PIONEER VALLEY TRANSIT AUTHORITY

(A Component Unit of the Massachusetts Department of Transportation)

Financial Statements and Supplementary Information

June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Advisory Board
PIONEER VALLEY TRANSIT AUTHORITY
2808 Main Street
Springfield, MA 01107

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Pioneer Valley Transit Authority, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Pioneer Valley Transit Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Pioneer Valley Transit Authority, as of June 30, 2024 and 2023, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 5, and the Schedule of Changes in Net Pension Liabilities and Related Ratios, the Schedule of Pension Contributions, and Schedule of Changes in Net Other Postemployment Benefit (OPEB) Liabilities and Related Ratios, and Schedule of OPEB Contributions on pages 42 to 49 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 GAAS, 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 an opinion on the financial statements that collectively comprise the Pioneer Valley Transit Authority's basic financial statements. The accompanying supplementary information on page 50 is presented for purposes of additional analysis 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. 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of the Pioneer Valley Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Pioneer Valley Transit Authority's internal control over financial reporting and compliance.

Adelson + Company PC

ADELSON & COMPANY PC

September 26, 2024

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis

For the Year Ended June 30, 2024

As the Administrator of the Pioneer Valley Transit Authority (the Authority), I offer readers of the Authority's financial statements this overview and analysis of the financial activities for the fiscal year ended June 30, 2024.

Reporting Entity

The Authority provides public transportation and operates under Massachusetts General Laws (MGL) Chapter 161B as a body politic and a corporate and political subdivision of the Commonwealth of Massachusetts. The Authority is a component unit of the Massachusetts Department of Transportation. Massachusetts provides funding to the Authority. See Note 1 to the financial statements for additional information on the reporting entity.

The Authority owns, manages, and has direct capital responsibilities for rolling stock, facilities and equipment. Currently, the Authority has a total of 370+ revenue vehicles in its inventory that fall into categories such as articulated buses, transit buses, cutaway buses and minivans. The Authority uses nine facilities in the provision of its transit services, of which it has direct capital responsibility for seven. Equipment includes non-revenue support vehicles, passenger waiting shelters and other equipment which is divided into two categories: facilities critical equipment and support equipment. Through the Authority's Transit Asset Management Plan (TAM Plan), the Authority has established and maintains an investment strategy to ensure its capital assets are kept in a state of good repair. State of good repair is defined as the condition in which a capital asset is able to operate at its intended level of performance throughout its useful life

Impact of COVID-19 on the Authority's Fiscal Year 2024 Operations

The Authority continued operating reduced weekday service in some routes but was able to increase service frequency on certain routes in response to the availability of the workforce.

Ridership in fiscal year 2024 totaled 7,830,329 on the fixed route and 186,742 on the paratransit system. Fixed route ridership for the year was 77.1% of 2019's ridership, an increase of 927,549 riders and 13.4% over 2023. For the final quarter of fiscal year 2024, ridership recovery was significantly higher, recovering 86.6% of pre-covid ridership.

Paratransit ridership was 71.66% of 2019's ridership, an increase of 9,766 riders and 5.5% over 2023. Paratransit ridership recovery for the final quarter of fiscal year 2024 was also significantly higher, recovering 74.8% of pre-covid ridership.

With the increase in funding in this year's budget, the Authority continued its commitment to improve service where possible in both the short and long term. With the improving staffing situation, while we continue to take an incremental approach to adjusting service on routes, the Authority was able to add service on some routes. Ultimately, the goal is to restore service that was reduced in response to staffing shortages, expand weekend service throughout the region, and increase frequency on all routes to 30 minutes or less across the system.

In December 2023, the Authority implemented route enhancements on the following routes: G1, B7, R10, B17, P21E, G73E, Ware and, Palmer, that improved transit service by adjusting area coverage, frequency of service, hours of service, and adding weekend service. In addition, at the end of March 2024, the Authority implemented the following service enhancements:

B7:	Frequency change from 20 min to 15 min M-F between 9 am and 4 pm
X90A:	G19, Holyoke-Chicopee (Memorial Drive/South Hadley Falls)
X90B:	R22, Holyoke -Chicopee (Grattan/Cabbot St).
P21E:	Frequency change from 45 min to 30 min
G73E:	Frequency change from 45 min to 30 min
X92:	Frequency change from 60 min to 45 min M-F.
R10:	Extended hours. Departing Union Station at 6am and Departing WSU at 9:50pm.
B6:	Sunday is the same as weekday and Saturday service
G1:	Saturday and Sunday service is the same as weekday service
34:	Restore service frequency between 12:00 PM and 7:00 PM
30/31:	Added supplemental weekday "trippers" between 2PM and 6PM

In addition, the Authority secured board approval for the implementation of the Northampton Micro-Transit Pilot. This service uses existing assets that are often underutilized. The service reassigns vehicle assets in Northampton and provides an effective first mile, last mile, transit solution within the city, potentially providing a model for other communities in our service area. Northampton Micro-Transit Pilot began providing service on May 1, 2024. The NOHO Shuttle provides door to door service in Northampton (Florence and Leeds), available to all Northampton residents regardless of age or disability status. It operates Monday through Friday from 9:00 AM to 5:00 PM, and fares will be the same as other fixed routes.

To continue to ensure the safety of our drivers and passengers, the Authority's operators continue to include cleaning technologies, increased time spent on cleaning and disinfection of vehicles and optional nose and mouth coverings. The Authority's new vehicles come equipped with permanent driver barriers, which are now standard, as is plastic passenger seating and modified securement systems for mobility devices. In addition, the Authority continues to operate air purifiers on all transit buses as well as in common areas at all Authority facilities.

The Authority implemented the contactless mobile fare payment app, MassDOT BusPlus, on July 19, 2020. Year over year, BusPlus activations have increased by nearly 9% to 76,564. Much of that increase is due to Day Passes (47% increase) and One-Ride Tickets with Transfer (263% increase). The Authority installed a mobile payment onboard validators to facilitate the use of the BusPlus platform and to allow the Authority to analyze ridership trends data. The platform has become the preferred method of payment by Holyoke Community College students, as well as Springfield Technical Community College students.

The Authority's operating costs are expected to continue to increase as the economy recovers and ridership slowly increases. The biggest impact of the pandemic continues to be the workforce. Staffing continues to be a problem for many transit systems, and the Authority is no exception. Each of the Authority's operators is experiencing labor challenges to some degree. The Authority continued the broad-based media campaign to support hiring efforts for each operator, including radio, social media, email, and other advertising media, to raise awareness of our staffing needs. In the meantime, to attract more operators, the Authority has continued the newly instituted in-house CDL Operator Trainee program utilizing a CDL course leased from MassDOT. This program has proven to be extremely successful.

COVID-19 and the Fiscal Year 2025 Budget

The Authority's fiscal year 2025 budget approved by the Advisory Board is made with the following assumptions as it pertains: State Contract Assistance (SCA) is funded at above fiscal year 2024 levels; local assessments funded at 100%; advertisement at 100%; other subsidy at 100% and, fare revenue collection funded with assistance from the Massachusetts Legislature at 80% of 2019 pre-COVID levels. Expenses for fiscal year 2025 include an increase in labor and benefits for the fixed route contractor due to contractual obligations as well as an increase in insurance and legal expenses attributed the structure of the management contract as well as ongoing arbitration cases. Paratransit expenses also include an increase in labor and benefits due to contractual obligations. Expenses for fiscal year 2025 also reflect continued monthly expenses in labor and supplies associated with additional cleaning and disinfecting of the vehicles and facilities although not as high as in previous years. Expenses are reflective of the interest rate of the revenue anticipation notes increasing due to higher market rates at time of sale as well as an increase in utilities due to the fleet being moved over to cellular communications for data especially the paratransit fleet and the real time information that is available on all the on-board monitors.

The Authority continues the contactless mobile fare payment option implemented during 2021. However, this payment option will be paused during the fare free period being implemented through funding from the Massachusetts Legislation.

Paratransit operation assumptions are based on predictions of restored ridership levels of approximately 70% for fiscal year 2025, as compared to pre-pandemic levels as the communities and residents continue to return to pre-pandemic transit needs. The COA's of the member towns are fully open and ridership is expected to continue to steadily increase in part due to the expanded hours of operation for the Dial-A-Ride program available to seniors that allows them to travel on Saturdays.

The Authority's expenses in other categories have also been directly affected. The fuel expense is expected to increase due to current fuel market still being affected by the war in Ukraine. The worker shortage caused by the pandemic continues to directly affect the Authority's expenses as the number of employees affects the ability to deliver service and maintain the fleet and facilities. PFMLA also has an effect on the workforce available on a daily basis making it difficult for operations to maintain day to day service, fleet and facilities.

Federal CARES Act Funding

The Authority was awarded federal operating assistance under the Coronavirus Aid Relief and Economic Security (CARES) Act through an existing federal program 49 USC Section 5307. The funding is to cover eligible operating expenses and other costs, net of fare revenue, incurred as part of the Authority's response to Covid-19 beginning on or after January 20, 2020. Per the CARES Act and the awarding contract, the funding covers 100% of eligible expenses and does not require state or local matches.

	Performance Period	Total Contract Amount	Funds Spent through Fiscal Year 2023	Funds Spent in Fiscal Year 2024	Remaining Contract Amount
Federal CARES Act Funding					
Federal Section 5307	1/20/2020 until spent	$ 36,615,416	$ 15,950,679	$ 2,425,628	$ 18,239,109

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

Management's Discussion and Analysis

For the Year Ended June 30, 2024

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at June 30, 2024 by $68,812,329.

- The total operating revenue decreased $1,116,076 or 22% from fiscal year 2023.

- The total operating expenses increased $5,019,300 or 10% from fiscal year 2023.

- The Authority's net cost of service, after applying operating assistance and revenues, for eligible reimbursable expenses for fiscal year 2024 was $48,269,884. The net cost of service was funded with local assessments of $10,123,712 and state contract assistance of $38,146,172. The calculation of the net cost of service can be found on page 50 of this report.

- The Authority expended $24,450,242 on capital assets, which were funded with federal and state capital grants.

The Authority's operations are funded annually through a state required computation of the net cost of service. Except for the establishment of a restricted reserve, as allowed under Massachusetts General Laws, the Authority's funding cannot exceed its net cost of service.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position, Statement of Cash Flows and Notes to the Financial Statements. The Authority is a special purpose government engaged only in business-type activities. As such, its financial statements consist of only those required for enterprise funds and notes to the financial statements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 10 through 41 of this report. In addition to the basic financial statements and accompanying notes, this report also presents information on the Authority's net pension and other postemployment benefit liabilities, which are required supplemental information. The required supplementary information and other supplementary information can be found on pages 42 to 52 of this report.

Government Financial Analysis

The Authority's net position consists almost exclusively of its net investment in capital assets (e.g. land, buildings, revenue vehicles and equipment); less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide fixed route and paratransit services to individuals within its service area; consequently, these net assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A summary of the Authority's net position is as follows:

Summary of Net Position

	6/30/2024	6/30/2023	Change
Total current assets	$ 37,824,362	$ 25,985,220	$ 11,839,142
Investment in Holyoke Intermodal Facility, LLC	3,911,696	3,927,987	(16,291)
Property and equipment, net	108,841,245	102,204,886	6,636,359
Lease related asset, net	5,021,073	5,276,775	(255,702)
Deferred outflows of resources related to pensions	3,522,017	4,186,730	(664,713)
Deferred outflows related to other post employment benefits	2,190,566	3,693,884	(1,503,318)
Total assets and deferred outflows of resources	161,310,959	145,275,482	16,035,477
Accounts payable and other accrued liabilities	21,779,514	11,254,332	10,525,182
Note payable	15,500,000	14,500,000	1,000,000
Lease related obligation	5,256,497	5,439,297	(182,800)
Net pension liabilities	4,130,798	4,518,229	(387,431)
Accrued other post employment benefits	34,703,221	40,146,197	(5,442,976)
Deferred inflows of resources related to pensions	1,558,705	1,862,974	(304,269)
Deferred inflows related to other post employment benefits	9,569,895	6,370,718	3,199,177
Total liabilities	92,498,630	84,091,747	8,406,883
Investment in capital assets, net of related debt	112,752,941	106,132,873	6,620,068
Restricted reserve	1,975,358	1,927,179	48,179
Unrestricted	(45,915,970)	(46,876,317)	960,347
Total net position	$ 68,812,329	$ 61,183,735	$ 7,628,594

The Authority's assets exceeded its liabilities by $68,812,329 at the close of fiscal year 2024. An additional portion of the Authority's net position, shown as "restricted reserve", represents resources that are subject to approval of the Secretary of Transportation. As of June 30, 2024, the Authority's reserve for extraordinary expenses was $1,975,358. During fiscal year 2024, the Authority's unrestricted net position increased a net amount of $960,347 from fiscal year 2023 for a total negative unrestricted balance of $45,915,970 at June 30, 2024. The negative unrestricted net position of $45,915,970 is primarily the result of the Authority reporting its projected long-term obligations for its net pension liabilities of $2,167,486 and other postemployment benefits liabilities of $42,082,550. The recognition of these long-term liabilities are estimates based on actuarial valuations.

A summary of the Authority's revenues, expenses, and changes in fund net position is as follows:

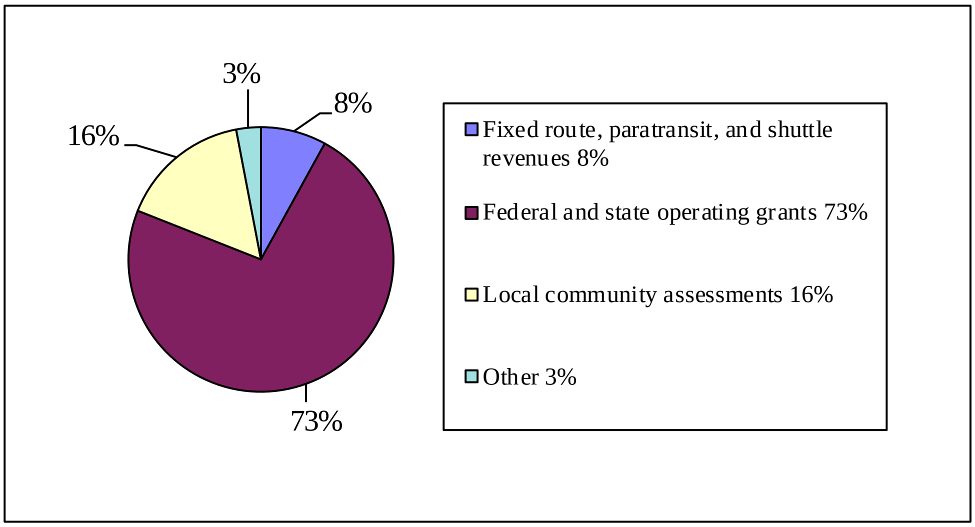
Summary of Statement of Revenues, Expenses and Changes in Fund Net Position

	6/30/2024	6/30/2023	Increase (Decrease)
Operating revenues	$ 5,158,710	$ 6,274,786	$ (1,116,076)
Reimbursable operating expenses	63,013,459	56,647,278	6,366,181
Nonreimbursable operating expenses (recovery)			
Change in net pension and OPEB liabilities	(767,468)	565,180	(1,332,648)
Change in lease related asset and obligation	72,902	87,135	(14,233)
Operating income (loss)	(57,160,183)	(51,024,807)	(6,135,376)
Total non-operating revenues (expenses)	57,902,928	50,437,470	7,465,458
Income (loss) before capital contributions and other items	742,745	(587,337)	1,330,082
Capital contributions	24,450,242	17,383,009	7,067,233
Nonreimbursable depreciation	(17,564,393)	(18,480,218)	915,825
Other changes	-	(587,498)	587,498
Change in net position	7,628,594	(2,272,044)	9,900,638
Net assets, beginning	61,183,735	63,455,779	(2,272,044)
Net position, ending	$ 68,812,329	$ 61,183,735	$ 7,628,594

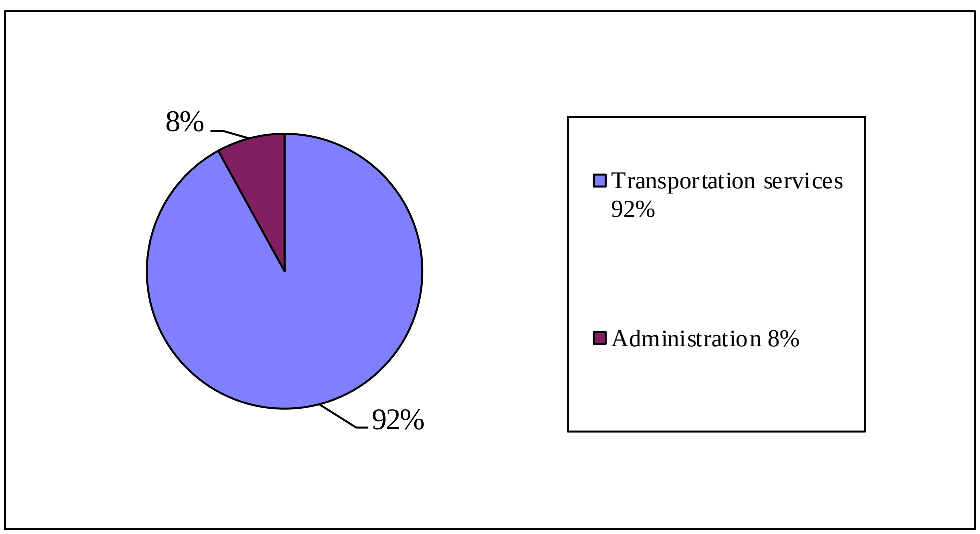
Operating revenues decreased $1,116,076 or 22% from the prior year comprised of a decrease in fixed route revenue of $1,026,173, decrease in paratransit revenue of $87,084, and a decrease in shuttle service revenue of $2,819. This net decrease in operating revenues is due in large part to the fare-free periods funded by State government assistance during fiscal year 2024.

Non-operating revenues increased $7,465,458 or 15% from the prior year primarily due to a decrease in federal operating assistance of $4,021,190, an increase in State Operating assistance of $11,258,387, an increase in local assessments of $246,920 as allowed under Massachusetts General Laws, an increase in federal and other state assistance of $50,972, an increase in advertising income of $64,550, an increase in interest income of $259,255, a decrease in miscellaneous income of $211,388, and an increase in interest expense of $182,048.

Total Operating and Non-operating
Revenues of $63,669,643 by Source



Total Operating and Non-operating
Expenses of $62,926,898 by source



Budget vs. Actual - an analysis of significant budget variances (budget versus actual results), including reasons for the variances is as follows:

Revenues

Fare revenues

	FY2024 Actual	FY2024 Budget	Variance Favorable (Unfavorable)
Fixed route income	$ 4,734,079	$ 4,400,413	$ 333,666
Paratransit income	417,628	720,000	(302,372)
Shuttle service income	7,003	11,500	(4,497)
Total operating income	$ 5,158,710	$ 5,131,913	$ 26,797

The increase in fixed route revenues is contributed to increased ridership levels and an increase in bulk order pass sales. The decrease in paratransit and shuttle income is due to the fare free periods in December 2023 and June 2024.

Government and other assistance

	FY2024 Actual	FY2024 Budget	Variance Favorable (Unfavorable)
Federal and other assistance	$ 9,013,030	$ 7,372,523	$ 1,640,507
State contract assistance	38,146,172	38,146,172	-
Local assistance	10,123,712	10,123,712	-

The Authority required $1,640,507 more in federal and other assistance than was budgeted for primarily due to the overages in the fixed route service, primarily payroll and fringe benefits and utility costs.

Other revenues

	FY2024 Actual	FY2024 Budget	Variance Favorable (Unfavorable)
Advertising income	$ 310,234	$ 230,000	$ 80,234
Other income	399,976	338,000	61,976
Interest income	517,809	200,000	317,809

Advertising income came in over budget by $80,234 due to improved advertising sales. Other income came in over budget by $61,976 due to insurance recoveries being higher than anticipated. Interest income was over budget by $317,809 due to higher interest rates.

Expenses

	FY2024 Actual	FY2024 Budget	Variance Favorable (Unfavorable)
Fixed route service expense	$ 43,866,981	$ 43,122,235	$ (744,746)
Paratransit service expense	9,649,730	9,659,474	9,744
Shuttle service expense	756,522	768,003	11,481
Administrative salaries, taxes and fringe benefits	3,796,290	3,625,352	(170,938)
Other administrative expenses	1,025,414	1,042,790	17,376

Fixed route costs came in over budget by $744,746, which was also affected primarily by the Authority's adjustment to its net pension and other postemployment benefit (OPEB) liabilities for the Authority's fixed route operator. These liabilities are determined through actuarial valuations performed by Odyssey Advisors. The net pension and OPEB liabilities (net of deferred outflows and inflows of resources) decreased by $989,541. This expense included in fixed route costs is non-reimbursable at this time and is therefore not budgeted for. After removing the effect of the net pension and OPEB adjustment of $989,541, the variance of $1,734,287 over budget is associated with the fixed route operator's overages for payroll and fringe benefits and utility costs.

Paratransit service expense was under budget by $9,744 and is primarily due to ridership being lower than what was originally estimated.

Shuttle service was under budget by $11,481 and is primarily due to the timing of the implementation of the service enhancements.

Administrative salaries, taxes and fringe benefits came in over budget by $170,938 primarily because of the Authority's adjustment to its net pension and other postemployment benefit (OPEB) liabilities. These liabilities are determined through actuarial valuations performed by Odyssey Advisors. The net pension and OPEB liabilities (net of deferred outflows and inflows of resources) increased by $222,073. This expense is non-reimbursable at this time and is therefore not budgeted for. After removing the effective of the net pension and OPEB adjustment of $222,073, the expenses were under budget by $51,135.

Debt

Revenue Anticipation Notes
At the end of fiscal year 2024, the Authority had a revenue anticipation note of $15,500,000. This note provides operating cash flow until federal, state, and local appropriations are received. On July 12, 2024, the Authority issued an $18,400,000 revenue anticipation note maturing on July 11, 2025. The Authority repaid the $15,500,000 note due on July 14, 2024.

Revolving Line of Credit
The Authority has a $3,000,000 revolving line of credit, due on demand with Berkshire Bank. The line of credit is secured by the Authority's assets. Interest is at the Prime Rate as published in the Wall Street Journal. The interest rate was 8.50% at June 30, 2024. The balance outstanding as of June 30, 2024 and 2023 was $-0-.

Capital Assets

The Authority's investment in capital assets as of June 30, 2024 amounted to $108,841,245, net of accumulated depreciation. The investment in capital assets includes land, buildings, vehicles, and equipment. The Authority primarily acquires its capital assets under federal and state capital grants. Additional information can be found in Note 5 on pages 15 and 16 of this report.

Capital Assets

	6/30/2024	6/30/2023
Land	$ 1,965,505	$ 1,965,505
Buildings and improvements	122,182,013	121,413,798
Revenue vehicles	138,739,637	122,940,251
Equipment	34,680,647	32,399,047
Service vehicles	1,584,532	1,603,034
Total capital assets	299,152,334	280,321,635
Accumulated depreciation	(194,209,656)	(178,116,749)
Capital assets, net	$ 104,942,678	$ 102,204,886

During fiscal year 2024, the Authority's capital acquisitions included the following:

Cottage Street Bus O&M Facility, 665 Cottage Street, Springfield
Electric Bus Charging System Upgrade and Expansion

The Authority was awarded $55.7 million in FTA No/Lo Emissions Grant and MassDOT funding in 2022 for further electrification and expansion of the O&M facility plus 4 new electric buses. $48.1 million of this funding is dedicated to expanding the facility to accommodate electric bus charging for up to 38 BEB buses with additional bus storage capability as well as a potential new bus paint and body shop. The project requires new primary electric services to be brought to the site by Eversource to accommodate the additional power loads required by the expanded bus charging system. The project will be completed in two phases.

The estimated $3M Phase I electrification project includes the replacement of the existing six (6) antiquated 60kw Proterra bus chargers inside the facility with new, state-of-the-art 180kw bus chargers. The new chargers will allow the Authority to charge up to 18 buses simultaneously instead of 6. No new Eversource services are needed for Phase I, which also includes an updated fire suppression system and steel reinforcement for the EV charger area within the existing bus storage garage. The Authority bid the Phase I improvements in August 2023. The General Contractor bid opening was held on October 25, 2023, and DA Sullivan & Sons Construction of Northampton, MA was the lowest responsible and responsive bidder at $2,510,000. DA Sullivan mobilized to the site in March 2024. To date, they have completed structural steel work to support the future pantograph electric bus charging systems, completed most of the conduit runs for electrical connection to the chargers and fire protection in the bus storage garage. They are now working to install the six new Heliox electric bus chargers and charging dispensers, which will require an overnight controlled electrical shutdown of the facility to cut-in the new system. The construction project is scheduled for completion by the end of the calendar year.

The Phase II electrification project includes a 50,000 square-foot expansion of the bus storage facility with the new paint and body shop and installation of new overhead pantograph bus charging stations to allow simultaneous charging for an additional 20 electric buses. Eversource has agreed to install a temporary second primary overhead service to the building to power Phase II. The Authority conducted early design coordination with Eversource and the Authority's design consultant, Wendel Architects of Hartford, CT in December 2023. Wendel initiated design and delivered the 30% schematic design submission to the Authority on February 29, 2024 and the 60% design development submission on July 12, 2024. The Authority reviewed and has provided comments on the 60% design and anticipates providing authorization to Wendel to proceed to the 90% design phase in the coming days. The Authority and Wendel have had multiple meetings with the City of Springfield Building Department and Fire Department as well as Eversource to review the plans and specifications. The estimated $40M+ construction project is on schedule to bid in January/February 2025 and be constructed in 2025-2027.

Roof-top PV Solar Array Project

The Authority executed a Power Purchase Agreement (PPA) with Solect Energy of Hopkinton, MA that would allow Solect to construct a 1 Mega Watt PV Solar Array on most of the Cottage Street facility roof. The Authority will leverage a $357,300 Mass DOER Grant awarded to the Authority for the project to increase the energy savings resulting from the project. The Authority is now working with Solect on an amended PPA for solar battery storage. Based on current electric utility rates, it is projected that the Authority will realize approximately $100,000 annually in energy savings over the 20-year agreement. Solect completed schematic design (SD) for the solar array installation last summer, 70% design development (DD) in December 2023, 90% final design (FD) in April 2024, and 100% design/construction documents in July 2024. Solect has permitted the project with the City of Springfield Building Department. Construction is scheduled to begin the week of August 12, 2024 and be substantially complete by the end of the calendar year.

UMass Transit Services Bus Maintenance Garage 4-Bay Expansion Project

The Authority has been awarded a combined $11.8 million in FTA Bus & Bus Facilities Grant and MassDOT funding to expand the existing bus maintenance facility so that it is able to service up to four, 60-foot articulated buses on hydraulic lifts at the same time. The 4-bay expansion will also increase maintenance staff work and shop areas. STV of Boston initiated design, working with a PVTA-UMass Design Review Advisory Committee in January 2023 and completed final design plans in January 2024. The project was advertised and bid on February 8th, the Filed Sub Bid opening was April 18th, and the General Contractor bid opening was May 9th. Unfortunately, no General Contractor bids were received. The Authority, in discussions with its designer STV and Owner's Project Manager, Skanska, repackaged the design to eliminate project phasing to shorten the construction schedule from 24 months to approximately 18 months to make the project more attractive to bidders (some prospective bidders during the bidding phase and post-bidding interview process, raised concerns with the prescribed phasing/length of the project). The project plans were repackaged and rebid on June 14th. Filed sub bids were opened on June 27th and General Contractor bids were opened on July 11th. Two general contractor bids were received from City Enterprises, Inc. (CEI) of Springfield, MA at $8,896,000 and Consigli Construction of Boston, MA at $9,090,000. The Authority awarded the project to the lowest responsible and responsive bidder, City Enterprises, Inc. on August 8th. The first construction meeting at UMass with CEI is scheduled for the first week of September. The project is scheduled to be completed by the spring 2026.

During This Fiscal Year, PVTA purchased sixteen (16) hybrid electric transit buses. Twelve of these buses are 40' transit buses and four are 35' transit buses. These vehicles are replacing diesel powered buses that are past their useful life as revenue service vehicles.

Economic Factors

Funding for the Authority's net cost of service (non-capital expenses less all non-capital revenues except state contract assistance and member municipality assessments) is dependent primarily on operating assistance from the Commonwealth of Massachusetts, assessments to member municipalities, and federal operating assistance. The balance of the funding comes from farebox revenue, insurance recoveries, interest and advertising revenue. The municipal assessments continue to be funded in arrears (currently 1.5 years back). This contributes in large part to the Authority's borrowing needs.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions or need additional information, contact Sandra E. Sheehan, Administrator, Pioneer Valley Transit Authority, 2808 Main Street, Springfield, MA 01107.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

STATEMENTS OF NET POSITION

June 30,

	2024	2023
Assets and deferred outflows of resources		
Current assets		
Cash and cash equivalents	$ 1,015,293	$ 1,707,382
Short-term investments	3,825,279	3,594,265
Receivables	32,801,983	20,475,090
Prepaid expenses	181,807	208,483
Total current assets	37,824,362	25,985,220
Investment in Holyoke Intermodal Facility, LLC	3,911,696	3,927,987
Property and equipment, net	108,841,245	102,204,886
Lease related asset, net	5,021,073	5,276,775
Total assets	155,598,376	137,394,868
Deferred outflows of resources		
Deferred outflows related to pensions	3,522,017	4,186,730
Deferred outflows related to other post employment benefits	2,190,566	3,693,884
Total deferred outflows of resources	5,712,583	7,880,614
Total assets and deferred outflows or resources	161,310,959	145,275,482
Liabilities and deferred inflows of resources		
Current liabilities		
Accounts payable	18,375,755	7,957,631
Accrued payroll	107,554	116,778
Insurance claims reserve	2,500,000	2,500,000
Unearned revenue	64,045	101,534
Accrued interest	732,160	578,389
Note payable	15,500,000	14,500,000
Total current liabilities	37,279,514	25,754,332
Lease related obligation	5,256,497	5,439,297
Net pension liabilities	4,130,798	4,518,229
Accrued other post employment benefits	34,703,221	40,146,197
Total liabilities	81,370,030	75,858,055
Deferred inflows of resources		
Deferred inflows related to pensions	1,558,705	1,862,974
Deferred inflows related to other post employment benefits	9,569,895	6,370,718
Total deferred inflows of resources	11,128,600	8,233,692
Total liabilities and deferred inflows of resources	92,498,630	84,091,747
Net position		
Invested in capital assets, net of related debt	112,752,941	106,132,873
Restricted reserve	1,975,358	1,927,179
Unrestricted	(45,915,970)	(46,876,317)
Total net position	$ 68,812,329	$ 61,183,735

See notes to financial statements.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues				
Fixed route income	$ 6,447,503	$ 4,400,413	$ 4,734,079	$ 333,666
Paratransit income	720,000	720,000	417,628	(302,372)
Shuttle service income	11,500	11,500	7,003	(4,497)
Total operating revenues	7,179,003	5,131,913	5,158,710	26,797
Operating expenses				
Fixed route service	41,070,688	43,122,235	43,866,981	(744,746)
Paratransit service	9,662,234	9,659,474	9,649,730	9,744
Shuttle service	606,216	768,003	756,522	11,481
Other operating costs	2,974,466	2,974,466	2,974,466	-
Administrative salaries, taxes and fringe benefits	2,492,743	3,625,352	3,796,290	(170,938)
Other administrative expenses	1,022,790	1,042,790	1,025,414	17,376
Reimbursable depreciation	-	-	249,490	(249,490)
Total operating expenses	57,829,137	61,192,320	62,318,893	(1,126,573)
Operating income (loss)	(50,650,134)	(56,060,407)	(57,160,183)	(1,099,776)
Non-operating revenues (expenses)				
Government assistance				
Federal	7,278,702	3,741,151	5,412,773	1,671,622
Massachusetts	29,198,348	38,146,172	38,146,172	-
Member communities	10,123,712	10,123,712	10,123,712	-
Other federal and state assistance	2,974,466	2,974,466	2,974,466	-
Other assistance	656,906	656,906	625,791	(31,115)
Advertising income	230,000	230,000	310,234	80,234
Other income	338,000	338,000	399,976	61,976
Interest income	200,000	200,000	517,809	317,809
Interest expense	(350,000)	(350,000)	(608,005)	(258,005)
Total non-operating revenues (expenses)	50,650,134	56,060,407	57,902,928	1,842,521
Income (loss) before capital contributions and other items	$ -	$ -	742,745	$ 742,745
Contributed capital			24,450,242	
Nonreimbursable depreciation			(17,564,393)	
Change in net position			7,628,594	
Net position, beginning			61,183,735	
Net position, ending			$ 68,812,329	

See notes to financial statements.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues				
Fixed route income	$ 4,881,500	$ 4,881,500	$ 5,760,252	$ 878,752
Paratransit income	600,000	600,000	504,712	(95,288)
Shuttle service income	18,500	18,500	9,822	(8,678)
Total operating revenues	5,500,000	5,500,000	6,274,786	774,786
Operating expenses				
Fixed route service	40,890,529	40,890,529	41,216,266	(325,737)
Paratransit service	9,175,367	9,175,367	8,444,120	731,247
Shuttle service	377,800	377,800	584,204	(206,404)
Other operating costs	2,928,719	2,928,719	2,928,719	-
Administrative salaries, taxes and fringe benefits	2,225,651	2,225,651	2,648,790	(423,139)
Other administrative expenses	1,081,027	1,081,027	1,228,004	(146,977)
Reimbursable depreciation	-	-	249,490	(249,490)
Total operating expenses	56,679,093	56,679,093	57,299,593	(620,500)
Operating income (loss)	(51,179,093)	(51,179,093)	(51,024,807)	154,286
Non-operating revenues (expenses)				
Government assistance				
Federal	10,485,397	10,485,397	9,433,963	(1,051,434)
Massachusetts	26,887,785	26,887,785	26,887,785	-
Member communities	9,876,792	9,876,792	9,876,792	-
Other federal and state assistance	2,928,719	2,928,719	2,928,719	-
Other assistance	633,900	633,900	620,566	(13,334)
Advertising income	230,000	230,000	245,684	15,684
Other income	311,500	311,500	611,364	299,864
Interest income	75,000	75,000	258,554	183,554
Interest expense	(250,000)	(250,000)	(425,957)	(175,957)
Total non-operating revenues (expenses)	51,179,093	51,179,093	50,437,470	(741,623)
Income (loss) before capital contributions and other items	$ -	$ -	(587,337)	$ (587,337)
Contributed capital			17,383,009	
Nonreimbursable depreciation			(18,480,218)	
Other nonreimbursable items			(587,498)	
Change in net position			(2,272,044)	
Net position, beginning			63,455,779	
Net position, ending			$ 61,183,735	

See notes to financial statements.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)
STATEMENTS OF CASH FLOWS
For the Year Ended June 30,

	2024	2023
Cash flows from operating activities:		
Receipts from customers	$ 4,858,388	$ 6,240,787
Payments for goods and services	(55,164,703)	(54,254,932)
Payments to employees	(3,805,514)	(2,645,804)
Net cash provided (used) by operating activities	(54,111,829)	(50,659,949)
Cash flows from noncapital financing activities:		
Receipts of operating grants	54,705,550	48,132,134
Proceeds from issuing revenue anticipation notes	15,500,000	14,500,000
Repayments of revenue anticipation notes	(14,500,000)	(14,500,000)
Interest paid on revenue anticipation notes	(454,232)	(64,462)
Net cash provided (used) by noncapital financing activities	55,251,318	48,067,672
Cash flows from capital and related financing activities:		
Receipts of capital grants	12,901,675	19,069,009
Payments for capital acquisitions	(14,639,608)	(17,186,284)
Payments for lease obligations	(182,809)	(191,815)
Interest paid on lease obligations	(213,936)	(221,753)
Net cash provided (used) by capital and related financing activities	(2,134,678)	1,469,157
Cash flows from investing activities:		
Distribution from investment in Holyoke Intermodal Facility, LLC	16,305	18,719
(Increase) decrease in short-term investments	(231,014)	2,019,197
Interest income	517,809	258,554
Net cash provided (used) by investing activities	303,100	2,296,470
Net increase (decrease) in cash and equivalents	(692,089)	1,173,350
Cash and cash equivalents, beginning	1,707,382	534,032
Cash and cash equivalents, ending	$ 1,015,293	$ 1,707,382
Reconciliation of operating income to net cash used by operating activities:		
Operating loss	$ (57,160,183)	$ (51,024,807)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Reimbursable depreciation	249,490	249,490
Amortization of lease related asset	255,709	278,948
Interest expense of lease related obligation	213,936	221,753
Other nonreimbursable items	-	(587,498)
Advertising and other income	710,196	856,701
Change in assets and liabilities:		
(Increase) decrease in receivables	(300,322)	(33,999)
(Increase) decrease in prepaid expenses	26,676	108,813
Increase (decrease) in accounts payable and accrued liabilities	2,697,626	(744,732)
Increase (decrease) in unearned revenue	(37,489)	(549,798)
Increase (decrease) in net pension liabilities	(26,987)	949,013
Increase (decrease) in other post employment benefits	(740,481)	(383,833)
Net cash provided (used) by operating activities	$ (54,111,829)	$ (50,659,949)
Noncash supplemental disclosures		
Capital assets purchased on behalf of the Authority by the Commonwealth	$ 2,099,360	$ -

See notes to financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Pioneer Valley Transit Authority (the Authority) operates under Massachusetts General Laws (MGL) Chapter 161B as a body politic and a corporate and political subdivision of the Commonwealth of Massachusetts. The Authority is a component unit of the Massachusetts Department of Transportation. Massachusetts provides funding to the Authority. Its members consist of the cities and towns of Agawam, Amherst, Belchertown, Chicopee, Easthampton, East Longmeadow, Granby, Hadley, Hampden, Holyoke, Leverett, Longmeadow, Ludlow, Northampton, Palmer, Pelham, South Hadley, Springfield, Sunderland, Ware, Westfield, West Springfield, Wilbraham and Williamsburg. It has a general responsibility to develop, finance and contract for the operation of mass transportation facilities within its territory. It is authorized to improve, modify, or extend existing facilities and enter into agreements with other parties, including government agencies, municipalities, authorities, private transportation companies, railroads, corporations, and other concerns, providing for construction, operation and use by such other party of any mass transportation facility or equipment of the Authority.

The Authority's activities are managed by an administrator who is appointed by an Advisory Board, which is made up of the chief elected officials or their appointees from the member communities. The Authority's operations are primarily funded through passenger fares, contractual reimbursements and operating subsidies from the federal and state government and member municipalities. In addition, the Authority receives capital grants from the federal and state government to finance acquisitions and improvements of facilities and equipment.

The operation and maintenance of the Authority's fixed route transit services is performed by private sector transportation companies (the Operators) under terms and agreements whereby the Operators provide mass transit along such routes and according to such schedules as may be defined by the Authority. The Operators are also responsible for the maintenance of the Authority's transportation property (operations and maintenance facilities, rolling stock, and other transportation equipment). In return, the Authority agrees to pay the Operators a management fee and to reimburse the Operators for all costs and expenses which are reasonable and necessary for the efficient operation and maintenance of the transit service.

The Authority provides ADA paratransit service for people with disabilities throughout the Pioneer Valley within ¾ miles of a fixed route. This service provides a shared-ride and door-to-door van transportation for individuals with disabilities that prevent them from riding the fixed route bus service.

The Authority provides door-to-door, demand responsive accessible van service to seniors over the age of 60 throughout the Pioneer Valley.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the Authority, (2) organizations for which the Authority is financially accountable and (3) other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board (GASB) statements have been considered, and no component units were identified to be included in the Authority's financial statements.

The financial statements of the Authority are incorporated into the financial statements of the Commonwealth of Massachusetts as the Authority is a component unit of the Massachusetts Department of Transportation.

NOTE 1 - (Continued)

Basis of Accounting
An enterprise fund is used to account for the Authority, which is maintained on the accrual basis of accounting.

The Authority uses proprietary fund accounting which follows all Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing transit services to the general public. The principal operating revenues consist of passenger fares for fixed route, demand response, and shuttle transit services.

Operating expenses include the cost of transit services provided by third party vendors, administrative expenses and reimbursable depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Net Position
Fund net positions are classified as follows in the Authority's financial statements:

Invested in capital assets, net of related debt
The portion of net position represented by capital assets less accumulated depreciation, less outstanding debt incurred by the Authority to buy or construct them. The Authority uses these capital assets to provide transportation services; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, the resources needed to repay this debt, if any, must be provided from other sources, since these capital assets themselves cannot be used to liquidate these liabilities.

Restricted
Amounts that can be spent only for specific purposes because of state laws, or externally imposed conditions by grantors or creditors. The Authority has a restricted reserve established for the purpose of meeting the cost of extraordinary expenses in accordance with Massachusetts General Laws, Chapter 161b, Section 6(q). At June 30, 2024 and 2023, the Authority's reserve balance was $1,975,358 and $1,927,179, respectively.

Unrestricted
All amounts not included in other classifications.

Funding and Revenue Recognition
The Authority realizes revenue from a variety of different sources including but not limited to local assessment revenue, federal and state operating and capital assistance, fare revenue, and non-fare revenue such as advertising and rental income. Revenue is recognized on the accrual basis of accounting. Revenue received in advance is reported as unearned revenue on the statement of net position.

Federal and state operating and capital assistance grants are recorded at the time eligible expenditures under the terms of the grants are incurred. Reimbursement under these grants is based on expenses incurred during the fiscal year and is subject to certain compliance regulations.

Federal Grants and Contracts
The Federal government under 49 USC Sections 5307, 5311, and other sections, provides for assistance of up to 50% of the Authority's eligible operating costs. In addition, under 49 USC Sections 5307, 5310 and 5339, the Federal government may provide 80% to 100% of the cost of capital acquisitions.

The Authority has also received Federal CARES Act and ARPA funding under Sections 5307, which cover 100% of eligible operating expenses.

NOTE 1 - (Continued)

Local Assessments
The Authority's net cost of service is funded through local assessments to member municipalities (cities and towns constituting the Authority), which may increase by no more than 2.5% annually plus the members' share of any new services.

State Contract Assistance
The Authority has a contract with the Commonwealth of Massachusetts (executed through the Massachusetts Department of Transportation), pursuant to MGL 161B, to provide operating assistance for a portion the Authority's net cost of service (operating deficit remaining after federal grants and local assessments have been applied, including payments made for debt service during the period, and excluding non-reimbursable expenses and depreciation).

Funding is determined in the Commonwealth's annual budget and is allocated between the regional transit authorities in the State based on a formula considering such factors as size and operating environment, ridership, and previous State funding levels.

Capital Grants
The Authority's capital assets are generally acquired with federal, state and local capital grants. These assets are owned by the Authority and included in property and equipment. Proceeds received from dispositions of these assets must be either refunded to the grantor agency or used to acquire new capital items. Capital grant revenues are reflected in the Statement of Revenues, Expenses and Changes in Fund Net Position as capital contributions.

Budgetary Basis of Accounting
The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administrator presents to the Advisory Board a proposed budget by April 1 each year for the fiscal year commencing the following July. The budget includes proposed expenditures and the means of financing them.

2. By June 1 each year, the budget is legally enacted by a vote of the Advisory Board.

Cash and Equivalents
For purposes of the statements of cash flows, the Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Short-term Investments
The Authority has short-term investments in the Massachusetts Municipal Depository Trust (MMDT), which is an external investment pool that is overseen by the Massachusetts State Treasurer. The fund is valued at amortized cost, which approximates fair value.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The valuation allowance has not been material to the financial statements.

Property and Equipment
Property and equipment are recorded at acquisition cost and depreciation is calculated using the straight-line method over three to forty year lives.

NOTE 1 - (Continued)

Lease Related Assets
The Authority has recorded right-to-use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences
Employees are eligible for vacation leave with pay. The number of vacation days are awarded to employees based on years of service and range from 12 days after one year of service to 20 days after nine years of service. Unused vacation leave may be accumulated and carried over to the next calendar year up to a maximum of 5 days.

Paid sick days are provided to each eligible employee for workdays missed due to illness or injury. Sick leave is accrued at the rate of 7.5 hours per month for full-time employees. Sick time for employees working less than full-time is accrued at a pro-rated rate. Employees are not eligible to receive sick time during the first three months of employment. Unused sick days may be accumulated to a maximum of 90 days. Unused sick time is not be paid upon termination.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events
Management has evaluated subsequent events through September 26, 2024, the date which the financial statements were available to be issued.

Concentration of Source of Supply of Labor
The Authority has a contract, expiring on June 30, 2025, for fixed route transportation services with the University of Massachusetts.

The Authority has a contract, expiring on September 30, 2024, for its fixed route transportation services with Springfield Area Transit Company (SATCo) and Valley Area Transit Company (VATCo), which are operated by DGR Management, Inc. The contract has been extended through September 30, 2025.

Approximately ninety-seven percent (97%) of SATCo's employees are members of the Local 448 of the Amalgamated Transit Union. SATCo's labor agreement with the Union is effective through June 30, 2027. Approximately eighty-five percent (85%) of VATCo's employees are members of the Local 1459 United Food and Commercial Workers International Union. VATCo's labor agreement with the Union is effective through December 31, 2025.

Comparative Information
Certain prior year amounts may have been reclassified to conform to the current year presentation.

NOTE 2 - DEPOSITS AND SHORT-TERM INVESTMENTS

State and local statutes place certain limitations on the nature of deposits and investments available to the Authority. Deposits, including demand deposits, money markets and certificates of deposit in any one financial institution, may not exceed certain levels unless collateralized by the financial institution involved.

NOTE 2 - (Continued)

Investments may be made in unconditionally guaranteed U.S. Government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include authorized bonds of all states, banker's acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust (MMDT).

Deposit Custodial Credit Risk
Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned. The Authority carries deposits with Berkshire Bank that are insured by FDIC insurance or collateralized. Bank deposits as of June 30, 2024, were $2,320,144, all of which were insured and collateralized.

Investment Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The Authority has $3,825,279 invested in Massachusetts Municipal Depository Trust (MMDT) cash portfolio as of June 30, 2024. MMDT is a local government investment pool, established under Massachusetts General Laws, Chapter 29, Section 38A. The Authority reports its investment in MMDT at amortized cost which approximates the net asset value of $1.00 per share. An investment in the MMDT cash portfolio is not a deposit of a bank and is neither insured nor guaranteed by the Commonwealth of Massachusetts or the U.S. government, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. MMDT has no redemption restrictions.

NOTE 3 - RECEIVABLES

Accounts receivable consisted of the following at June 30:

	2024	2023
Current receivables		
Federal		
Operating assistance	$ 2,871,732	$ 1,314,544
Capital assistance	9,685,234	3,553,096
Total - Federal	12,556,966	4,867,640
Massachusetts		
Operating assistance	574,760	61,958
Capital assistance	4,306,414	989,345
Total - Massachusetts	4,881,174	1,051,303
Member communities		
Operating assistance for current year expenditures	10,123,712	9,876,792
Operating assistance for prior year expenditures	4,595,092	4,334,638
Total - member communities	14,718,804	14,211,430
Trade receivables		
Accounts receivable	645,039	344,717
Total receivables	$ 32,801,983	$ 20,475,090

Based on management’s assessment of the outstanding receivable balances at year end, they have concluded that an allowance for uncollectible accounts was not considered necessary.

NOTE 4 - PREPAID EXPENSES

Prepaid expenses consisted of the following at June 30:

	2024	2023
Insurance	$ 5,605	$ 40,253
Fuel	107,581	131,969
Other	68,621	36,261
Total	$ 181,807	$ 208,483

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2024				
	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,965,505	$ -	$ -	$ -	$ 1,965,505
Construction in progress - facility improvement and electrification projects					
UMass facility	-	720,156	-	-	720,156
Operations and maintenance facility	-	3,070,413	-	-	3,070,413
Northampton facility	-	88,760	-	-	88,760
Holyoke facility	-	19,238	-	-	19,238
Total capital assets, not being depreciated	1,965,505	3,898,567	-	-	5,864,072
Capital assets, being depreciated:					
Buildings and improvements	121,413,798	768,215	-	-	122,182,013
Revenue vehicles	122,940,251	17,312,775	(1,513,389)	-	138,739,637
Equipment	32,399,047	2,281,600	-	-	34,680,647
Service vehicles	1,603,034	189,085	(207,587)	-	1,584,532
Total capital assets, being depreciated	278,356,130	20,551,675	(1,720,976)	-	297,186,829
Less accumulated depreciation for:					
Buildings and improvements	68,255,121	9,285,209	-	-	77,540,330
Revenue vehicles	79,072,464	6,953,314	(1,513,389)	-	84,512,389
Equipment	29,416,692	1,500,327	-	-	30,917,019
Service vehicles	1,372,472	75,033	(207,587)	-	1,239,918
Total accumulated depreciation	178,116,749	17,813,883	(1,720,976)	-	194,209,656
Total capital assets, being depreciated, net	100,239,381	2,737,792	-	-	102,977,173
Capital assets, net	$ 102,204,886	$ 6,636,359	$ -	$ -	$ 108,841,245

NOTE 5 - (Continued)

	2023				
	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,965,505	$ -	$ -	$ -	$ 1,965,505
Total capital assets, not being depreciated	1,965,505	-	-	-	1,965,505
Capital assets, being depreciated:					
Buildings and improvements	117,125,818	2,674,634	-	1,613,346	121,413,798
Revenue vehicles	108,923,606	13,344,286	(6,549,861)	7,222,220	122,940,251
Equipment	35,686,772	1,364,089	-	(4,651,814)	32,399,047
Service vehicles	1,306,621	-	-	296,413	1,603,034
Total capital assets, being depreciated	263,042,817	17,383,009	(6,549,861)	4,480,165	278,356,130
Less accumulated depreciation for:					
Buildings and improvements	58,377,197	9,165,975	-	711,949	68,255,121
Revenue vehicles	69,944,874	7,576,249	(6,549,861)	8,101,202	79,072,464
Equipment	31,828,045	1,987,484	-	(4,398,837)	29,416,692
Service vehicles	1,306,621	-	-	65,851	1,372,472
Total accumulated depreciation	161,456,737	18,729,708	(6,549,861)	4,480,165	178,116,749
Total capital assets, being depreciated, net	101,586,080	(1,346,699)	-	-	100,239,381
Capital assets, net	$ 103,551,585	$ (1,346,699)	$ -	$ -	$ 102,204,886

NOTE 6 - INVESTMENT IN HOLYOKE INTERMODAL FACILITY, LLC

On February 7, 2007 the Authority entered into a Joint Development Agreement with the City of Holyoke and Holyoke Intermodal Facility, LLC, (a limited liability company created by the real estate arm of Peter Pan Bus Lines, Inc.) for the purpose of undertaking the design and construction of the renovations to a building located at 206 Maple Street, Holyoke, Massachusetts, known as the Holyoke Multimodal Transportation Center. Holyoke Intermodal Facility, LLC is the owner of the building. The Authority has a one percent (1%) interest in the Holyoke Intermodal Facility, LLC which is accounted for under the equity method. The Authority receives, on an annual basis, ten percent of the "net operating income" of the LLC as defined in the Joint Development Agreement.

The City of Holyoke had conveyed certain property to Holyoke Intermodal Facility, LLC which included a permanent restriction on approximately 3,000 square feet of space on the ground level to be used for transit purposes only. In consideration of the extent of public funding provided to the project through the Authority, the 3,000 square feet of the ground floor was restricted for transit use and is leased back to the Authority free of charge in perpetuity. The project was completed in fiscal year 2011 at which time the Authority started leasing back a portion of the facility. In the event that the LLC should sell the property, and depending on the timing of the sale, a portion of the sales proceeds will go to the Authority as described in the Joint Development Agreement. The details of the lease agreement with the LLC are described in Note 10 of these financial statements. Investment activity consisted of the following:

	2024	2023
Investment in Holyoke Intermodal Facility, LLC, beginning	$ 3,927,987	$ 3,946,359
Gain (loss) from Holyoke Intermodal Facility, LLC	14	347
Distributions from Holyoke Intermodal Facility, LLC	(16,305)	(18,719)
Investment in Holyoke Intermodal Facility, LLC, ending	$ 3,911,696	$ 3,927,987

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable consisted of the following at June 30:

	2024	2023
Accounts payable		
Capital projects	$ 11,189,350	$ 3,478,076
General operations	5,012,462	2,785,126
Fixed route operator	2,173,943	1,694,429
Total	$ 18,375,755	$ 7,957,631

The Springfield Area Transit Company, Valley Area Transit Company and UMass Transit are the fixed route operators for the Authority. The assets and liabilities held by the fixed route operators are owned by the Authority and consist mainly of inventory, prepaid expenses, accounts payable and accrued wages and benefits. The value of these assets less liabilities held by the fixed route operators as of June 30, 2024 and 2023 was $2,173,943 and $1,694,429, respectively, and are reported as fixed route operator accounts payable in the Authority's financials statements.

NOTE 8 - NOTE PAYABLE

The Authority is subsidized by local assessments received from its member communities for its annual net cost of service. The Authority is also subsidized by the Federal and State government. The local assessments, and in some cases the federal and state subsidies, are funded subsequent to the year in which the costs are incurred. Therefore, the Authority issues revenue anticipation notes to cover cash flow deficiencies until funding is received. Revenue anticipation notes consisted of the following for the years ended June 30:

	2024	2023
4.75% Revenue anticipation note, due July 14, 2024	$ 15,500,000	$ -
4.00% Revenue anticipation note, due July 14, 2023	-	14,500,000
Total	$ 15,500,000	$ 14,500,000

Revolving Line of Credit

The Authority has a $3,000,000 revolving line of credit, due on demand with Berkshire Bank. The line of credit is secured by the Authority's assets. Interest is at the Prime Rate as published in the Wall Street Journal. The interest rate was 8.50% at June 30, 2024. The balance outstanding as of June 30, 2024 and 2023 was $-0-.

On July 12, 2024, the Authority issued an $18,400,000 revenue anticipation note maturing on July 11, 2025 at a rate of 4.50%. The Authority repaid the $15,500,000 note due July 14, 2024.

The Commonwealth is required pursuant to Section 10 of Chapter 161B of the Massachusetts General Laws to pay to the Authority amounts duly certified by the Administrator as necessary to pay the principal and interest on these notes if sufficient funds are not otherwise available; the obligation of the Commonwealth to pay such amounts to the Authority is a general obligation of the Commonwealth, and the full faith and credit of the Commonwealth is pledged to make such payments.

NOTE 9 - NET POSITION

Net position consisted of the following at June 30:

	2024			
	Invested in capital assets	Restricted Reserve	Unrestricted	Total
Net income	$ -	$ -	$ 742,745	$ 742,745
Reimbursable depreciation	(249,490)	-	249,490	-
Nonreimbursable depreciation	(17,564,393)	-	-	(17,564,393)
Contributed capital	24,450,242	-	-	24,450,242
Decrease in investment in Holyoke Intermodal Facility, LLC	(16,291)	-	16,291	-
Increase in reserve for extraordinary expenses	-	48,179	(48,179)	-
Increase (decrease) in net position	6,620,068	48,179	960,347	7,628,594
Net position, beginning	106,132,873	1,927,179	(46,876,317)	61,183,735
Net position, ending	$ 112,752,941	$ 1,975,358	$ (45,915,970)	$ 68,812,329

	2023			
	Invested in capital assets	Restricted Reserve	Unrestricted	Total
Net income	$ -	$ -	$ (587,337)	$ (587,337)
Reimbursable depreciation	(249,490)	-	249,490	-
Nonreimbursable depreciation	(18,480,218)	-	-	(18,480,218)
Contributed capital	17,383,009	-	-	17,383,009
Other changes	-	-	(587,498)	(587,498)
Decrease in investment in Holyoke Intermodal Facility, LLC	(18,372)	-	18,372	-
Increase in reserve for extraordinary expenses	-	64,978	(64,978)	-
Increase (decrease) in net position	(1,365,071)	64,978	(971,951)	(2,272,044)
Net position, beginning	107,497,944	1,862,201	(45,904,366)	63,455,779
Net position, ending	$ 106,132,873	$ 1,927,179	$ (46,876,317)	$ 61,183,735

Restricted net position

A reserve has been established by the Authority, restricted for the purpose of meeting the cost of extraordinary expenses in accordance with MGL 161B Section 6(q). At June 30, 2024, the Authority's restricted reserve balance was $1,975,358 and $1,927,179, respectively.

NOTE 10 - LEASES

The Authority, as lessee, has entered into various leases for facility space with lease terms expiring in 2042.

The Authority has adopted GASB Statement No. 87, *Leases*. In accordance with the adopted standard, the Authority, as a lessee, is required to recognize intangible right-of-use assets and corresponding lease liabilities, for all leases that meet definition of a lease under GASB 87, and that are not considered short-term.

In accordance with GASB 87, a lease is a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

The Authority determines whether a contract conveys control of the right to use the underlying asset by assessing both of the following:

- The right to obtain the present service capacity from use of the underlying asset as specified in the contract, and

- The right to determine the nature and manner of use of the underlying asset as specified in the contract.

Lease related asset and liability consists of the following:

Springfield Union Station Lease
In July 2017, the Authority entered into a 25-year agreement to lease space at the Springfield Union Station Intermodal Facility at 55 Frank B. Murray Street, Springfield, MA. The Authority has the right to renew the lease for seven consecutive ten-year terms. The leased premises consist of station building space (18 bus berths, 2,300 square feet of office space, and 1,800 square feet of waiting area space) and 10 parking spaces. There are no residual value guarantees included in the lease agreement. The initial lease related asset and liability was recorded in the amount of $6,950,464. The lease has an interest rate of 4.00%.

The Authority shall pay rent as follows:

Parking space
Base fee of $7,800 per annum, increasing 1.5% each year ($8,529 in 2024 and $8,403 in 2023).

Station building space (bus berths, office and waiting area)
Pro-rata share of operation and maintenance expenses of the bus berths, office space, and waiting area space. Every year during the lease, the Authority shall pay, as rent, their pro-rata allocation of shared services for the operation and maintenance of the station building, based on the Authority's total rentable square feet and occupied bus berths. The rent shall be paid monthly in the amounts reasonably estimated by the lessor, with an adjustment made after the close of the lease year to account for the actual operating and maintenance costs. The approximate annual rent for the station building space is $405,000. The Authority pays approximately $33,800 per month during the year with a true-up adjustment paid by (or credited to) the Authority in October. Historically, the final true-up payment due (or credit received) has been immaterial, and accordingly, is not included in the measurement of the lease liability but is expensed (or credited) in the year paid or received.

The pro-rata share of operating and maintenance costs are dependent upon the operating costs of the lessor each year, which are unknown at this time. However, the Authority has reasonably estimated the future annual rent based on presently known information and historical rent paid. As such, the Authority's estimate of future rent is included in the right-to-use lease asset and corresponding lease liability reported on the Statement of Net Position.

NOTE 10 - (Continued)

The lease related asset for the Springfield Union Station consists of the following:

	2024		
	Beginning Balance	Increases	Ending Balance
Right-to-use leased asset			
Leased facility space - Springfield Union Station	$ 6,950,464	$ -	$ 6,950,464
Less accumulated amortization	(1,673,689)	(255,702)	(1,929,391)
Right-to-use leased asset, net	$ 5,276,775	$ (255,702)	$ 5,021,073

The lease related obligation for the Springfield Union Station consists of the following:

	2024	2023
Lease liability - Springfield Union Station	$ 5,256,497	$ 5,439,297

Minimum future lease payments for the Springfield Union Station, through 2042 is as follows:

Fiscal Years Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	$ 208,025	$ 205,796	$ 413,821
2026	216,634	197,317	413,951
2027	225,595	188,489	414,084
2028	234,920	179,296	414,216
2029	244,626	169,722	414,348
2030 - 2034	1,292,842	705,209	1,998,051
2035 - 2039	1,673,088	404,484	2,077,572
2040 - 2042	1,160,767	69,935	1,230,702
Total	$ 5,256,497	$ 2,120,248	$ 7,376,745

Other Operating Lease

Holyoke Multimodal Transportation Center Lease
The Authority is leasing approximately 3,000 square feet with the right to use common areas of the Holyoke Multimodal Transportation Center building, including all driveways, parking areas and roadways serving the property. The lease commenced in September 2010 and expires on the last date of the fiftieth (50^{th}) year following the commencement date. The Authority has the option to extend the lease for separate and successive extension periods of fifty (50) lease years each. The Authority has no obligation to pay rent, it being agreed that the public funding provided for the project was in lieu of any rent owed. Notwithstanding, the Authority does have the obligation to pay for separately metered utilities and its share of common area maintenance (CAM) charges. CAM charges for the years ended June 30, 2024 and 2023 were $23,473 and $22,908, respectively. The Authority has a one-percent (1%) ownership interest in Holyoke Intermodal Facility, LLC which is disclosed in Note 6 of these financial statements.

NOTE 11 - PVTA PENSION PLAN

Plan Provisions

The Authority provides retirement benefits to employees through the Pioneer Valley Transit Authority Pension Plan (the Plan), a single-employer pension plan. This is a defined benefit pension plan that covers all employees that work at least 1,000 hours in a twelve-month consecutive period, and agree to make employee contributions. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The Plan's report can be obtained by writing to Pioneer Valley Transit Authority, 2808 Main Street, Springfield, Massachusetts 01107 or by calling (413) 732-6248.

Results of the Plan for fiscal year ended June 30, 2024 are based on liabilities developed in an actuarial valuation performed as of June 30, 2023 with a measurement date of June 30, 2023.

Results of the Plan for fiscal year ended June 30, 2023 are based on liabilities developed in an actuarial valuation performed as of June 30, 2022 with a measurement date of June 30, 2022.

Accounting Policy

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

Plan Membership

The following employees were covered by the benefit terms for the plan year ending June 30:

	2023	2022
Active employees	18	17
Inactive employees entitled to but not yet receiving benefits	31	29
Inactive employees or beneficiaries currently receiving benefits	27	27
Total	76	73

Benefits Provided

The Plan provides retirement, death and disability benefits and provides for retirement benefits of 2.50% of a member's average compensation times the number of years of service to a maximum of 32 years. Before July 1, 1999, the benefit was 2.25% of average compensation times years of service to a maximum of 35 years. The normal retirement date is the first day of the month following a participant's 65th birthday. The normal form of payment is a monthly annuity payable for life, with 120 monthly payments guaranteed. Other options are available. Early retirement is available for any member who has attained age 55 and completed 10 years of service. The amount payable to an early retiree is the member's accrued benefit at the time of early retirement, reduced by 3% per year for each of the first five years before age 65 plus 7% for each additional year. If a participant works past age 65, the benefit payable on the deferred retirement date will be the greater of (i) the actuarial equivalent of the age 65 accrued benefit or (ii) the benefit calculated using credited service as of the participant's deferred retirement date. Members of the Plan become fully vested after seven years of service. A member becomes 100% vested in their accrued retirement pension upon their 65th birthday.

Contributions

Each year, the Authority and its employees make contributions to the Plan. While there is no statutory or regulatory requirement to contribute the actuarially determined contribution, it is the intent of the Authority to contribute the amount necessary to finance the costs of benefits earned by employees each year as well as a 15-year level dollar amortization of existing net pension liability as of the valuation date.

NOTE 11 - (Continued)

Actuarial Assumptions
The total pension liability in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3% and for future periods
Salary increases:	4% annually and for future periods
Investment rate of return:	6.88%, net of pension plan investment expense, including inflation.
Pre- and post-retirement mortality:	Mortality rates were based upon the 2023 IRS Mortality Tables for small plans
Employee termination:	None assumed
Retirement age:	Age 65 or normal retirement date, if later
Pre-retirement death benefit:	Calculated using aforementioned mortality, interest and termination assumptions and on the assumption that 100% of plan members have spouses
Expenses:	Investment return is assumed to be net of plan expenses paid from the trust fund

The long term rate of return on pension plan investments for the 2023 and 2022 actuarial valuations were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	65.00%	4.50%
Fixed income	30.00%	3.00%
Cash	5.00%	1.00%
Total	100.00%	

Discount rate
The discount rate used to measure the total pension liability was 6.88% for the 2023 and 2022 actuarial valuations. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the current rate and that contributions will be made at rates at least equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

NOTE 11 - (Continued)

Changes in net pension liability – PVTA Pension Plan

	Increase (Decrease) (Plan year end June 30, 2023)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 9,218,716	$ 6,578,880	$ 2,639,836
Changes for the year:			
Service cost	241,371	-	241,371
Interest	665,620	-	665,620
Changes in benefit terms	-	-	-
Differences between actual and expected experience	(166,976)	-	(166,976)
Contributions	-	202,062	(202,062)
Net investment income	-	559,365	(559,365)
Benefit payments, including refunds of member contributions	(429,231)	(429,231)	-
Administrative expense	-	-	-
Net changes	310,784	332,196	(21,412)
Balances at June 30, 2024	$ 9,529,500	$ 6,911,076	$ 2,618,424

	Increase (Decrease) (Plan year end June 30, 2022)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$ 8,674,225	$ 7,483,379	$ 1,190,846
Changes for the year:			
Service cost	244,213	-	244,213
Interest	628,061	-	628,061
Changes in benefit terms	-	-	-
Differences between actual and expected experience	92,934	-	92,934
Contributions	-	186,274	(186,274)
Net investment income	-	(670,056)	670,056
Benefit payments, including refunds of member contributions	(420,717)	(420,717)	-
Administrative expense	-	-	-
Net changes	544,491	(904,499)	1,448,990
Balances at June 30, 2023	$ 9,218,716	$ 6,578,880	$ 2,639,836

NOTE 11 - (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability, calculated using the discount rate of 6.88%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.88%) or 1 percentage point higher (7.88%) than the current rate:

	1% Decrease (5.88%)	Current Discount (6.88%)	1% Increase (7.88%)
Plan net pension liability as of June 30, 2024			
for plan year ending June 30, 2023	$ 3,687,209	$ 2,618,424	$ 1,714,826
Plan net pension liability as of June 30, 2023			
for plan year ending June 30, 2022	$ 3,700,601	$ 2,639,836	$ 1,744,407

Pension Expense and Deferred Inflows and Outflows of Resources
For the year ended June 30, 2024, the Transit Authority recognized pension expense of $1,756,402, which includes the change in deferred outflows and inflows of resources and the accrual (pension expense was $830,032 for the year ended June 30, 2023). The Transit Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources at June 30:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 221,067	$ (120,145)	$ 274,533	$ (48,707)
Changes in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	743,999	(493,070)	1,017,260	(670,032)
Contributions subsequent to the measurement date	-	-	-	-
Total	$ 965,066	$ (613,215)	$ 1,291,793	$ (718,739)
Net deferred outflows (inflows) of resources	$ 351,851		$ 573,054	

Amounts reported as of June 30 for deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	2024	2023
2024	$ -	$ 23,688
2025	21,395	105,409
2026	(12,649)	55,032
2027	232,834	255,745
2028	(2,532)	20,377
2029	20,377	22,909
Thereafter	92,426	89,894
Total deferred outflows (inflows) of resources	$ 351,851	$ 573,054

Payable to Pension Plan
At June 30, 2024, the Authority reported a payable of $1,250,000 for outstanding contributions to the Plan ($-0- for the year ended June 30, 2023).

NOTE 12 - SATCO TRANSIT EMPLOYEE RETIREMENT PLAN (TERP)

Transit Employee Retirement Plan (TERP)

The liability for the TERP pension plan of the Authority's major transportation provider, Springfield Area Transportation Company, Inc. (SATCo) is included in the Authority's financial statements under transportation expenses and accrued expenses. The Authority is responsible for funding these expenses.

The TERP plan, which is subject to the provisions of the Employment Retirement Income Security Act (ERISA), covers only members of the Amalgamated Transit Union Local No. 448 AFL-CIO (the Union) who were plan participants as of June 30, 2008. The TERP plan, as of June 30, 2008, was frozen and employee contributions were discontinued upon adoption of the SATCo Employees Retirement Plan (SERP) (see Note 13). Prior to June 30, 2008, employees could become members of the plan on their forty-fifth day of employment.

The TERP plan provides retirement benefits in the form of an annuities payable monthly for life, commencing on the date of retirement and terminating the month prior to death. The benefit is $50.00 multiplied by the years of credited service through June 30, 2008 when the plan was frozen. Pension provisions also include death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive a reduced annual benefit. Members of the TERP plan became vested after five years of service. Retirement is available if a participant has reached the age of 55 with 10 years of service. Normal retirement is attained at age 65.

For the years ended June 30, 2024 and 2023, SATCo's pension expense for the TERP plan was $553,794 and $498,725, respectively. The funding surplus as of July 1, 2023 was $5,639,121. The funding surplus as of July 1, 2022 was $6,192,158.

The TERP Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The TERP Plan's report can be obtained by writing to Pioneer Valley Transit Authority, 2808 Main Street, Springfield, Massachusetts 01107 or by calling (413) 732-6248.

At June 30, 2024, SATCo reported a payable of $441,360 for outstanding contributions to the Plan ($357,974 for the year ended June 30, 2023).

NOTE 13 - SATCO EMPLOYEE RETIREMENT PLAN (SERP)

Plan

The liability for the SERP pension plan of the Authority's major transportation provider, Springfield Area Transportation Company, Inc. (SATCo) is included in the Authority's financial statements under transportation expenses and accrued expenses. The Authority is responsible for funding these expenses.

The SERP plan was adopted on July 1, 2008. This plan is a governmental plan within the means of Section 414(d) of the Internal Revenue Code and Sections 3(32) and 4021(b)(d) of ERISA and is exempt from funding rules under Title I of ERISA. Pioneer Valley Transit Authority is the Plan Sponsor for the SERP plan. The SERP plan is available to all employees of SATCo who were members of the Transit Employee Retirement Plan (TERP) or have completed 45 days of employment and agree to join the plan via the required member application.

The SERP Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The SERP Plan's report can be obtained by writing to Pioneer Valley Transit Authority, 2808 Main Street, Springfield, Massachusetts 01107 or by calling (413) 732-6248.

Results of the SERP Plan for fiscal year ended June 30, 2024 are based on liabilities developed in an actuarial valuation performed as of June 30, 2023 with a measurement date of June 30, 2023.

Results of the SERP Plan for fiscal year ended June 30, 2023 are based on liabilities developed in an actuarial valuation performed as of June 30, 2022 with a measurement date of June 30, 2022.

NOTE 13 - (Continued)

Salary Reduction Agreement
As the Transit Employee Retirement Plan (TERP) had been frozen, and it was determined that employee contributions could not be made directly to a frozen plan, a general funding plan was adopted to fund both the TERP and the SERP. In order to provide for approximately the same total contribution amount to both plans and to maintain funding amount flexibility as needed between the two plans, it was agreed that a unified wage reduction plan be established. Under the agreement, SATCo uses the entire proceeds of the salary reduction program to fund the pension plans. Additionally, SATCo makes contributions into the plans based upon actuarially determined amounts.

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

Plan Membership
The following employees were covered by the benefit terms for the plan year ending June 30:

	2023	2022
Active employees	226	236
Inactive employees entitled to but not yet receiving benefits	30	23
Inactive employees or beneficiaries currently receiving benefits	95	94
Total	351	353

Benefits Provided
The SERP Plan provides retirement, death and disability benefits. The normal retirement date is the first day of the month following a participant's 65th birthday. The normal retirement benefit is a monthly benefit of $42.57 multiplied by years of credited service. Credited service is elapsed time from date of hire to termination of service date. Credited service for benefit purposes only considers service on or after July 1, 2008. The normal form of payment is a monthly annuity payable for life. Vesting is 0% for fewer than 5 years of service and is 100% for 5 or more years of service.

Early retirement is available for any participant who has attained age 55 and completed 10 years of service, 85 "points" or 30 years of service regardless of age. Unreduced early retirement is available to anyone with 85 points or 30 years of service at retirement. Otherwise, the amount payable to an early retiree is the participant's accrued benefit at the time of early retirement, reduced by 4% per year for each of the first five years before age 65 plus 5% for each additional year. If a participant works past age 65, the benefit payable on the deferred retirement date will be the greater of (i) the actuarial equivalent of the age 65 accrued benefit or (ii) the benefit calculated using credited service as of the participants deferred retirement date.

In the event of death of a participant prior to their retirement, the surviving spouse will receive the amount that would have been paid had the participant retired early and elected the 100% joint and survivor benefit. In the event a participant incurs, prior to their normal retirement date, a disability as defined in the plan agreement, they shall be entitled to a fully vested interest in their accrued pension as of the date of disability.

Contributions
Each year SATCo and its employees make contributions to the Plan. While there is no statutory or regulatory requirement to contribute the actuarially determined contribution, it is the intent of SATCo to contribute the amount necessary to meet benefit obligations when due.

NOTE 13 - (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50% and for future periods
Salary increases:	N/A
Investment rate of return:	6.27%, net of pension plan investment expense, including inflation
Cost of living adjustment:	None
Pre- and post-retirement mortality:	Mortality rates were based upon the 2023 IRS Mortality Tables for small plans
Retirement age:	Age 65 or normal retirement date, if later
Pre-retirement death benefit	Calculated using aforementioned mortality, interest and termination assumptions and on the assumption that 100% of plan members have spouses
Expenses:	Investment return is assumed to be net of plan expenses paid from the trust fund

The long term rate of return on pension plan investments for the 2023 and 2022 actuarial valuations were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	59.00%	4.50%
Fixed income	35.00%	3.00%
Cash	6.00%	1.00%
Total	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 6.27% for the 2023 and 2022 actuarial valuations. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the current rate and that contributions will be made at rates at least equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

NOTE 13 - (Continued)

Changes in net pension liability – SATCo SERP

	Increase (Decrease) (Plan year end June 30, 2023)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	$ 13,725,558	$ 11,847,165	$ 1,878,393
Changes for the year:			
Service cost	593,752	-	593,752
Interest	909,270	-	909,270
Changes in benefit terms	-	-	-
Changes in assumptions	47,367	-	47,367
Differences between actual and expected experience	497,761	-	497,761
Contributions	-	1,427,322	(1,427,322)
Net investment income	-	1,069,824	(1,069,824)
Benefit payments, including refunds of member contributions	(365,210)	(365,210)	-
Administrative expense	-	(82,977)	82,977
Net changes	1,682,940	2,048,959	(366,019)
Balances at June 30, 2024	$ 15,408,498	$ 13,896,124	$ 1,512,374

	Increase (Decrease) (Plan year end June 30, 2022)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	$ 12,769,059	$ 13,197,277	$ (428,218)
Changes for the year:			
Service cost	463,547	-	463,547
Interest	840,842	-	840,842
Changes in benefit terms	-	-	-
Changes in assumptions	50,228	-	50,228
Differences between actual and expected experience	(42,215)	-	(42,215)
Contributions	-	330,497	(330,497)
Net investment income (loss)	-	(1,239,507)	1,239,507
Benefit payments, including refunds of member contributions	(355,903)	(355,903)	-
Administrative expense	-	(85,199)	85,199
Net changes	956,499	(1,350,112)	2,306,611
Balances at June 30, 2023	$ 13,725,558	$ 11,847,165	$ 1,878,393

NOTE 13 - (Continued)

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

The following presents the net pension liability, calculated using the discount rate of 6.27%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.27%) or 1 percentage point higher (7.27%) than the current rate:

	1% Decrease (5.27%)	Current Discount (6.27%)	1% Increase (7.27%)
Plan net pension liability (asset) as of June 30, 2024			
for plan year ending June 30, 2023	$ 3,448,712	$ 1,512,374	$ (109,994)
Plan net pension liability (asset) as of June 30, 2023			
for plan year ending June 30, 2022	$ 3,601,509	$ 1,878,393	$ 437,307

Pension Expense and Deferred Inflows and Outflows of Resources

For the year ended June 30, 2024, the Transit Authority recognized pension expense of $1,416,232, which includes the change in deferred inflows and outflows of resources (pension expense was $2,551,624 for the year ended June 30, 2023). The Transit Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources at June 30:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,205,108	$ (35,493)	$ 1,122,822	$ (44,668)
Changes in assumptions	74,356	(9,820)	42,542	(13,487)
Net difference between projected and actual earnings on pension plan investments	1,277,487	(900,177)	1,729,573	(1,086,080)
Contributions subsequent to the measurement date	-	-	-	-
Total	$ 2,556,951	$ (945,490)	$ 2,894,937	$ (1,144,235)
Net deferred outflows (inflows) of resources	$ 1,611,461		$ 1,750,702	

Amounts reported as of June 30 for deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	2024	2023
2024	$ -	$ 356,784
2025	449,425	418,151
2026	338,998	307,724
2027	646,067	614,793
2028	83,867	53,250
2029	93,104	-
Total deferred outflows (inflows) of resources	$ 1,611,461	$ 1,750,702

Payable to Pension Plan

At June 30, 2024, SATCo reported a payable of $1,029,840 for the outstanding amount of contributions to the plan ($1,193,246 for the year ended June 30, 2023).

NOTE 14 - SATCO TRANSIT MANAGEMENT PENSION PLAN (TMP)

Transit Management Pension Plan (TMP)

The TMP plan is subject to the provisions of ERISA and covers SATCo's nonunion employees who are not covered under the SERP and TERP plans. Eligible participants must work at least 1,000 hours in a twelve-month consecutive period and contribute 4% of their annual compensation into the plan.

The TMP plan provides for benefits in the form of an annuity payable for life, with 120 minimum monthly payments guaranteed. The benefit is 2.25% of the average compensation, calculated using the average of the participants' five highest paid consecutive years of service prior to retirement, termination or disability, multiplied by the number of years of service up to 35 years. Pension provisions also include death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive a reduced annual benefit.

Members of the TMP plan become fully vested after seven years of service. Retirement is available for participants who have reached the age of 55 with 10 years of service. Normal retirement is attained at age 65.

At June 30, 2024, there were 33 plan participants; 17 active members, 11 retirees and beneficiaries, and 5 terminated vested members.

For the years ended June 30, 2024 and 2023, SATCo's pension expense for the TMP plan was $224,558 and $203,636, respectively, and the funding surplus was $236,739 and $225,830, respectively.

The TMP plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report can be obtained by writing to Pioneer Valley Transit Authority, 2808 Main Street, Springfield, Massachusetts 01107 or by calling (413) 732-6248.

Annual Pension Cost and Net Pension Asset – Transit Management Pension Plan

SATCo's annual pension cost and net pension obligation for the TMP plan for the years ended June 30, were as follows:

	2024	2023
Net pension liability (asset) at beginning of year	$ (225,830)	$ (708,200)
Contributions made	224,558	203,636
Other adjustments and assumption changes	213,649	686,006
Net pension liability (asset) at end of year	$ (236,739)	$ (225,830)

	2024	2023
Actuarial value of assets	$ 4,836,370	$ 4,482,479
Actuarial accrued liability	4,599,631	4,256,649
Funding surplus (shortfall)	$ 236,739	$ 225,830

NOTE 14 - (Continued)

Funding Policy and Actuarial Assumptions
The Plan requires members to contribute 4% of their payroll, and requires the Authority to contribute an amount equal to approximately 10% of the total member payroll. The actuarial method and assumptions for the plan are as follows:

Valuation date:	July 1, 2023
Actuarial cost method:	Traditional unit credit cost method
Amortization method:	Level dollar
Asset valuation method:	Market value
Investment rate of return:	5.41% (5.57% at July 1, 2022)

Payable to Pension Plan
At June 30, 2024, SATCo reported a payable of $-0- for the outstanding amount of contributions to the pension plan ($-0- for the year ended June 30, 2023).

Additional pension disclosures required by generally accepted accounting principles were not available for presentation for the TMP plan, but management of the Authority feels this information would not have a material effect on the financial statements.

NOTE 15 - PVTA OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits Provided
The Pioneer Valley Transit Authority Retiree Welfare Plan (the Plan) is a single-employer defined benefit plan which provides for medical and dental insurance benefits to eligible retirees and their spouses. Employees hired before April 2, 2012 become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service (age 60 with 10 years of service for those hired on or after April 2, 2012). The plan is a cost-sharing plan with employees paying 20% of medical and dental premiums in retirement.

The Authority does not issue separate financial statements on this plan.

Accounting Policy
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Plan Membership
The following employees were covered by the benefit terms for the plan year ending June 30:

	2024	2023
Active employees	23	23
Inactive employees or beneficiaries currently receiving benefits	10	10
Total	33	33

NOTE 15 - (Continued)

Contributions

The Authority has established a Qualified OPEB Trust (the Trust) with the intention that it qualifies as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code and Regulations issued thereunder and as a trust for OPEB in accordance with MGL Chapter 32B, Section 20.

The Trust was created for the sole purpose of providing funding for OPEB, as determined by the Authority, or as may be required by collective bargaining agreement, or by any general or special law providing for such benefits, for the exclusive benefit of the retired employees and their eligible dependents and for defraying the reasonable administrative, legal, actuarial and other expenses of the Trust. The assets held in the Trust shall not be used for or diverted to any other purpose, except as described in the Trust. The Trust is irrevocable and no trust funds shall revert to the Authority until all benefits owed to the retired employees have been satisfied or released. In addition, the assets are legally protected from creditors of the Authority and the Plan administrator.

The Authority shall have no obligation to make contributions to the Trust to fund OPEB, and the size of the Trust may not be sufficient at any one time to meet the OPEB liabilities. The fair market value of the Trust assets as of June 30, 2024 is $696 ($632 at June 30, 2023).

Actuarial Methods and Assumptions

Results of the Plan for the fiscal year ended on June 30, 2024 are based on liabilities developed in an actuarial valuation performed as of July 1, 2022 with a measurement date of June 30, 2024.

Results of the Plan for the fiscal year ended on June 30, 2023 are based on liabilities developed in an actuarial valuation performed as of July 1, 2021 with a measurement date of June 30, 2023.

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

Actuarial cost method:	Individual entry age normal
Inflation:	2.50% and for future periods
Salary increases:	3% annually and for future periods
Discount rate:	4.21% per annum for 2024 (4.13% for 2023)
Municipal bond rate:	4.21% as of June 30, 2024 (4.13% as of June 30, 2023). Source is the S&P Municipal Bond 20-Year High Grade Index
Participation rate:	Assumed that 80% of employees eligible to receive retirement benefits would enroll in the Plan
Pre- and post-retirement mortality:	Mortality rates were based upon the RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Healthcare trend rate:	Assumed 5.00% increase in healthcare costs for 2024 (4.50% for 2023)

NOTE 15 - (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	$ 5,048,617	$ 632	$ 5,047,985
Changes for the year:			
Service cost	249,203	-	249,203
Interest	216,380	-	216,380
Changes in benefit terms	-	-	-
Changes in assumptions	(61,144)	-	(61,144)
Differences between actual and expected experience	-	-	-
Net investment income	-	64	(64)
Employer contributions - premiums	-	118,410	(118,410)
Benefit payments - premiums	-	(118,410)	118,410
Benefit payments including implicit cost	(118,410)	-	(118,410)
Administrative expense	-	-	-
Net changes	286,029	64	285,965
Balances at June 30, 2024	$ 5,334,646	$ 696	$ 5,333,950

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$ 5,762,137	$ 560	$ 5,761,577
Changes for the year:			
Service cost	230,108	-	230,108
Interest	242,112	-	242,112
Changes in benefit terms	-	-	-
Changes in assumptions	206,524	-	206,524
Differences between actual and expected experience	(1,245,513)	-	(1,245,513)
Net investment income	-	72	(72)
Employer contributions - premiums	-	146,751	(146,751)
Benefit payments - premiums	-	(146,751)	146,751
Benefit payments including implicit cost	(146,751)	-	(146,751)
Administrative expense	-	-	-
Net changes	(713,520)	72	(713,592)
Balances at June 30, 2023	$ 5,048,617	$ 632	$ 5,047,985

NOTE 15 - (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates
The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount and healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rates:

	Discount Rate		
	1% Decrease (3.21%)	Current (4.21%)	1% Increase (5.21%)
Net OPEB liability as of June 30, 2024	$ 5,379,676	$ 5,333,950	$ 4,516,112
	1% Decrease (3.13%)	Current (4.13%)	1% Increase (5.13%)
Net OPEB liability as of June 30, 2023	$ 6,043,031	$ 5,047,985	$ 4,270,159

	Healthcare Cost Trend Rate		
	1% Decrease (4.00%)	Current (5.00%)	1% Increase (6.00%)
Net OPEB liability as of June 30, 2024	$ 4,425,780	$ 5,333,950	$ 6,526,006
	1% Decrease (3.50%)	Current (4.50%)	1% Increase (5.50%)
Net OPEB liability as of June 30, 2023	$ 4,183,916	$ 5,047,985	$ 6,183,170

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended June 30, 2024, the Authority recognized OPEB expense (recovery) of $22,282, which includes the change in deferred outflows and inflows of resources (OPEB expense (recovery) was $(30,788) for the year ended June 30, 2023). At June 30, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,014,345)	$ -	$ (1,294,578)
Changes in assumptions	794,197	(1,207,479)	1,049,332	(1,446,071)
Net difference between projected and actual earnings on OPEB plan investments	-	(54)	-	(47)
Total	$ 794,197	$ (2,221,878)	$ 1,049,332	$ (2,740,696)
Net deferred outflows (inflows) of resources		$ (1,427,681)		$ (1,691,364)

NOTE 15 - (Continued)

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

Year ended June 30:	2024	2023
2024	$ -	$ (314,330)
2025	(324,860)	(314,331)
2026	(324,836)	(314,307)
2027	(324,857)	(314,328)
2028	(444,599)	(434,068)
2029	(8,529)	-
Total deferred outflows (inflows) of resources	$ (1,427,681)	$ (1,691,364)

Payable to the OPEB Plan
At June 30, 2024, the Authority reported a payable of $-0- for outstanding contributions to the Plan ($-0- for the year ended June 30, 2023).

NOTE 16 - SATCO OTHER POSTEMPLOYMENT BENEFITS

The liability for other postemployment benefits of the Authority's major transportation provider, Springfield Area Transit Company, Inc. (SATCo) is included in the Authority's financial statements under transportation expense and long-term accrued expenses. The Authority is responsible for funding these expenses.

Plan Description and Benefits Provided
The Springfield Area Transportation Company Other Postemployment Benefits Plan (the Plan) is a single-employer defined benefit plan which provides for medical, dental and life insurance benefits to eligible retirees and their spouses. An employee becomes eligible to retire under this plan upon attainment of age 55 with 10 years of service or with 20 years of service regardless of age. For employees hired prior to July 1, 1990, an employee shall become eligible to retire under this plan upon the attainment of age 55 as an active member and completion of 10 years of service. Retirees will pay 25% of premiums for non-Medicare integrated plans and 0% for Medicare integrated plans. Retirees pay 100% of premiums for dental insurance. The employer will pay 100% of life insurance premiums.

Springfield Area Transportation Company, Inc. does not issue separate financial statements on this plan.

Accounting Policy
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Plan Membership
The following employees were covered by the benefit terms for the plan year ending June 30:

	2024	2023
Active employees	261	255
Inactive employees or beneficiaries currently receiving benefits	127	127
Total	388	382

NOTE 16 - (Continued)

Contributions

In fiscal year 2018, the Authority established a Qualified OPEB Trust (the Trust) for the benefit of SATCO's OPEB Plan with the intention that it qualifies as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code and Regulations issued thereunder and as a trust for OPEB in accordance with MGL Chapter 32B, Section 20.

The Trust was created for the sole purpose of providing funding for OPEB, as determined by the Authority, or as may be required by collective bargaining agreement, or by any general or special law providing for such benefits, for the exclusive benefit of the retired employees and their eligible dependents and for defraying the reasonable administrative, legal, actuarial and other expenses of the Trust. The assets held in the Trust shall not be used for or diverted to any other purpose, except as described in the Trust. The Trust is irrevocable and no trust funds shall revert to the Authority until all benefits owed to the retired employees have been satisfied or released. In addition, the assets are legally protected from creditors of the Authority, SATCo, and the Plan administrator.

The Authority and SATCo shall have no obligation to make contributions to the Trust to fund OPEB, and the size of the Trust may not be sufficient at any one time to meet the OPEB liabilities. The fair market value of the trust assets as of June 30, 2024 is $696,514 ($645,033 as of June 30, 2023).

Payable to OPEB Plan

At June 30, 2024, SATCo reported a payable of $-0- for outstanding contributions to the Plan ($-0- for the year ended June 30, 2023).

Actuarial Methods and Assumptions

Results of the Plan for the fiscal year ended on June 30, 2024 are based on liabilities developed in an actuarial valuation performed as of July 1, 2023 with a measurement date of June 30, 2024.

Results of the Plan for the fiscal year ended on June 30, 2023 are based on liabilities developed in an actuarial valuation performed as of July 1, 2021 with a measurement date of June 30, 2023.

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

Actuarial cost method:	Individual entry age normal
Inflation:	2.50% and for future periods
Salary increases:	3% annually and for future periods
Discount rate:	4.72% for 2024 (4.30% for 2023)
Investment rate of return:	4.21%, net of OPEB plan investment expense (4.13% for 2023)
Municipal bond rate:	4.21% as of June 30, 2023 (4.13% as of June 30, 2023)
Pre- and post-retirement mortality:	Mortality rates were based upon the RP-2014 Blue Collar Employee Mortality Tables for males and females
Healthcare trend:	Assumed healthcare trend rate of 4.50%
Participation rate:	Assumed that 100% of employees eligible to received retirement benefits would enroll in the plan

NOTE 16 - (Continued)

Changes in net OPEB liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	$ 35,743,245	$ 645,033	$ 35,098,212
Changes for the year:			
Service cost	1,172,870	-	1,172,870
Interest	1,568,080	-	1,568,080
Changes in benefit terms	-	-	-
Changes in assumptions	(1,774,209)	-	(1,774,209)
Differences between actual and expected experience	(5,736,351)	-	(5,736,351)
Net investment income	-	51,481	(51,481)
Employer contributions - premiums	-	907,850	(907,850)
Benefit payments - premiums	-	(907,850)	907,850
Benefit payments including implicit cost	(907,850)	-	(907,850)
Administrative expense	-	-	-
Net changes	(5,677,460)	51,481	(5,728,941)
Balances at June 30, 2024	$ 30,065,785	$ 696,514	$ 29,369,271

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$ 33,976,118	$ 592,850	$ 33,383,268
Changes for the year:			
Service cost	1,089,988	-	1,089,988
Interest	1,490,539	-	1,490,539
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	-	-	-
Net investment income	-	52,183	(52,183)
Employer contributions - premiums	-	813,400	(813,400)
Benefit payments - premiums	-	(813,400)	813,400
Benefit payments including implicit cost	(813,400)	-	(813,400)
Administrative expense	-	-	-
Net changes	1,767,127	52,183	1,714,944
Balances at June 30, 2023	$ 35,743,245	$ 645,033	$ 35,098,212

NOTE 16 - (Continued)

Discount rate

The discount rate used to measure the total OPEB liability was 4.72% as of June 30, 2024 and 4.30% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Authority's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20-Year High Grade Index ("SAPIHG"), which was 4.21% as of June 30, 2024. The S&P Municipal Bond 20-Year High Grade Index is the index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

Long-term rate of return

The long term rate of return on OPEB plan investments for the 2024 actuarial valuation was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	57.25%	4.10%
Domestic fixed income	41.25%	1.05%
Cash	1.50%	0.00%
Total	100.00%	

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount and healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rates:

	Discount Rate		
	1% Decrease (3.72%)	Current (4.72%)	1% Increase (5.72%)
Net OPEB liability as of June 30, 2024	$ 34,267,300	$ 29,369,271	$ 25,418,584
	1% Decrease (3.30%)	Current (4.30%)	1% Increase (5.30%)
Net OPEB liability as of June 30, 2023	$ 41,469,763	$ 35,098,212	$ 30,001,052

NOTE 16 - (Continued)

	Healthcare Cost Trend Rate		
	1% Decrease (5.50%)	Current (6.50%)	1% Increase (7.50%)
Net OPEB liability as of June 30, 2024	$ 24,906,579	$ 29,369,271	$ 35,081,751

	1% Decrease (5.50%)	Current (6.50%)	1% Increase (7.50%)
Net OPEB liability as of June 30, 2023	$ 29,421,938	$ 35,098,212	$ 42,401,045

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Authority recognized OPEB expense (recovery) of $(762,763), which includes the change in deferred outflows and deferred inflows of resources (recovery of $353,045 for the year ended June 30, 2023). At June 30, the Authority reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (5,830,859)	$ -	$ (2,774,199)
Changes in assumptions	1,396,369	(1,506,242)	2,641,132	(855,823)
Net difference between projected and actual earnings on OPEB plan investments	-	(10,916)	3,420	-
Total	$ 1,396,369	$ (7,348,017)	$ 2,644,552	$ (3,630,022)
Net deferred outflows (inflows) of resources		$ (5,951,648)		$ (985,470)

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

Year ended June 30:	2024	2023
2024	$ -	$ (1,150,406)
2025	(801,166)	611,727
2026	(1,721,540)	(308,647)
2027	(1,551,037)	(138,144)
2028	(1,412,895)	-
2029	(465,010)	-
Total deferred outflows (inflows) of resources	$ (5,951,648)	$ (985,470)

NOTE 17 - COMMITMENTS AND CONTINGENT LIABILITIES

Fiscal year 2025 budget
For the fiscal year 2025, the Authority has an operating budget of $60,950,161 which excludes depreciation expense. This budget includes grant-matching expenditures, which the Authority is required to meet as its share of Federal and State programs.

Federal and State funding
Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. As of the date of the financial statements, the Authority is not aware of any expenditure that may be disallowed by a grantor.

Risk management
The Authority is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, natural disasters, and workers compensation claims for which the Authority carries commercial insurance.

Litigation and self-insurance
In the normal course of operations, the Authority has been named in various claims and litigation. Based upon information available to counsel and the Authority, management believes that the ultimate outcome from these claims and litigations will not have a material adverse effect on the Authority's financial position

The Authority is self-insured for property damage and personal injury related to operations to a maximum amount of $1,000,000 per incident. An excess liability, up to a maximum of $5 million of losses per policy year, is covered by comprehensive insurance policies. It is the policy of the Authority to record a liability for reported claims as well as claims incurred and not yet reported based on a review of specific claims and incidents. Insurance claims have not exceeded insurance coverage in the past three years. At June 30, 2024 and 2023, the Authority's insurance claims reserve is $2,500,000 for the self-insured portion of the risks associated with property damage and personal injury. A summary of the activity in the claims liability account during the years ended June 30 are as follows:

	2024	2023
Insurance claims reserve, beginning	$ 2,500,000	$ 2,500,000
Increase in reserve for claims provisions	161,616	135,632
Claims paid	(161,616)	(135,632)
Insurance claims reserve, ending	$ 2,500,000	$ 2,500,000

NOTE 18 - ECONOMIC DEPENDENCE

The Authority receives operating assistance from the federal government and Commonwealth of Massachusetts, as well as assessments charged to local member communities of the Authority.

Federal and state operating assistance totaled approximately 73% of the total fiscal year 2024 revenues (69% in 2023).

Member community local assessments totaled approximately 16% of the total fiscal year 2024 revenues (17% in 2023).

The Federal and State government pay for approximately all of the Authority's capital acquisitions each year.

NOTE 19 - FEDERAL CARES ACT AND OTHER COVID-RELATED FUNDING

The Authority was awarded federal operating assistance under the Coronavirus Aid Relief and Economic Security (CARES) Act through an existing federal program 49 USC Section 5307. The funding is to cover eligible operating expenses and other costs, net of fare revenue, incurred as part of the Authority's response to COVID-19 beginning on or after January 20, 2020. Per the CARES Act and the awarding contract, the funding covers 100% of eligible expenses and does not require state or local matches.

The following contract was awarded to the Authority:

	Performance Period	Total Contract Amount	Funds Spent through Fiscal Year 2023	Funds Spent in Fiscal Year 2024	Remaining Contract Amount
Federal CARES Act Funding					
Federal Section 5307	1/20/2020 until spent	$ 36,615,416	$ 15,950,679	$ 2,425,628	$ 18,239,109

NOTE 20 - IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

Current Year Implementation

The GASB issued Statement No. 99, *Omnibus 2022*, for implementation in fiscal year 2023 and 2024. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The adoption of this statement had no material impact on the Authority's financial reporting, other than enhancing certain note disclosures.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, for implementation in fiscal year 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement had no impact on the Authority's financial reporting.

Future Year Implementation

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority is evaluating the effect of this statement on its financial reporting.

The GASB issued Statement No. 102, *Certain Risk Disclosures*, for implementation in fiscal year 2025. The objective of this statement is to identify potential risks in governmental environments and develop disclosure requirements associated with information about risks related to a government's vulnerabilities due to certain concentrations or constraints. As a result of this statement, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The Authority is evaluating the effect of this statement on its financial reporting.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

(see also Note 11)
Plan Year End June 30,

Total pension liability	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service cost	$ 241,371	$ 244,213	$ 218,816	$ 174,453	$ 234,749	$ 399,036	$ 237,541	$ 218,696	$ 199,780	$ 226,520
Interest	665,620	628,061	604,319	594,104	574,663	528,550	458,403	426,044	405,613	360,702
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(166,976)	92,934	(115,171)	(265,360)	(145,773)	238,470	447,146	101,296	(70,204)	398,081
Changes of assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payment, including refunds of employee contributions	(429,231)	(420,717)	(399,085)	(399,085)	(346,878)	(336,643)	(302,220)	(297,102)	(270,461)	(294,010)
Net change in total pension liability	310,784	544,491	308,879	104,112	316,761	829,413	840,870	448,934	264,728	691,293
Total pension liability, beginning	9,218,716	8,674,225	8,365,346	8,261,234	7,944,473	7,115,060	6,274,190	5,825,256	5,560,528	4,869,235
Total pension liability, ending (a)	$ 9,529,500	$ 9,218,716	$ 8,674,225	$ 8,365,346	$ 8,261,234	$ 7,944,473	$ 7,115,060	$ 6,274,190	$ 5,825,256	$ 5,560,528
Plan fiduciary net position										
Contributions	$ 202,062	$ 186,274	$ 197,873	$ 710,158	$ 676,663	$ 231,081	$ 415,512	$ 433,624	$ 206,264	$ 187,474
Net investment income	559,365	(670,056)	1,427,157	215,527	632,125	310,301	364,336	259,833	144,609	469,701
Benefit payments, including refunds of employee contributions	(429,231)	(420,717)	(399,085)	(399,085)	(346,878)	(336,643)	(302,220)	(297,102)	(270,461)	(294,010)
Administrative expense	-	-	-	-	-	-	(40)	(14,305)	-	-
Net change in plan fiduciary net position	332,196	(904,499)	1,225,945	526,600	961,910	204,739	477,588	382,050	80,412	363,165
Plan fiduciary net position, beginning	6,578,880	7,483,379	6,257,434	5,730,834	4,768,924	4,564,185	4,086,597	3,704,547	3,624,135	3,260,970
Plan fiduciary net position, ending (b)	$ 6,911,076	$ 6,578,880	$ 7,483,379	$ 6,257,434	$ 5,730,834	$ 4,768,924	$ 4,564,185	$ 4,086,597	$ 3,704,547	$ 3,624,135
Net pension liability (a) - (b)	$ 2,618,424	$ 2,639,836	$ 1,190,846	$ 2,107,912	$ 2,530,400	$ 3,175,549	$ 2,550,875	$ 2,187,593	$ 2,120,709	$ 1,936,393
Plan fiduciary net position as a percentage of the total pension liability	72.52%	71.36%	86.27%	74.80%	69.37%	60.03%	64.15%	65.13%	63.59%	65.18%
Covered employee payroll	$ 1,357,938	$ 1,310,769	$ 1,277,270	$ 1,277,270	$ 1,277,270	$ 1,528,975	$ 1,529,167	$ 1,223,784	$ 1,223,784	$ 1,169,373
Net pension liability as a percentage of covered employee payroll	192.82%	201.40%	93.23%	165.03%	198.11%	207.69%	166.81%	178.76%	173.29%	165.59%

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

(see also Note 13)
Plan Year End June 30,

Total pension liability	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service cost	$ 593,752	$ 463,547	$ 500,646	$ 405,985	$ 404,377	$ 408,631	$ 399,561	$ 365,630	$ 327,274	$ 290,750
Interest	909,270	840,842	708,305	648,403	594,567	527,876	448,386	399,919	351,881	317,682
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	497,761	(42,215)	1,268,422	(17,058)	38,305	434,823	461,424	41,217	96,577	(63,258)
Changes of assumptions	47,367	50,228	(9,309)	(13,691)	-	-	-	-	-	-
Benefit payment, including refunds of employee contributions	(365,210)	(355,903)	(330,056)	(218,642)	(193,026)	(266,628)	(122,646)	(86,013)	(60,634)	(44,384)
Net change in total pension liability	1,682,940	956,499	2,138,008	804,997	844,223	1,104,702	1,186,725	720,753	715,098	500,790
Total pension liability, beginning	13,725,558	12,769,059	10,631,051	9,826,054	8,981,831	7,877,129	6,690,404	5,969,651	5,254,553	4,753,763
Total pension liability, ending (a)	$ 15,408,498	$ 13,725,558	$ 12,769,059	$ 10,631,051	$ 9,826,054	$ 8,981,831	$ 7,877,129	$ 6,690,404	$ 5,969,651	$ 5,254,553
Plan fiduciary net position										
Contributions	$ 1,427,322	$ 330,497	$ 1,187,785	$ 940,000	$ 910,398	$ 1,150,000	$ 1,168,595	$ 1,800,000	$ 620,000	$ 470,000
Net investment income	1,069,824	(1,239,507)	2,315,863	391,852	944,844	439,395	407,457	233,325	44,799	211,580
Benefit payments, including refunds of employee contributions	(365,210)	(355,903)	(330,056)	(218,642)	(193,026)	(266,628)	(122,646)	(86,013)	(60,634)	(44,384)
Administrative expense	(82,977)	(85,199)	(85,199)	(67,848)	(42,714)	(50,575)	(41,841)	(27,871)	(18,764)	(13,093)
Net change in plan fiduciary net position	2,048,959	(1,350,112)	3,088,393	1,045,362	1,619,502	1,272,192	1,411,565	1,919,441	585,401	624,103
Plan fiduciary net position, beginning	11,847,165	13,197,277	10,108,884	9,063,522	7,444,020	6,171,828	4,760,263	2,840,822	2,255,421	1,631,318
Plan fiduciary net position, ending (b)	$ 13,896,124	$ 11,847,165	$ 13,197,277	$ 10,108,884	$ 9,063,522	$ 7,444,020	$ 6,171,828	$ 4,760,263	$ 2,840,822	$ 2,255,421
Net pension liability (a) - (b)	$ 1,512,374	$ 1,878,393	$ (428,218)	$ 522,167	$ 762,532	$ 1,537,811	$ 1,705,301	$ 1,930,141	$ 3,128,829	$ 2,999,132
Plan fiduciary net position as a percentage of the total pension liability	90.18%	86.31%	103.35%	95.09%	92.24%	82.88%	78.35%	71.15%	47.59%	42.92%
Covered employee payroll	$ 15,113,935	$ 16,271,274	$ 16,542,216	$ 15,973,184	$ 15,901,029	$ 15,301,015	$ 14,477,280	$ 14,742,434	$ 14,042,201	$ 12,774,455
Net pension liability as a percentage of covered employee payroll	10.01%	11.54%	-2.59%	3.27%	4.80%	10.05%	11.78%	13.09%	22.28%	23.48%

See independent auditors' report.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

SCHEDULE OF PENSION CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

	PVTA Pension Plan (see also Note 11) Plan Year End June 30,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Actuarially determined contribution	$ 508,319	$ 513,344	$ 340,222	$ 389,354	$ 492,723	$ 722,782	$ 497,602	$ 441,721	$ 415,986	$ 423,935
Contributions in relation to the actuarially determined contribution	202,062	186,274	197,873	710,158	676,663	231,081	415,512	433,624	206,264	187,474
Contribution deficiency (excess)	$ 306,257	$ 327,070	$ 142,349	$ (320,804)	$ (183,940)	$ 491,701	$ 82,090	$ 8,097	$ 209,722	$ 236,461
Covered employee payroll	$ 1,357,938	$ 1,310,769	$ 1,277,270	$ 1,277,270	$ 1,277,270	$ 1,528,975	$ 1,529,167	$ 1,223,784	$ 1,223,784	$ 1,169,373
Contribution as a percentage of covered employee payroll	14.88%	14.21%	15.49%	55.60%	52.98%	15.11%	27.17%	35.43%	16.85%	16.03%

Notes to Schedules for PVTA Pension Plan

Valuation date:
Actuarially determined contribution rates are calculated as of June 30, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	15 year level dollar of the existing net pension liability as of the valuation date
Remaining amortization period	15 years. Fresh start method with amortization remaining unfunded amortized each year.
Asset valuation method	Market value of assets as of the measurement date
Inflation:	3% and for future periods
Salary increases:	4% annually and for future periods
Investment rate of return:	6.88%, net of pension plan investment expense, including inflation for small plans

See independent auditors' report.

PIONEER VALLEY TRANSIT AUTHORITY
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SCHEDULE OF PENSION CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

SATCo SERP Plan
(see also Note 13)
Plan Year End June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 742,837	$ 648,714	$ 458,434	$ 457,459	$ 479,545	$ 560,224	$ 567,665	$ 555,898	$ 635,705	$ 586,396
Contributions in relation to the actuarially determined contribution	1,427,322	330,497	655,255	408,549	380,619	625,074	635,316	1,295,000	129,644	470,000
Contribution deficiency (excess)	$ (684,485)	$ 318,217	$ (196,821)	$ 48,910	$ 98,926	$ (64,850)	$ (67,651)	$ (739,102)	$ 506,061	$ 116,396
Covered employee payroll	$ 15,113,935	$ 16,271,274	$ 16,542,216	$ 15,973,184	$ 15,901,029	$ 15,301,015	$ 14,477,280	$ 14,742,434	$ 14,042,201	$ 12,774,455
Contribution as a percentage of covered employee payroll	9.44%	2.03%	3.96%	2.56%	2.39%	4.09%	4.39%	8.78%	0.92%	3.68%

Notes to Schedules for SATCO SERP Pension Plan

Valuation date:
Actuarially determined contribution rates are calculated as of June 30, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	15 year level dollar of the existing net pension liability as of the valuation date
Remaining amortization period	15 years. Fresh start method with amortization remaining unfunded amortized each year.
Asset valuation method	Market value of assets as of the measurement date
Inflation:	2.5% as of June 30, 2023 and for future periods
Salary increases:	N/A
Investment rate of return:	6.27%, net of pension plan investment expense, including inflation for small plans

PIONEER VALLEY TRANSIT AUTHORITY
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SCHEDULE OF CHANGES IN NET OPEB LIABILITIES AND RELATED RATIOS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

	PVTA OPEB Plan (see also Note 15) Plan Year End June 30,						
Total OPEB liability	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Service cost	$ 249,203	$ 230,108	$ 397,463	$ 220,047	$ 209,018	$ 196,680	$ 310,684
Interest	216,380	242,112	172,968	170,206	163,543	151,826	171,289
Changes of benefit terms	-	-	-	-	-	414,737	-
Changes of assumptions	(61,144)	206,524	(2,024,497)	1,537,121	-	(129,709)	-
Differences between actual and expected experience	-	(1,245,513)	-	(461,016)	-	(79,798)	-
Benefit payments including implicit cost	(118,410)	(146,751)	(146,751)	(144,388)	(138,205)	(141,814)	(93,312)
Net change in total OPEB liability	286,029	(713,520)	(1,600,817)	1,321,970	234,356	411,922	388,661
Total OPEB liability, beginning	5,048,617	5,762,137	7,362,954	6,040,984	5,806,628	5,394,706	5,006,045
Total OPEB liability, ending (a)	$ 5,334,646	$ 5,048,617	$ 5,762,137	$ 7,362,954	$ 6,040,984	$ 5,806,628	$ 5,394,706
Plan fiduciary net position							
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net investment income	64	72	(31)	115	(24)	-	-
Employer contributions - premiums	118,410	146,751	146,751	144,388	138,705	141,814	93,312
Benefit payments - premiums	(118,410)	(146,751)	(146,751)	(144,388)	(138,205)	(141,814)	(93,312)
Administrative expense	-	-	-	-	-	-	-
Net change in plan fiduciary net position	64	72	(31)	115	476	-	-
Plan fiduciary net position, beginning	632	560	591	476	-	-	-
Plan fiduciary net position, ending (b)	$ 696	$ 632	$ 560	$ 591	$ 476	$ -	$ -
Net OPEB liability (a) - (b)	$ 5,333,950	$ 5,047,985	$ 5,761,577	$ 7,362,363	$ 6,040,508	$ 5,806,628	$ 5,394,706
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%
Covered employee payroll	$ 1,595,983	$ 1,549,498	$ 1,514,115	$ 1,470,015	$ 1,550,298	$ 1,505,144	$ 1,442,016
Net OPEB liability as a percentage of covered employee payroll	334.21%	325.78%	380.52%	500.84%	389.64%	385.79%	374.11%

Notes to Schedule:

Changes of assumptions:
Discount rate changed from 4.13% to 4.21%.

Last 10 years: Only plan years 2018 to 2024 available.

See independent auditors' report.

PIONEER VALLEY TRANSIT AUTHORITY
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SCHEDULE OF CHANGES IN NET OPEB LIABILITIES AND RELATED RATIOS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

SATCo OPEB Plan
(see also Note 16)
Plan Year End June 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 1,172,870	$ 1,089,988	$ 1,360,593	$ 869,836	$ 798,091	$ 1,292,292	$ 1,533,958
Interest	1,568,080	1,490,539	1,066,904	1,179,290	1,429,115	1,484,613	1,173,374
Changes of benefit terms	-	-	-	-	-	2,130,904	-
Changes of assumptions	(1,774,209)	-	223,197	6,110,270	(3,670,465)	(5,055,906)	-
Differences between actual and expected experience	(5,736,351)	-	(2,448,711)	-	(5,818,732)	-	(805,038)
Benefit payments including implicit cost	(907,850)	(813,400)	(851,166)	(816,030)	(764,208)	(726,472)	(574,275)
Net change in total OPEB liability	(5,677,460)	1,767,127	(649,183)	7,343,366	(8,026,199)	(874,569)	1,328,019
Total OPEB liability, beginning	35,743,245	33,976,118	34,625,301	27,281,935	35,308,134	36,182,703	34,854,684
Total OPEB liability, ending (a)	$ 30,065,785	$ 35,743,245	$ 33,976,118	$ 34,625,301	$ 27,281,935	$ 35,308,134	$ 36,182,703
Plan fiduciary net position							
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net investment income	51,481	52,183	(52,900)	121,160	8,291	16,299	-
Employer contributions to trust	-	-	-	-	-	500,000	-
Employer contributions - premiums	907,850	813,400	851,166	816,030	764,208	726,472	574,275
Benefit payments - premiums	(907,850)	(813,400)	(851,166)	(816,030)	(764,208)	(726,472)	(574,275)
Administrative expense	-	-	-	-	-	-	-
Net change in plan fiduciary net position	51,481	52,183	(52,900)	121,160	8,291	516,299	-
Plan fiduciary net position, beginning	645,033	592,850	645,750	524,590	516,299	-	-
Plan fiduciary net position, ending (b)	$ 696,514	$ 645,033	$ 592,850	$ 645,750	$ 524,590	$ 516,299	$ -
Net OPEB liability (a) - (b)	$ 29,369,271	$ 35,098,212	$ 33,383,268	$ 33,979,551	$ 26,757,345	$ 34,791,835	$ 36,182,703
Plan fiduciary net position as a percentage of the total OPEB liability	2.32%	1.80%	1.74%	1.86%	1.92%	1.46%	0.00%
Covered employee payroll	$ 17,354,292	$ 17,375,484	$ 16,869,402	$ 16,378,060	$ 15,901,029	$ 15,640,248	$ 14,477,280
Net OPEB liability as a percentage of covered employee payroll	169.23%	202.00%	197.89%	207.47%	168.27%	222.45%	249.93%

Notes to Schedule:

Changes of assumptions:
Discount rate changed from 4.30% to 4.72%.

Last 10 years: Only plan years 2018 to 2024 available.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

SCHEDULE OF OPEB CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

	PVTA OPEB Plan (see also Note 15) Plan Year End June 30,						
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Actuarially determined contribution	$ 458,738	$ 426,341	$ 620,260	$ 440,343	$ 488,100	$ 475,762	$ 585,941
Contributions in relation to the actuarially determined contribution	118,410	146,751	146,751	144,388	138,205	141,814	93,312
Contribution deficiency (excess)	$ 340,328	$ 279,590	$ 473,509	$ 295,955	$ 349,895	$ 333,948	$ 492,629
Covered employee payroll	$ 1,595,983	$ 1,549,498	$ 1,514,115	$ 1,470,015	$ 1,550,298	$ 1,505,144	$ 1,442,016
Contribution as a percentage of covered employee payroll	7.42%	9.47%	9.69%	9.82%	8.91%	9.42%	6.47%

Notes to Schedule

PVTA OPEB Valuation date:
Actuarially determined contribution rates were calculated as of July 1, 2022 with a measurement date of June 30, 2024.

Methods and assumptions used to determine contribution rates for PVTA:

Actuarial cost method:	Individual entry age normal
Municipal bond rate:	4.21% as of June 30, 2024 (Source: S&P Municipal Bond 20-Year High Grade Index)
Discount rate:	4.21%
Inflation:	2.50% as of June 30, 2024 and for future periods
Salary increases:	3.00% annually and for future periods
Pre- and post-retirement mortality:	Mortality rates were based upon the RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Disabled mortality:	Mortality rate was based upon the RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year.
Changes in assumptions:	Effective June 30, 2024, discount rate changed from 4.13% to 4.21%.

Last 10 years: Only plan years 2018 to 2024 available.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)

SCHEDULE OF OPEB CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

	SATCo OPEB Plan (see also Note 16) Plan Year End June 30,						
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Actuarially determined contribution	$ 2,404,866	$ 2,485,040	$ 2,687,481	$ 2,002,488	$ 2,327,770	$ 3,226,922	$ 3,343,115
Contributions in relation to the actuarially determined contribution	907,850	813,400	851,166	816,030	764,208	1,226,472	574,275
Contribution deficiency (excess)	$ 1,497,016	$ 1,671,640	$ 1,836,315	$ 1,186,458	$ 1,563,562	$ 2,000,450	$ 2,768,840
Covered employee payroll	$ 17,354,292	$ 17,375,484	$ 16,869,402	$ 16,378,060	$ 15,901,029	$ 15,640,248	$ 14,477,280
Contribution as a percentage of covered employee payroll	5.23%	4.68%	5.05%	4.98%	4.81%	7.84%	3.97%

Notes to Schedule

SATCo OPEB Valuation date:
Actuarially determined contribution rates were calculated as of July 1, 2023 with a measurement date of June 30, 2024.

Methods and assumptions used to determine contribution rates for SATCo:

Actuarial cost method:	Individual entry age normal
Municipal bond rate:	4.21% as of June 30, 2023 (Source: S&P Municipal Bond 20-Year High Grade Index)
Discount rate:	4.72%
Inflation:	2.50% as of June 30, 2024 and for future periods
Salary increases:	3.00% annually and for future periods
Pre- and post-retirement mortality:	Mortality rates were based upon the RP-2014 Blue Collar Employee Mortality Tables for males and females projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Disabled mortality:	Mortality rate was based upon the RP-2014 Blue Collar Healthy Annuitant Table projected with scale MP-2016 for males and females, set forward 1 year
Changes in assumptions:	Discount rate changed from 4.30% to 4.72%.

Last 10 years: Only plan years 2018 to 2024 available.

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)
STATEMENT OF NET COST OF SERVICE
SUPPLEMENTARY INFORMATION
For the Year Ended June 30,

	Total Service Area 2024	Total Service Area 2023
Operating costs		
Administrative costs	$ 5,071,194	$ 4,126,284
Purchased services		
Fixed route	43,866,981	41,216,266
Paratransit	9,649,730	8,444,120
Shuttle	756,522	584,204
Other operating costs	2,974,466	2,928,719
Debt service	608,005	425,957
Eliminate GASB adjustment for pension expense	26,987	(949,013)
Eliminate GASB adjustment for other post employment benefits	740,481	383,833
Eliminate GASB adjustment for right to use lease asset and liability	(72,902)	(87,135)
Total operating costs	63,621,464	57,073,235
Operating assistance and revenues		
Federal operating and administrative assistance	5,412,773	9,433,963
Other operating assistance	5,647,347	3,549,285
Revenues		
Local revenues		
Fixed route	4,734,079	5,760,252
Paratransit	417,628	504,712
Shuttle	7,003	9,822
Advertising	310,234	245,684
Other income	399,976	611,364
Interest	517,809	258,554
Total operating assistance and revenues	17,446,849	20,373,636
Net operating deficit	46,174,615	36,699,599
Increase in reserve for extraordinary expense	48,179	64,978
Net cost of service	$ 46,222,794	$ 36,764,577
Local assessments	$ 10,123,712	$ 9,876,792
State contract assistance	36,099,082	26,887,785
Total	$ 46,222,794	$ 36,764,577

The following nonreimbursable items are not included in the eligible expenses above:
- Depreciation taken on property and equipment purchased with capital grant funding
- GASB adjustment for the change in other post employment benefits and net pension liabilities
- GASB adjustment for the change in right-to-use lease asset and liability
- Other nonreimbursable items

See independent auditors' report.

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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 Advisory Board
PIONEER VALLEY TRANSIT AUTHORITY
2808 Main Street
Springfield, MA 01107

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 *(Government Auditing Standards)*, the financial statements of the business-type activities, of the Pioneer Valley Transit Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Pioneer Valley Transit Authority's basic financial statements, and have issued our report thereon dated September 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pioneer Valley Transit Authority's internal control over financial reporting (internal control) as a basis for designing 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 Pioneer Valley Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pioneer Valley Transit Authority'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. 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pioneer Valley Transit Authority'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.

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September 26, 2024