	519,027	451,728	63,368	2022	897,073	21,726	3.75	4.31	30.71	2.17						
2023	120,797	2,363,090	5.1%	575,525	511,166	84,987	2023	1,164,409	24,053	4.11	4.62	27.81	2.03						
2024	136,875	2,727,708	5.0%	580,047	522,268	107,031	2024	1,467,395	24,220	4.70	5.22	25.49	1.86						

\*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.

- In FY2023, Polk County Flex was moved to be included in MB-PT instead of DR-PT as per NTD.

## Salem Area Mass Transit District Operating Revenue and Cost Measures Last Ten Fiscal Years

Fiscal Year	Demand Response**												
	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)	Fiscal Year	Annual Passenger Miles	Annual Vehicle Revenue Hours	Operating Expense per Mile	Operating Expense per Revenue Mile	Operating Expense per UPT	Operating Expense per Passenger Mile
2015	\$ 226,675	\$ 16,771,188	1.4%	7,871,544	7,482,224	581,184	2015	**	272,262	\$ 2.13	\$ 2.24	\$ 28.86	**
2016	388,919	16,075,696	2.4%	5,624,117	5,108,673	560,070	2016	**	321,548	2.86	3.15	28.70	**
2017	376,232	16,013,265	2.3%	7,122,370	5,595,404	566,641	2017	4,982,763	330,708	2.25	2.86	28.26	3.21
2018	415,049	14,119,579	2.9%	4,055,025	3,684,110	455,807	2018	3,424,780	234,747	3.48	3.83	30.98	4.12
2019	402,005	7,282,216	5.5%	1,341,807	1,181,677	241,297	2019	1,371,923	86,874	5.43	6.16	30.18	5.31
2020	116,831	5,803,855	2.0%	761,455	668,407	114,522	2020	766,037	56,148	7.62	8.68	50.68	7.58
2021	-	5,420,831	0.0%	483,078	424,076	58,208	2021	301,673	36,418	11.22	12.78	93.13	17.97
2022	190,516	4,492,706	4.2%	553,070	487,544	71,900	2022	391,398	40,262	8.12	9.21	62.49	11.48
2023	198,854	4,502,561	4.4%	594,371	533,538	84,798	2023	507,160	40,823	7.58	8.44	53.10	8.88
2024	148,237	5,979,589	2.5%	663,843	594,006	104,912	2024	616,679	49,577	9.01	10.07	57.00	9.70

Vanpool													
Fiscal Year	Fare Revenue	Operating Expense	Revenue Margin	Annual Vehicle Miles	Annual Revenue Miles	Unlinked Passenger Trips (UPT)	Fiscal Year	Annual Passenger Miles	Annual Vehicle Revenue Hours	Operating Expense per Mile	Operating Expense per Revenue Mile	Operating Expense per UPT	Operating Expense per Passenger Mile
2015	\$ 481,530	\$ 391,795	122.9%	613,938	613,938	79,084	2015	2,864,484	11,418	\$ 0.64	\$ 0.64	\$ 4.95	\$ 0.14
2016	488,651	245,285	199.2%	566,917	566,917	78,774	2016	3,199,040	13,201	0.43	0.43	3.11	0.08
2017	418,369	177,903	235.2%	578,196	578,196	72,591	2017	2,550,101	13,352	0.31	0.31	2.45	0.07
2018	303,605	290,018	104.7%	528,480	528,480	70,250	2018	2,848,891	13,803	0.55	0.55	4.13	0.10
2019	310,822	302,213	102.8%	554,187	554,187	76,167	2019	2,955,836	14,376	0.55	0.55	3.97	0.10
2020	290,192	277,822	104.5%	474,257	474,257	59,152	2020	2,197,116	12,295	0.59	0.59	4.70	0.13
2021	150,891	153,883	98.1%	241,350	241,350	22,514	2021	698,116	5,500	0.64	0.64	6.83	0.22
2022	257,946	238,952	107.9%	299,722	299,722	44,088	2022	1,138,557	6,838	0.80	0.80	5.42	0.21
2023	561,683	446,738	125.7%	538,865	538,865	94,821	2023	2,441,828	12,887	0.83	0.83	4.71	0.18
2024	473,178	354,447	133.5%	492,347	492,347	84,003	2024	2,133,221	12,055	0.72	0.72	4.22	0.17

\*\* 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.

- In FY2023, the Polk County Flex was moved to MB-PT as per NTD.



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



GROVE, MUELLER & SWANK

redw  
Advisors & CPAs

***INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS***

Board of Directors  
Salem Area Mass Transit District  
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Salem Area Mass Transit District (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 31, 2024.

***Compliance and Other Matters***

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

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

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

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

***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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

***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.



Ryan T. Pasquarella, Principal  
For REDW LLC  
Salem, Oregon  
December 31, 2024