

**GREATER NEW HAVEN TRANSIT DISTRICT**

**FINANCIAL STATEMENTS AND  
REPORTING UNDER *GOVERNMENT AUDITING STANDARDS* AND  
FEDERAL AND STATE SINGLE AUDIT REPORTING**

**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020**

# GREATER NEW HAVEN TRANSIT DISTRICT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**Greater New Haven Transit District**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Greater New Haven Transit District (the District) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and 2020, and the statements of activities and changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Marcum LLP*

New Haven, CT  
October 29, 2021

# **GREATER NEW HAVEN TRANSIT DISTRICT**

## **MANAGEMENTS' DISCUSSION AND ANALYSIS**

### **FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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The following Management's Discussion and Analysis (MD&A) of Greater New Haven Transit District's (the District) activities and financial performance provide an introduction to the financial statements of the District for the fiscal years ending June 30, 2021 and June 30, 2020.

Following this MD&A are the basic financial statements of the District together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

#### ***DISTRICT ACTIVITIES HIGHLIGHTS***

The District provides transit services to the elderly and persons with disabilities in the Greater New Haven Region. Various programs are in place to provide these services including the Americans with Disabilities (ADA) complementary paratransit service, Regional Rides Program, Hamden Elderly services, and the M7 Taxi Voucher program.

The District serves as a conduit for federal and state transit infrastructure funding and continues to obtain increased capital funding to purchase assets needed to provide high quality transit service. Federal Transit Administration (80%) and Connecticut Department of Transportation (20%) capital funding is used to purchase land, revenue vehicles, and support equipment as well as undertake demolition, design and facility improvement projects.

Noteworthy capital projects undertaken during fiscal year 2021 include purchasing IT infrastructure and software upgrades, facility upgrades and miscellaneous support equipment. Projects of note include the purchase of a no contact payment system to complement our existing Trip Connect Amble App. This was an expedited addition due to the COVID-19 pandemic that caused a significant impact to the District's operations due to restrictions imposed by the State of Connecticut. In addition, the district spent significant capital funds to ensure the safety of our clients during the COVID-19 pandemic including additional bus and facility sanitation.

Abatement and demolition at 333 State Street/460 Sackett Point Road in North Haven was completed and now we are waiting for final state approval to move forward with design and construction.

The District is continuing as the lead agency on the statewide Small Vehicle Joint Procurement on behalf of many other transit districts, private providers of public transit service and 5,310 grant recipients. A contract was awarded in fiscal year 2017 to purchase approximately 500 vehicles over five years for multiple organizations within the State of Connecticut.

The Executive Director, under the direction of a Board of Directors, has the responsibility of overseeing the administrative staff and the collective bargaining unit members (mechanics and drivers) employed by the District. The mechanics and drivers of the District are represented by the Teamsters Local 443.

# GREATER NEW HAVEN TRANSIT DISTRICT

## MANAGEMENTS' DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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### *DISTRICT ACTIVITIES HIGHLIGHTS (CONTINUED)*

The Board of Directors is comprised of 11 appointed members representing 10 municipalities: Bethany, Branford, East Haven, Hamden, New Haven, North Haven, Orange, North Branford, West Haven, and Woodbridge.

### *FINANCIAL STATEMENTS*

This report consists of a series of financial statements as well as the notes to the financial statements. The Statements of Net Position and the Statements of Activities and Changes in Net Position provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The notes to the financial statements provide information regarding the amounts recorded in the financial statements.

The District's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The District is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land assets in progress) are depreciated over their estimated useful lives. See the notes to the financial statements for a summary of the District's significant accounting policies.

### *FINANCIAL OPERATIONS HIGHLIGHTS FOR THE FISCAL YEARS ENDED 2020-2021*

- Operating revenues decreased by \$17,596 from \$361,363 to \$343,767.
- Operating expenses decreased by \$859,031 from \$13,693,321 to \$12,834,290.
- Net non-operating revenues decreased by \$586,878 from \$11,997,949 to \$11,411,071.
- Capital grants received in the form of grants from Federal and State governments decreased by \$1,331,184 from \$1,527,405 to \$196,221.
- The District's net position decreased by \$883,231 for fiscal year 2021 and increased by \$193,396 for fiscal year 2020.

# GREATER NEW HAVEN TRANSIT DISTRICT

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### *FINANCIAL POSITION SUMMARY*

A summary of the District's net position at June 30 is shown below:

	2021	2020	2019
Assets			
Current assets	\$ 1,972,904	\$ 2,165,534	\$ 2,164,385
Capital assets	<u>6,678,987</u>	<u>7,700,210</u>	<u>7,550,947</u>
	<u>\$ 8,651,891</u>	<u>\$ 9,865,744</u>	<u>\$ 9,715,332</u>
Liabilities			
Current liabilities	<u>\$ 620,790</u>	<u>\$ 951,412</u>	<u>\$ 994,396</u>
	<u>\$ 620,790</u>	<u>\$ 951,412</u>	<u>\$ 994,396</u>
Net Position			
Investment in capital assets	\$ 6,678,987	\$ 7,700,210	\$ 7,550,947
Unrestricted	<u>1,352,114</u>	<u>1,214,122</u>	<u>1,169,989</u>
	<u>\$ 8,031,101</u>	<u>\$ 8,914,332</u>	<u>\$ 8,720,936</u>

Total net position serves over time as a useful indicator of the District's financial position. The District's net position each year represents its investment in capital assets (e.g., land, vehicles, transit enhancements and other equipment) and other unrestricted amounts. Capital assets are used to provide services to the patrons and passengers of the District and to users of public transit who ride the CT Transit fixed route buses as well as to various municipalities in the South Central Region that have requested transit enhancement projects through the South Central Regional Council of Governments (SCRCOG). The District administers these projects once they have been identified as eligible by SCRCOG.

The District's assets exceeded its liabilities by \$8 million as of June 30, 2021, a \$0.88 million decrease from June 30, 2020 due to a full year of depreciation on capital assets purchased during the prior year. The District's assets exceeded its liabilities by \$8.9 million as of June 30, 2020, a \$0.19 million increase from June 30, 2019 due to 2019 capital asset additions exceeding 2019 depreciation expense by \$191,342 during the period.

# GREATER NEW HAVEN TRANSIT DISTRICT

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### *FINANCIAL OPERATIONS*

A summary of the District's changes in net position for the fiscal years ended June 30 is shown below:

	2021	2020	2019
Operating revenues	\$ 343,767	\$ 361,363	\$ 514,812
Operating expenses	<u>12,834,290</u>	<u>13,693,321</u>	<u>13,220,070</u>
Operating loss	(12,490,523)	(13,331,958)	(12,705,258)
Net non-operating revenues	<u>11,411,071</u>	<u>11,997,949</u>	<u>11,196,316</u>
Decrease in net position before capital grants	(1,079,452)	(1,334,009)	(1,508,942)
Federal, state and local grants used for capital purchases	<u>196,221</u>	<u>1,527,405</u>	<u>936,568</u>
(Decrease) increase in net position	<u>\$ (883,231)</u>	<u>\$ 193,396</u>	<u>\$ (572,374)</u>

Operating revenues decreased 4.87 percent from \$0.36 million in 2020 to \$0.34 million in 2021, and decreased 29.81 percent from \$0.51 million in 2019 to \$0.36 million in 2020. The decrease in 2021 and 2020 is mainly due to the continued reduction of services for the Town of Hamden elderly services transportation during fiscal year 2021 and 2020 as a result of the COVID-19 pandemic.

Operating expenses decreased 6.27 percent from \$13.69 million in 2020 to \$12.83 million in 2021 mainly due to decreased labor costs surrounding the COVID-19 pandemic, and increased 3.58 percent from \$13.21 million in 2019 to \$13.69 million in 2020 mainly due increased costs surrounding the COVID-19 pandemic.

Net non-operating revenues decreased 4.89 percent from \$11.99 million in 2020 to \$11.41 million in 2021 mainly due to decreased grant funding received as a result of decreased work on projects due to the COVID-19 pandemic and increased 7.16 percent from 2019 to 2020 from \$11.19 million in 2019 to \$11.99 million in 2020 mainly due to increased grant funding received as a result of the COVID-19 pandemic.

Federal, state and local grants used for capital purchases decreased 87.15 percent from \$1.52 million in 2020 to \$0.20 million in 2021 and increased 63.09 percent from \$0.94 million in 2019 to \$1.52 million in 2020 mainly due to the purchase of vehicles in 2020.



# GREATER NEW HAVEN TRANSIT DISTRICT

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

#### REVENUES

A summary of revenues for the years ended June 30, 2021, 2020 and 2019, and the amounts and percentages of change in relation to prior year amounts are as follows:

	2021	% of	Increase/ (Decrease)	Percent Increase/ (Decrease)	2020	% of	Increase/ (Decrease)	Percent Increase/ (Decrease)	2019	% of
	Amount	Total	from 2020	(Decrease)	Amount	Total	from 2019	(Decrease)	Amount	Total
<b>Operating Revenues</b>										
Passenger fares	\$ 209,510	2%	\$ 66,750	47%	\$ 142,760	1%	\$ (76,983)	-35%	\$ 219,743	2%
Municipal contribution	77,101	1%	--	0%	77,101	1%	(12,884)	-14%	89,985	1%
Local contribution	56,934	0%	(83,980)	-60%	140,914	1%	(63,387)	-31%	204,301	2%
Other	222	0%	(366)	-62%	588	0%	(195)	-25%	783	0%
<b>Total Operating Revenues</b>	<b>343,767</b>	<b>3%</b>	<b>(17,596)</b>	<b>-5%</b>	<b>361,363</b>	<b>3%</b>	<b>(153,449)</b>	<b>-30%</b>	<b>514,812</b>	<b>4%</b>
<b>Non-Operating Revenues</b>										
Federal, State and local assistance grants	\$ 11,410,052	95%	\$ (584,166)	-5%	\$ 11,994,218	86%	\$ 800,825	7%	\$ 11,193,393	89%
Interest income	1,019	0%	(2,712)	-73%	3,731	0%	808	100%	2,923	0%
<b>Total Non-Operating Revenues</b>	<b>11,411,071</b>	<b>95%</b>	<b>(586,878)</b>	<b>-5%</b>	<b>11,997,949</b>	<b>86%</b>	<b>801,633</b>	<b>7%</b>	<b>11,196,316</b>	<b>89%</b>
<b>Capital Contributions</b>	<b>196,221</b>	<b>2%</b>	<b>(1,331,184)</b>	<b>-87%</b>	<b>1,527,405</b>	<b>11%</b>	<b>590,837</b>	<b>63%</b>	<b>936,568</b>	<b>7%</b>
<b>Total Revenues</b>	<b>\$11,951,059</b>	<b>100%</b>	<b>\$ (1,935,658)</b>	<b>-14%</b>	<b>\$13,886,717</b>	<b>100%</b>	<b>\$ 1,239,021</b>	<b>10%</b>	<b>\$12,647,696</b>	<b>100%</b>

The increase in passenger fares of 47% percent from 2020 to 2021 and decrease of 35 percent from 2019 to 2020 is due to the makeup of passengers paying with pre-paid tickets rather than cash which cost slightly less and a decrease in service demand, as well as the cessation of collection of passenger fares in the last quarter of 2020 and first quarter of 2021, due to the State of Connecticut restrictions surrounding the COVID-19 pandemic. Municipal contributions, which are member town dues, remained consistent from 2020 to 2021 and decreased 14 percent from 2019 to 2020 due to lower contributions from West Haven and Hamden, respectively. Local contributions decreased 60 percent from 2020 to 2021 and decreased 31 percent from 2019 to 2020, which is attributable to cessation of the West Haven and Hamden Elderly Service contracts. Other contributions decreased 62 percent from 2020 to 2021 and decreased 25 percent from 2019 to 2020, which is attributable to fluctuations in interest earned on investment.

Federal, State and local assistance grants decreased 5 percent from 2020 to 2021 and increased 7% from 2019 to 2020, which is primarily attributable to a fluctuation of capital asset acquisitions over the years as well as increased funding from CARES act due to the COVID-19 pandemic.

The decrease in capital contributions of 87 percent from 2020 to 2021 and increase in capital contributions of 63 percent from 2019 to 2020 is attributable to the timing of the purchase of vehicles in 2020. Fewer capital purchases were made in 2021.

# GREATER NEW HAVEN TRANSIT DISTRICT

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

#### *EXPENSES*

A summary of expenses for the years ended June 30, 2021, 2020 and 2019, and the amounts and percentages of change in relation to prior year amounts are as follows:

	2021	% of	Increase/ (Decrease)	Percent Increase/ (Decrease)	2020	% of	Increase/ (Decrease)	Percent Increase/ (Decrease)	2019	% of
	Amount	Total	from 2020	(Decrease)	Amount	Total	from 2019	(Decrease)	Amount	Total
<b>Operating Expenses</b>										
Wages and fringe benefits	\$ 8,431,794	68%	\$ (410,396)	-5%	\$ 8,842,190	67%	\$ (140,858)	-2%	\$ 8,983,048	69%
Maintenance, support equip. and enhancements	1,502,184	12%	926,410	161%	575,774	4%	383,029	199%	192,745	1%
Depreciation	1,183,433	9%	(152,630)	-11%	1,336,063	10%	(180,801)	-12%	1,516,864	11%
Vehicle maintenance supplies and fuel	596,422	5%	(115,419)	-16%	711,841	5%	(8,918)	-1%	720,759	5%
Professional fees	542,740	4%	(1,085,120)	-67%	1,627,860	12%	492,780	43%	1,135,080	9%
Telephone and utilities	180,474	1%	(8,153)	-4%	188,627	1%	9,126	5%	179,501	1%
Equipment rental and maintenance	119,118	1%	(40)	0%	119,158	1%	(20,664)	-15%	139,822	1%
Insurance	107,087	1%	(8,013)	-7%	115,100	1%	5,604	5%	109,496	1%
Office expense and postage	45,345	0%	27,251	151%	18,094	0%	(22,821)	-56%	40,915	0%
Purchased transportation	7,087	0%	(5,387)	-43%	12,474	0%	(8,641)	-41%	21,115	0%
Travel and conferences	631	0%	(27,629)	-98%	28,260	0%	(19,101)	-40%	47,361	0%
Loss on sale and disposal of capital assets	311	0%	(5,253)	-94%	5,564	0%	(7,257)	-57%	12,821	0%
Real estate taxes	--	0%	--	0%	--	0%	(1,671)	-100%	1,671	0%
Other	117,664	1%	5,348	5%	112,316	1%	(6,556)	-6%	118,872	1%
<b>Total Operating Expenses</b>	<u>\$ 12,834,290</u>	<u>100%</u>	<u>\$ (859,031)</u>	<u>-6%</u>	<u>\$ 13,693,321</u>	<u>100%</u>	<u>\$ 473,251</u>	<u>4%</u>	<u>\$ 13,220,070</u>	<u>100%</u>

Wages and fringe benefits remained consistent overall in 2021, 2020 and 2019, which is the net result of contractually obligated wage increases, and decrease in medical insurance premiums. Maintenance, support equipment and enhancements more than doubled from 2020 to 2021 and from 2019 to 2020 as a result of increased maintenance and cleaning of the facility and vehicles due to COVID-19 pandemic in 2020 and 2021 and outsourcing facility maintenance functions that had been provided by internal staff previously. Depreciation decreased 11 percent from 2020 to 2021 and decreased 12 percent from 2019 to 2020, which is attributable to timing of assets in service as the fleet size grew in 2020 and decreased in 2021. Vehicle maintenance, supplies and fuel decreased 16 percent from 2020 to 2021 and decreased 1 percent from 2019 to 2020, due to decreased fuel expense, partially as a result of decreased services in 2021 as a result of the COVID-19 pandemic. Professional fees decreased 67 percent from 2020 to 2021 and increased 43 percent from 2019 to 2020 due to professional services incurred in 2020 related to the Move New Haven project, decreased legal fees and reallocation methodology of IT support service during 2021. Telephone and utilities expense decreased 4 percent from 2020 to 2021 and increased 5 percent from 2019 to 2020 due to telephone system upgrades in, fiber optic advances and the need to have infrastructure in place to ensure timely business delivery of IT and phone communications at two physical locations in 2020.

# GREATER NEW HAVEN TRANSIT DISTRICT

## MANAGEMENTS' DISCUSSION AND ANALYSIS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### *EXPENSES (CONTINUED)*

Equipment rental remained consistent from 2020 to 2021 and decreased 15 percent from 2019 to 2020, due to licensing fees on Route Match software incurred during 2019. Insurance decreased 7 percent from 2020 to 2021 and increased 5 percent from 2019 to 2020, which is primarily due to loss control mitigation efforts. Office expense and postage more than doubled from 2020 to 2021 and decreased 56 percent from 2019 to 2020 based on various needs of the office. Purchased transportation decreased 43 percent from 2020 to 2021 and 41 percent from 2019 to 2020 due to transportation client needs. Travel and conferences decreased 98 percent from 2020 to 2021 as the District restricted all professional travel during the COVID-19 pandemic and decreased 40 percent from 2019 to 2020 as the District began restricting travel in March 2020. Real estate taxes were incurred at a proportionate share of the District's ownership of the North Haven properties related to the 2016 grand list assessments. This expense item had not existed prior to the land acquisition and settlement agreement for the North Haven property. Other increased 5 percent from 2020 to 2021 and decreased 6 percent from 2019 to 2020, due to increase in bank charges in 2021.

#### *SUMMARY OF CASH FLOW ACTIVITIES*

The following shows a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash equivalents are considered highly liquid investments with a maturity of three months or less.

	2021	2020	2019
Cash flows used in operating activities	\$ (11,678,067)	\$ (11,953,327)	\$ (11,341,008)
Cash flows from non-capital financing activities	11,451,967	12,615,187	10,336,603
Cash flows from capital and related financing activities	<u>33,700</u>	<u>36,515</u>	<u>44,062</u>
Net (decrease) increase in cash and cash equivalents	(192,400)	698,375	(960,343)
Cash and cash equivalents, beginning	<u>1,313,060</u>	<u>614,685</u>	<u>1,575,028</u>
Cash and cash equivalents, ending	<u>\$ 1,120,660</u>	<u>\$ 1,313,060</u>	<u>\$ 614,685</u>

The District's available cash and cash equivalents decreased from \$1.31 million at June 30, 2020 to \$1.12 million at June 30, 2021 and increased from \$0.61 million at June 30, 2019 to \$1.31 million at June 30, 2020. The fluctuations are primarily due to timing of cash receipts and payments at year-end and a decrease in capital programs in 2021 through federal, state and local grant assistance.

# **GREATER NEW HAVEN TRANSIT DISTRICT**

## **MANAGEMENTS' DISCUSSION AND ANALYSIS**

### **FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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#### ***CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES***

During the 2021, 2020 and 2019 fiscal years, the District continued its ongoing capital programs for land acquisition, the purchase of vehicles and support equipment, facility improvement projects and transit enhancement projects. The District is also the grantee for the New Haven Alternative Analysis study and efforts continue in collaboration with the Connecticut Department of Transportation to move forward with building demolition as well as design and construction of a new operations and maintenance facility.

#### ***REQUEST FOR INFORMATION***

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Executive Director, 840 Sherman Ave, Hamden, CT 06514.

# GREATER NEW HAVEN TRANSIT DISTRICT

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,120,660	\$ 1,313,060
Grant and trade receivables	725,831	758,226
Inventory	42,959	55,372
Prepaid expenses and other current assets	<u>83,454</u>	<u>38,876</u>
<b>Total Current Assets</b>	1,972,904	2,165,534
<b>Capital Assets - net</b>	<u>6,678,987</u>	<u>7,700,210</u>
<b>Total Assets</b>	<u>\$ 8,651,891</u>	<u>\$ 9,865,744</u>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 113,169	\$ 452,878
Accrued expenses	479,587	403,360
Advances payable	<u>28,034</u>	<u>95,174</u>
<b>Total Current Liabilities</b>	<u>620,790</u>	<u>951,412</u>
<b>Net Position</b>		
Investment in capital assets	6,678,987	7,700,210
Unrestricted	<u>1,352,114</u>	<u>1,214,122</u>
<b>Total Net Position</b>	<u>8,031,101</u>	<u>8,914,332</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 8,651,891</u>	<u>\$ 9,865,744</u>

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

# GREATER NEW HAVEN TRANSIT DISTRICT

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
<b>Operating Revenues</b>	<u>\$ 343,767</u>	<u>\$ 361,363</u>
<b>Operating Expenses</b>		
Wages and fringe benefits	8,431,794	8,842,190
Maintenance, support equipment and enhancements	1,502,184	575,774
Depreciation	1,183,433	1,336,063
Vehicle maintenance supplies and fuel	596,422	711,841
Professional fees	542,740	1,627,860
Telephone and utilities	180,474	188,627
Equipment rental and maintenance	119,118	119,158
Insurance	107,087	115,100
Office expense and postage	45,345	18,094
Purchased transportation	7,087	12,474
Travel and conferences	631	28,260
Loss on sale and disposal of capital assets	311	5,564
Other	<u>117,664</u>	<u>112,316</u>
<b>Total Operating Expenses</b>	<u>12,834,290</u>	<u>13,693,321</u>
<b>Operating Loss</b>	<u>(12,490,523)</u>	<u>(13,331,958)</u>
<b>Non-Operating Revenues</b>		
Federal, state and local assistance grants used for operations	11,410,052	11,994,218
Interest income	<u>1,019</u>	<u>3,731</u>
<b>Total Net Non-Operating Revenues</b>	<u>11,411,071</u>	<u>11,997,949</u>
<b>Decrease in Net Position Before Capital Grants</b>	<u>(1,079,452)</u>	<u>(1,334,009)</u>
<b>Federal, State and Local Grants Used for Capital Asset Purchases</b>	<u>196,221</u>	<u>1,527,405</u>
<b>(Decrease) Increase in Net Position</b>	(883,231)	193,396
<b>Net Position - Beginning</b>	<u>8,914,332</u>	<u>8,720,936</u>
<b>Net Position - Ending</b>	<u>\$ 8,031,101</u>	<u>\$ 8,914,332</u>

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

# GREATER NEW HAVEN TRANSIT DISTRICT

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 268,126	\$ 467,054
Cash paid to employees for services	(3,567,093)	(3,620,594)
Cash paid to suppliers for goods and services	<u>(8,379,100)</u>	<u>(8,799,787)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(11,678,067)</u>	<u>(11,953,327)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Proceeds from federal, state and local assistance grants	11,450,948	12,611,456
Interest income	<u>1,019</u>	<u>3,731</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u>11,451,967</u>	<u>12,615,187</u>
<b>Cash Flows from Capital Financing Activities</b>		
Proceeds from grant capital contributions	196,221	1,527,405
Purchase of capital assets	(196,221)	(1,527,405)
Proceeds from sale of capital assets	<u>33,700</u>	<u>36,515</u>
<b>Net Cash Provided by Capital Financing Activities</b>	<u>33,700</u>	<u>36,515</u>
<b>Net Change in Cash and Cash Equivalents</b>	(192,400)	698,375
<b>Cash and Cash Equivalents - Beginning</b>	<u>1,313,060</u>	<u>614,685</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 1,120,660</u>	<u>\$ 1,313,060</u>

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

# GREATER NEW HAVEN TRANSIT DISTRICT

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (12,490,523)	\$ (13,331,958)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,183,433	1,336,063
Loss on sale and disposal of capital assets	311	5,564
Changes in operating assets and liabilities:		
Grant and trade receivables	(8,501)	36,091
Inventory	12,413	(10,583)
Prepaid expenses and other current assets	(44,578)	54,480
Accounts payable	(339,709)	(70,592)
Accrued expenses	76,227	(41,992)
Advances payable	(67,140)	69,600
<b>Net Cash Used in Operating Activities</b>	<u>\$ (11,678,067)</u>	<u>\$ (11,953,327)</u>

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



# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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### NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### *NATURE OF OPERATIONS*

Greater New Haven Transit District (the District) is a regional governmental unit formed under the provisions of Chapter 103a of the Connecticut General Statutes. The District includes ten municipalities in the greater New Haven area who govern the District by appointing representatives to the Board of Directors. Those municipalities include Bethany, Branford, East Haven, Hamden, New Haven, North Branford, North Haven, Orange, West Haven and Woodbridge. The day to day affairs of the District are managed by the Executive Director and staff.

The District was established to administer transportation programs in the greater New Haven region. The District provides service to more than twenty towns as well as offers inter-district ADA trips in collaboration with neighboring transit districts. The District has a broad range of programs, with the largest being the ADA paratransit program, which currently provides service to more than 4,900 residents in the region. This program is subsidized (net of fares) by the State of Connecticut Department of Transportation (CT DOT). The District also provides the Regional Rides Program, pooling funds received from CT DOT (State Matching Grant Program, Dial-A-Ride and non-ADA) as well as member town dues.

The District serves as a conduit for federal transit funds to purchase, operate and maintain transit related infrastructure, vehicles and support equipment in the greater New Haven area. These funds benefit the District directly, individual municipalities and the region as a whole.

The CT DOT provides matching funds for the reimbursement of capital expenditures incurred by the District (for its own use) for the purchase of capital assets authorized and partially funded under capital grants provided by the Federal Transit Administration (FTA), a federally administered agency.

Any loss or significant reduction of these grants could have a significant impact on the District's financial position and operations. The continuance of the District's operations has been, and will continue to be, dependent upon the receipt of adequate funding assistance.

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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### NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *SIGNIFICANT ACCOUNTING POLICIES*

##### *BASIS OF ACCOUNTING*

The District, as a governmental unit, follows accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The financial statements are presented on the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when the related liability for goods and services is incurred regardless of the timing of cash flows.

##### *USE OF ESTIMATES*

The preparation of financial statements in conformity with GAAP 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. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively, based upon such periodic evaluation. Actual results could differ from those estimates.

##### *CASH AND CASH EQUIVALENTS*

The balances in the cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities. Short-term investments of surplus cash are recorded at cost plus accrued interest, which approximates fair value. For purposes of reporting cash flows, cash and cash equivalents include all cash accounts and investments with an original maturity of three months or less at the time of purchase. Excess funds of the District may be deposited at the discretion of the executive director in a commercial bank or trust company with or without security to the credit of such funds.

The District has deposits in financial institutions that maintain Federal Deposit Insurance Corporation (FDIC) deposit insurance up to \$250,000 per depositor. At times, balances held at each financial institution may exceed \$250,000, which represents a credit risk to the District. The District's bank provides additional collateral coverage for any amounts in excess of the FDIC limits. The District has suffered no losses in connection with their banking activities.

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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### NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *GRANT AND TRADES RECEIVABLE*

Grants receivable represent reimbursements not yet received by the District for grant related program expenses. Trade receivable represent receivables due from local members. Both grant and trades receivable are stated at the amount management expects to collect from outstanding balances. The District may record an allowance for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information. There is no allowance for doubtful accounts as of June 30, 2021 and 2020.

#### *INVENTORY*

Inventory, consisting of fuel, bus components and supplies, is stated at the lower of cost and market, on the first-in, first-out method, or market.

#### *CAPITAL ASSETS*

Additions of capital assets which have an estimated useful life greater than one year and are greater than \$1,000 are capitalized and recorded at cost. Maintenance and repairs are charged to expense as incurred. Renewals and betterments that significantly extend the life of an asset are also capitalized. Depreciation and amortization is computed on the straight-line method over the following estimated useful lives:

Transit vehicles	4 to 7 years
Furniture, computers and equipment	3 to 7 years
Vehicle maintenance and support equipment	5 to 10 years
Building and improvements	5 to 40 years
Land improvements	20 years

When items are sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the respective accounts and the resulting gain or loss is reflected in the statement of activities and changes in net position.

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *CAPITAL ASSETS (CONTINUED)*

Revenue received from the sale of capital assets acquired with grant proceeds are restricted for use in urban mass transportation systems. Sale proceeds in an amount of \$5,000 or less may be kept by the District. Proceeds received from the sale of capital assets in excess of \$5,000 must be returned to the grantor agencies, or with written permission from the grantor agencies, may be retained for the purchase of future transit assets.

##### *IMPAIRMENT OF LONG-LIVED ASSETS*

The carrying value of long-lived assets, which include capital assets, are evaluated periodically for impairment. Impairment losses are recognized when indicators of impairment are present and undiscounted cash flow estimated to be generated by District's capital assets is less than the carrying amount of such investments. The amount of the impairment loss, if any, is determined by comparing the carrying amount of the District's investments to its estimated fair value. No impairment losses have been recognized during 2021 and 2020.

##### *ACCRUED VACATION AND SICK TIME POLICY*

Union employees can carry up to 960 hours of sick time, however vacation must be used by June 30<sup>th</sup> of each year. Non-union employees can accumulate up to 840 hours of sick time and may carry over up to 15 days of vacation time into the following fiscal year. Upon termination, the employees are entitled to a payout of the outstanding sick and vacation time. This represents a future liability to the District which is included in the accrued expense liability on the statements of financial position.

##### *USE OF RESOURCES*

The District first applies restricted resources to an expense incurred where both unrestricted and restricted resources are available to satisfy the expense.

##### *OPERATING AND NON-OPERATING REVENUES AND EXPENSES*

Revenues received as fares or for direct compensation for transportation services are reported as operating revenues as they are earned. Capital and operating subsidy grants as well as interest income are considered to be non-operating revenues in the accounting period in which they are earned. Expenses which pertain to providing transportation services are classified as operating expenses. All other expenses as well as any other charges are classified as non-operating.

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

#### NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *SUBSEQUENT EVENTS*

Events subsequent to June 30, 2021 have been evaluated through October 29, 2021, the date that the financial statements were available to be issued. No subsequent events were identified requiring recognition or disclosure in the financial statements.

#### NOTE 2 – CAPITAL ASSETS

Capital asset activity for the years ended June 30 was as follows:

	2021			Balance June 30, 2021
	Balance July 1, 2020	Additions	Disposals	
Non-depreciable				
Land	\$ 3,884,070	\$ --	\$ --	\$ 3,884,070
Total non-depreciable	<u>3,884,070</u>	<u>--</u>	<u>--</u>	<u>3,884,070</u>
Depreciable				
Land improvements	297,164	--	--	297,164
Building and improvements	1,320,550	--	--	1,320,550
Transit vehicles	6,251,214	--	787,527	5,463,687
Vehicle maintenance and support equipment	689,681	--	--	689,681
Furniture, computers and equipment	1,481,084	196,221	--	1,677,305
Total depreciable	<u>10,039,693</u>	<u>196,221</u>	<u>787,527</u>	<u>9,448,387</u>
Less accumulated depreciation for:				
Land improvements	272,050	14,390	--	286,440
Building and improvements	649,005	76,158	--	725,163
Transit vehicles	3,590,547	698,350	743,694	3,545,203
Vehicle maintenance and support equipment	546,044	83,685	9,822	619,907
Furniture, computers and equipment	1,165,907	310,850	--	1,476,757
Total accumulated depreciation	<u>6,223,553</u>	<u>1,183,433</u>	<u>753,516</u>	<u>6,653,470</u>
Net depreciable	<u>3,816,140</u>	<u>(987,212)</u>	<u>34,011</u>	<u>2,794,917</u>
Total capital assets, net	<u>\$ 7,700,210</u>	<u>\$ (987,212)</u>	<u>\$ 34,011</u>	<u>\$ 6,678,987</u>

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

#### NOTE 2 – CAPITAL ASSETS (CONTINUED)

	2020			Balance June 30, 2020
	Balance July 1, 2019	Additions	Disposals	
Non-depreciable				
Land	\$ 3,884,070	\$ --	\$ --	\$ 3,884,070
Total non-depreciable	<u>3,884,070</u>	<u>--</u>	<u>--</u>	<u>3,884,070</u>
Depreciable				
Land improvements	297,164	--	--	297,164
Building and improvements	1,309,178	11,372	--	1,320,550
Transit vehicles	5,469,649	1,499,063	717,498	6,251,214
Vehicle maintenance and support equipment	689,681	--	--	689,681
Furniture, computers and equipment	1,464,114	16,970	--	1,481,084
Total depreciable	<u>9,229,786</u>	<u>1,527,405</u>	<u>717,498</u>	<u>10,039,693</u>
Less accumulated depreciation for:				
Land improvements	257,192	14,858	--	272,050
Building and improvements	573,024	75,981	--	649,005
Transit vehicles	3,416,814	849,152	675,419	3,590,547
Vehicle maintenance and support equipment	448,737	97,307	--	546,044
Furniture, computers and equipment	867,142	298,765	--	1,165,907
Total accumulated depreciation	<u>5,562,909</u>	<u>1,336,063</u>	<u>675,419</u>	<u>6,223,553</u>
Net depreciable	<u>3,666,877</u>	<u>191,342</u>	<u>42,079</u>	<u>3,816,140</u>
Total capital assets, net	<u>\$ 7,550,947</u>	<u>\$ 191,342</u>	<u>\$ 42,079</u>	<u>\$ 7,700,210</u>

Depreciation expense amounted to \$1,183,433 and \$1,336,063 for the years ended June 30, 2021 and 2020, respectively.

#### NOTE 3 – ACCRUED EXPENSES

Accrued expenses consisted of the following at June 30:

	2021	2020
Accrued vacation and sick pay	\$ 219,793	\$ 177,889
Accrued payroll	189,380	178,590
Accrued other	<u>70,414</u>	<u>46,881</u>
Total	<u>\$ 479,587</u>	<u>\$ 403,360</u>

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### NOTE 4 – LINE OF CREDIT

The District has an available line of credit with Citizens Bank (the Bank) of \$1,000,000. There were no amounts outstanding on the line of credit at June 30, 2021 and 2020. Borrowings on the line bear interest at LIBOR plus 3.00 percent (3.10 percent at June 30, 2021). Under the terms of the agreement, borrowings outstanding are collateralized by substantially all District assets. The District is required to meet certain financial covenants, including submitting audited financial statements within 150 days of year end. The District was in compliance with all covenants.

#### NOTE 5 – EMPLOYEE RETIREMENT PLANS

The District administers two defined contribution plans established on September 1, 2003 in accordance with Internal Revenue Code Section 401(a); Greater New Haven Transit District Union Employee 401(a) Plan and Greater New Haven Transit District Administrative Employee 401(a) Plan. These plans are provided to all employees who have completed three months of service and who are 18 years of age. The District contributes to the respective 401(a) plans based on employees voluntary contributions to a 457(b) plan; 100% of contributions up to 5% of compensation for union and administrative employees. Contributions are invested at the direction of the employee in one or more funds. The District made contributions of \$105,961 and \$192,845 during the years ended June 30, 2021 and 2020, respectively. Employee contributions to the plan were \$250,686 and \$267,015 during the years ended June 30, 2021 and 2020, respectively. Plan provisions and contribution requirements are established and may be amended by the District.

#### NOTE 6 – CONTINGENCIES

There are various claims against the District that have arisen in the normal course of business. In management's opinion, none of these claims will have a material adverse effect on the District.

In addition, the District is the recipient of funds under grant awards from federal and state sources. Although management believes costs charged to these sources are appropriate, the final determination of cost allowability rests with the funding sources. Management believes any disallowances would not have a material impact on the District's financial position.

# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### NOTE 6 – CONTINGENCIES (CONTINUED)

The nature of the District's transportation service subjects it to extensive and rapidly changing federal and state environmental regulations governing air emissions, waste water discharge and solid and hazardous waste management activities. The District's policy is to accrue environmental and clean-up related costs of a non-capital nature when it is both probable that a liability has been incurred and that an amount can be reasonably estimated. It remains however, extremely difficult to reasonably quantify future environmental related expenditures and therefore no such liability has been recorded.

The District purchased land in North Haven, CT to build a new office. As part of the purchase and sale agreement, \$100,000 was to be deposited in an interest bearing cash account to fund any future environmental remediation costs the District may incur while building on the property. A corresponding contingent liability was recorded to reflect any potential costs and reimbursements made back to the seller, and included in accrued expenses on the accompanying statements of financial position. At June 30, 2021 and 2020, there was no restricted cash.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States of America and the World. The District is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, and in addition to the impact on its employees. As a result of the COVID-19 pandemic, the State of Connecticut issued stay-at-home orders and the collection of cash fares was halted during March 2020, which caused a significant decrease to the District's operating revenues as well as an increase to operating expenses for procedural changes. The District continues to monitor the situation and in April 2020 was awarded \$2,500,000 of funding through the CARES act by the government and was awarded an additional \$200,000 in June 2021 which can be drawn on to reimburse for eligible expenses as applicable. Through June 30, 2021, the District had expended and drawn down \$1,669,760 of the funds through the CARES Act grant. For the years ended June 30, 2021 and 2020 the District expended \$1,295,142 and \$374,618, respectively, which is included in federal, state and local assistance grants used for operations on the accompanying statements of activities and changes in net position.



# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### NOTE 7 – OPERATING LEASE

The District has an operating lease for the administrative office and bus storage facility, with escalating monthly payments of \$2,200 and additional monthly rent of \$971 for additional facility equipment rent and common area maintenances expenses. The agreement expires December 2022.

In addition, the District has an operating lease for an additional parking lot. The agreement calls for monthly payments of \$2,200, and expires in December 2022.

Rent expense was \$63,343 in 2021 and \$59,173 in 2020.

Aggregate future minimum lease payments at June 30, 2021 are as follows:

<u>Years ending June 30,</u>	
2022	\$ 51,482
2023	<u>19,024</u>
	<u>\$ 70,506</u>

#### NOTE 8 – COLLECTIVE BARGAINING AGREEMENT

All of the District's drivers are covered by a collective bargaining agreement, which expires on June 30, 2023.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
**Greater New Haven Transit District**

We have audited, in accordance with the 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 financial statements of the Greater New Haven Transit District (the District), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2021.

***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 (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

New Haven, CT  
October 29, 2021

**GREATER NEW HAVEN TRANSIT DISTRICT**

**FEDERAL SINGLE AUDIT**

**YEAR ENDED JUNE 30, 2021**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
**Greater New Haven Transit District**

***Report on Compliance for Each Major Federal Program***

We have audited the Greater New Haven Transit District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2021. The District's major federal program is identified in the summary of auditors' results section of the accompanying federal schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on CFDA 20.507 Federal Transit Cluster***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

### ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the District, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole

*Marcum LLP*

New Haven, CT  
October 29, 2021

**GREATER NEW HAVEN TRANSIT DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><i>U.S. Department of Transportation:</i></b>				
Federal Transit Cluster (Federal Transit - Formula Grants)				
CT-2020-006 (CARES Act)	20.507		\$ --	\$ 1,295,142
CT-2016-011	20.507		--	261,681
CT-2017-008	20.507		--	106,476
CT-2018-002	20.507		--	3,092
			--	1,666,391
Transit Services Program Cluster				
New Freedom Program				
CT-57-X004	20.521		--	16,560
Total Expenditures of Federal Awards			\$ --	\$ 1,682,951

*See notes to schedule of expenditures of federal awards.*



# GREATER NEW HAVEN TRANSIT DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Greater New Haven Transit District (the District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles obtained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### NOTE 3 – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate.

**GREATER NEW HAVEN TRANSIT DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        yes   x   no
- Significant deficiency(ies) identified?        yes   x   none reported

Noncompliance material to financial statements noted?        yes   x   no

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?        yes   x   no
- Significant deficiency(ies) identified?        yes   x   none reported

Type of auditors' report issued on compliance for major federal program: Unmodified

Any audit finding disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   x   no

**IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:**

CFDA No.	Name of Federal Program or Cluster
20.507	Federal Transit Cluster: US Department of Transportation – Federal Transit – Formula Grants

Dollar threshold used to distinguish between type A and type B programs is \$750,000.

**AUDITEE QUALIFIED AS LOW-RISK AUDITEE:**        Yes   x   No

**GREATER NEW HAVEN TRANSIT DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

No findings are reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings and questioned costs were reported for federal award programs.

**SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

There were no findings reported for federal award programs.

**GREATER NEW HAVEN TRANSIT DISTRICT**

**STATE SINGLE AUDIT**

**YEAR ENDED JUNE 30, 2021**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Directors of  
**Greater New Haven Transit District**

***Report on Compliance for Each Major State Program***

We have audited the Greater New Haven Transit District's (the District) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on the District's major state programs for the year ended June 30, 2021. The District's major state programs are identified in the summary of auditors' results section of the accompanying state schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each of the Major State Programs***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs identified in the summary of auditor's results section on the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

### ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act***

We have audited the financial statements of the District, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated October 29, 2021, which contained a unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Marcum LLP*

New Haven, CT  
October 29, 2021

**GREATER NEW HAVEN TRANSIT DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/ Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Passed Through to Subrecipients	Expenditures
<b><i>Department of Transportation</i></b>			
ADA Dial-A-Ride Services	12001-DOT57000-12379	\$ --	\$ 9,409,014
Bus Operations	12001-DOT57000-12175	--	411,147
Capital and Project - State Portion	CT-2016-011	--	65,792
Capital and Project - State Portion	CT-2017-008	--	26,619
Capital and Project - State Portion	CT-2018-002	--	<u>750</u>
Total Expenditures of State Financial Assistance		<u>\$ --</u>	<u>\$ 9,913,322</u>

*See notes to schedule of expenditures of state financial assistance.*



# **GREATER NEW HAVEN TRANSIT DISTRICT**

## **NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

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The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) includes state grant activity of the Greater New Haven Transit District (the District) under programs of the State of Connecticut for the year ended June 30, 2021. The Department of Transportation of the State of Connecticut has provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund the transportation services of the District.

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

The accounting policies of the District conform to accounting policies generally accepted in the United States of America as applicable to governments. The expenditures reported on the Schedule are reported on the accrual basis of accounting.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

**GREATER NEW HAVEN TRANSIT DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        yes   x   no
- Significant deficiencies identified        yes   x   none reported

Noncompliance material to financial statements noted?        yes   x   no

*State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified?        yes   x   no
- Significant deficiencies identified        yes   x   none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?        yes   x   no

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State CORE-CT Number	Expenditures
ADA Dial-A-Ride Services	12001-DOT57000-12379	\$ 9,409,014
Bus Operations	12001-DOT57000-12175	411,147

Dollar threshold used to distinguish between type A and type B programs is \$200,000.

**GREATER NEW HAVEN TRANSIT DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2021**

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**II. FINANCIAL STATEMENT FINDINGS**

No findings reported.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No findings or questioned costs are reported relating to State Financial Assistance Programs.

**IV. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

There were no findings reported for state financial assistance programs