



SANGAMON MASS TRANSIT DISTRICT

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2021 and 2020

SIKICH.COM

SANGAMON MASS TRANSIT DISTRICT
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February 1, 2022

Members of the Board of Trustees
Sangamon Mass Transit District
Springfield, Illinois

The Annual Financial Report of the Springfield (Sangamon) Mass Transit District (SMTD) for the fiscal years ending June 30, 2021 and 2020 is submitted herewith. This report provides a broad view of SMTD's financial activities for the 2021 and 2020 fiscal years and its financial position at June 30, 2021 and 2020. This report was prepared by SMTD's Finance & Administration Department as responsibility for the accuracy of the presented data and the fairness of the presentation, including all disclosures, rests with SMTD and SMTD has delegated those controls to The Department. The organization and content of this report follows the standards for annual financial reporting under the Governmental Accounting Standards Board (GASB). We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth SMTD's financial position and results of operations as measured by financial activity, and that all disclosures necessary to enable the reader to gain the maximum understanding of SMTD's financial condition have been included.

SMTD's financial statements have been independently audited by Sikich, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of SMTD for the fiscal years ended June 30, 2021 and 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that SMTD's financial statements for the fiscal years ended June 30, 2021 and 2020 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of various federal funding, SMTD is required under the Federal Single Audit Act to have an annual audit, when applicable, of certain major federal grant programs performed. The audit contains information concerning whether grant activity is presented fairly in general purpose financial statements, whether internal controls are sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met. The auditors' reports relative to the Federal Single Audit Act are included in this report. Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A. The District's MD&A can be found immediately following the independent auditors report. SMTD's operations are accounted for under a single enterprise fund, which uses the same accrual accounting method as private enterprise. Under revenue recognition and matching principles of the accrual accounting method, revenues are recorded when earned, and expenses are recorded when incurred. Note 1 to the financial statements provides full details of SMTD's accounting policies.



OVERVIEW OF DISTRICT OPERATIONS

The Springfield Mass Transit District (District) provides fixed-route bus transportation throughout the greater Springfield area. Daytime service is provided on 16 routes Monday through Saturday. Buses are wheelchair lift equipped. Four routes operate in night service Monday through Friday.

The District also operates a Paratransit service for persons who meet legal and regulatory eligibility requirements through the ACCESS Springfield system. Individuals with disabilities must complete an application through the Illinois Department of Aging to determine their eligibility for the service, per the Americans with Disabilities Act guidelines. The days and hours of service are the same as those for the fixed-route service.

A seven member Board of Trustees is appointed by the Sangamon County Board of Supervisors to oversee the policies and operations of the District. The Trustees are appointed to serve staggered 5-year terms.

ECONOMIC IMPACT

The economic condition of SMTD is dependent on available state and federal funding. Fare revenue, pass sales, advertising, and property taxes levied annually are used to meet Local Match requirements of state and federal grants and to support SMTD operations as well. Near-term planning includes new buses, facility improvements, and investments in the District's Information Technology security environment which combine to have a significant impact on making public transportation a more attractive option for system users, in addition to supporting the local area economy in the very important role of public mass transit.

LONG-TERM FINANCIAL and CAPITAL PLANNING

SMTD's management has established a system of internal controls that is designed to help assure the assets of SMTD are safeguarded against loss, theft, or misuse. The system of internal controls also helps assure the accounting system framework compiles reliable financial data for the preparation of SMTD's financial statements. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that evaluation of the costs and benefits require estimates and judgments by management. In addition, SMTD maintains budgetary controls. Budgetary control is maintained via monthly Board of Trustee review of year-to-date, actual vs. budgeted expenditures. SMTD's internal and external long-term planning processes are managed under a Unified Planning Structure.

This includes monitoring contracts and third-party agreements in a timely fashion, meeting required reporting deadlines to SMTD's funding sources, and establishing and enforcing best practices for the financial administration of public resources.



MAJOR INITIATIVES

Various initiatives for FY 2021 were planned in accordance with SMTD's strategic goals; each initiative and/or project was carefully reviewed before implementation to ensure adherence to SMTD's future-focused operating framework. Planned initiatives and capital projects for FY 2021 included:

- Acquired DriverGuard for all revenue service vehicles to protect staff & ridership.
- Completed renovations to the District's Training Room, Maintenance Administration, and Inventory/Ordering facilities.
- Installed new Fare Collection technology on all revenue vehicles to improve accuracy and decrease staff time handling cash.
- Employed two dedicated Information Technology technicians in Maintenance in response to increasing Fleet IT demands.
- Expanded the District's security camera system to enhance areas of coverage.
- Entered into an Intergovernmental Agreement providing for a Multi-Modal Transportation Transfer Center.

Illustrative projects for near-term and future fiscal years include:

- Construction of a Multi-Modal Transportation Transfer Center.
- Rehabilitation of the south storage facility.
- Replacement of the District's Bus Wash facility.
- Mandated conversion of diesel fleet to electric or electric-hybrid.

ACKNOWLEDGEMENTS

We would like to thank all members of SMTD who assisted and contributed to the preparation of this report as well as members of the SMTD Board of Trustees for their interest and continued support in the ongoing efforts of the agency. Finally, to SMTD's ridership, we wish to extend warm appreciation of our Transit users who daily affirm Transit's role in a thriving economy.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sangamon Mass Transit District
Springfield, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the proprietary and fiduciary funds of the Sangamon Mass Transit District (the District), as of and for the year ended June 30, 2021 and June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of proprietary and fiduciary funds of the Sangamon Mass Transit District, as of June 30, 2021 and June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sangamon Mass Transit District's basic financial statements. The accompanying financial information of Schedule of Fixed Route Operating Expenses Before Depreciation, Schedule of Paratransit Operating Expenses Before Depreciation, Computation of Federal Operating Assistance, Schedule of Expenditures of Federal Awards and Schedule of Revenue and Expense Under Downstate Operating Assistance Grant listed as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying financial information listed as "Schedule of Expenditures of Federal Awards" in the table of contents is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards* (Uniform Guidance) and is not a required part of the basic financial statements. The Schedule of Revenue and Expense Under Downstate Operating Assistance Grant is presented for the purpose of additional analysis as required by the Illinois Department of Transportation and is also not a required part of the basic financial statements.

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

The Schedule of Fixed Route Operating Expenses Before Depreciation and the Schedule of Paratransit Operating Expenses Before Depreciation for the year ended June 30, 2020, are presented for purposes of additional analysis and are 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 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 Schedule of Fixed Route Operating Expenses Before Depreciation and the Schedule of Paratransit Operating Expenses Before Depreciation are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022 on our consideration of the Sangamon Mass Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sangamon Mass Transit District's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
February 1, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



**SANGAMON MASS TRANSIT DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2021 and 2020**

DISTRICT FINANCIAL AND OPERATIONAL HIGHLIGHTS

The financial statements of the District are presented on a proprietary (enterprise) fund basis. Accounting principles used are similar to principles applicable in the private sector. The District’s annual report consists of the Statements of Net Position; the Statements of Revenue, Expenses and Changes in Net Position; and the Statements of Cash Flows. These statements are the measures used to evaluate the short-term and long-term outlook of the District’s finances and are used in conjunction with the Annual Budget and Appropriations Ordinance, which is the District’s financial plan for the fiscal year.

In addition, the District reports the OPEB trust fund as a fiduciary fund. This fund was established June 1, 2015 and is used to account for and report resources that are held in trust for the members and beneficiaries of the District’s Other Post-Employment Benefit (OPEB) plan.

The District ended FY 2021 with a total mainline ridership of 973,788 revenue trips. This is a decline from FY 2020 of 325,093 trips, or a decline of 25.03%. The five-year rolling year over year change has been an average annual reduction in ridership of 10.88% annually, or a 54.42% loss of ridership since Fiscal Year 2017. While the COVID public health emergency certainly played a role in reduced ridership, the District has seen a steady decline over the last five years. Lower fuel costs and rider sharing services such as Uber and Lyft are industry reasons for this nationwide trend. Chart 1 shows yearly mainline ridership for FY21 and the past seven years.

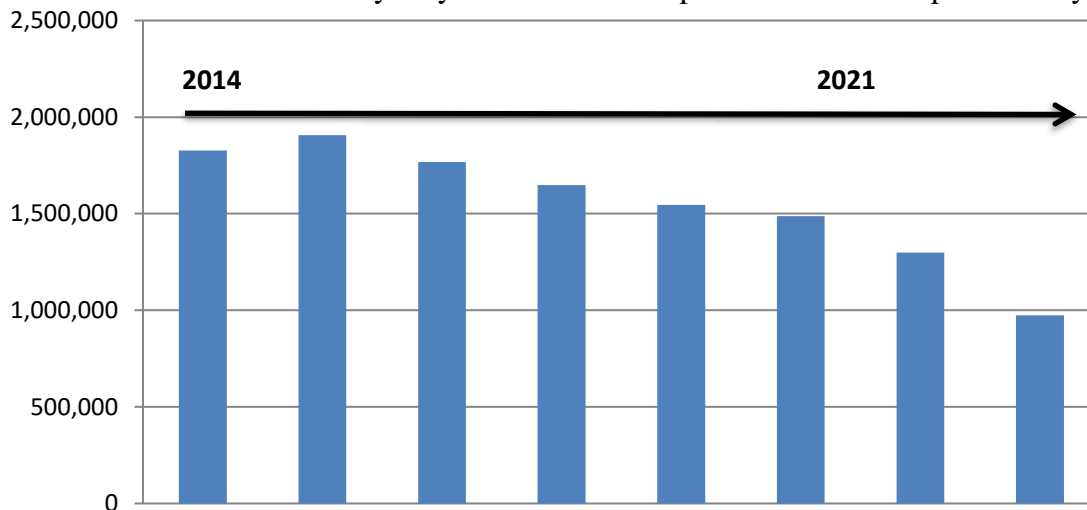


Chart 1

Para-transit service has also been negatively impacted by the COVID-19 pandemic with declining ridership. The District has various contracts with local non-profit agencies to provide services to impacted communities, many of which saw reduced traffic due to the public health emergency.

These contracts provide a benefit to the organizations for the transportation needs of disabled participants. Access ridership is summarized in Chart 2.

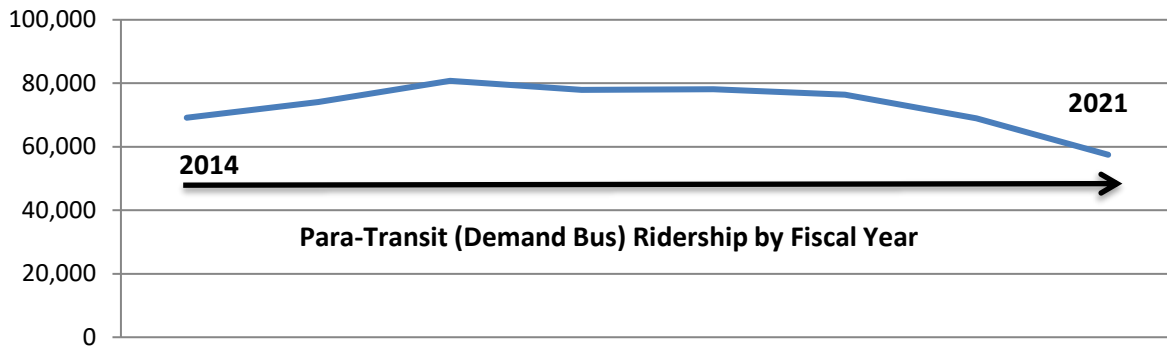


Chart 2

FINANCIAL ANALYSIS OF THE DISTRICT OPERATING FUND

The Statement of Net Position includes assets, deferred outflows/inflows, and of the District. The difference between assets and liabilities as reflected on the Statement of Net Position represents the financial position of the District and provides information about the entity’s liquidity and financial flexibility. A three-year summary of the District’s Net Position is presented below (Table 1).

Condensed Statements of Net Position

	FY2021	FY2020	FY2019¹
Current and other assets	11,249,958	6,542,302	7,281,517
Non-Current assets	4,423,580	1,121,464	681,770
Capital assets	30,608,475	32,103,600	31,558,717
Total assets	46,282,013	39,767,366	39,522,004
Deferred outflows of resources	2,342,662	3,014,762	5,761,987
Current and other liabilities	3,146,111	1,492,520	1,880,685
Noncurrent liabilities	6,253,604	6,948,461	12,008,287
Total liabilities	9,399,715	8,440,981	13,888,972
Deferred inflows of resources	5,401,809	3,596,627	961,711
Net Position			
Net Investment in capital assets	30,608,475	32,103,600	31,558,717
Restricted for Pensions	-	-	-
Unrestricted	3,214,676	(1,359,080)	(1,125,409)
Total Net Position	33,823,151	30,744,520	30,433,308

Table 1

¹ Restated



For the year ending June 30, 2021:

- Capital assets decreased \$1.4 million (-4.7%) from \$32.0 million to \$30.6 million. Table 3 provides details of this change.
- Unrestricted Net Position used to finance the District operations increased \$4.6 million (-336.0%) from \$(1.36) million to \$3.21 million.
- The District's Net Position increased \$3.08 million or 1.0% from \$30.7 million to \$33.8 million.

For the year ending June 30, 2020:

- Capital assets increased \$0.5 million (1.7%) from \$31.6 million to \$32.1 million. Table 3 provides details of this change.
- Unrestricted Net Position used to finance the District operations decreased \$0.5 million (45.4%) from \$(1.1) million to \$(1.6) million.
- The District's Net Position increased \$0.02 million (0.1%) from \$30.43 million to \$30.45 million.

A summary of the District's Statements of Revenue, Expenses and Changes in Net Position is presented in Table 2-A. A more detailed review of Revenue and Expenses is presented in Table 2-B.

Condensed Statements of Revenue, Expenses and Changes in Net Position

	FY2021	FY2020	FY2019
Operating Revenues	\$ 258,462	\$ 846,934	\$ 1,143,287
Non-Operating Revenues	19,780,556	15,378,230	12,999,174
Total Revenues	20,039,018	16,225,164	14,142,461
Operation and Maintenance Expenses	15,274,278	15,320,792	15,162,201
Depreciation	3,307,236	3,218,817	2,802,598
Total Expenses	18,581,514	18,539,609	17,964,799
Net Income (Loss) Before Contributions	1,457,504	(2,314,445)	(3,822,338)
Capital Contributions	1,621,127	2,625,657	1,875,354
Change in Net Position	3,078,631	311,212	(1,946,984)
Net Position – Beginning of Year	30,744,520	30,433,308	32,380,292
Net Position - End of Year	\$ 33,823,151	\$ 30,744,520	\$ 30,433,308

Table 2-A



For the year ending June 30, 2021:

- Operating Revenue decreased \$588 thousand (26%) from \$0.85 million to \$0.26 million.
- Non-Operating Revenue increased \$4.4 million (28.6%) from \$15.38 million to \$19.78 million.
- Capital Contributions decreased \$1.0 million (38%) from \$2.6 in FY2020 million to \$1.6 million in FY 2021.
- An increase to net position of \$3.08 million is the result of operations.

For the year ending June 30, 2020:

- Operating Revenue decreased \$296 thousand (-26%) from \$1.14 million to \$0.85 million.
- Non-Operating Revenue increased \$2.1 million (-16.1) from \$19.99 million to \$15.94.
- Capital Contributions increased \$0.75 million (40%) from \$1.9 million to \$2.6 million.
- An increase to net position of \$0.02 million is the result of operations.

Detailed Revenue and Expenses

	FY2021	FY2020	FY2019
Full Price Fares	\$ 199,776	\$ 664,175	\$ 922,435
Discounted Fares	3,639	54,608	75,753
Advertising	55,047	128,151	145,099
Total Operating Revenues	258,462	846,934	1,143,287
Local Taxes	2,983,766	2,862,498	2,758,867
State/Federal Operating Assistance	16,756,755	12,350,103	10,003,803
Investment Income	14,350	66,600	138,401
Other	25,685	99,030	98,103
Total Non-Operating Revenues	19,780,556	15,378,231	12,999,174
Total Revenues	20,039,018	16,225,165	14,142,461
Salaries	9,006,042	8,585,109	8,308,723
Fringe Benefits	1,844,399	3,499,322	2,949,256
Professional Services	470,718	589,792	679,149
Materials and Supplies	2,573,359	2,123,356	1,913,111
Casualty and Liability Insurance	1,172,789	296,796	667,958
Other	206,971	227,986	643,997
Total Operation and Maintenance Expenses	\$ 15,274,278	\$ 15,322,361	\$ 15,162,195

Table 2-B



Revenues:

Historically, approximately 80% of Operating Revenue comes from passenger fares. Fares declined \$464 thousand (69.9%) and \$258 thousand (28%) in FY 2021 and 2020, respectively.

Advertising Revenue decreased \$73.1 thousand in FY 2021, compared to a loss of \$16.9 thousand in FY 2020. The revenue sharing contract has been amended to reflect the current economic environment and challenges posed by the pandemic.

Local taxes increased \$121.2 thousand (4.24%) in FY 2021, and \$103.6 thousand (3.76%) in FY 2020. The tax receipts grow based on the CPI from the previous year and additions to the economic value of all property of the community.

State and federal non-transportation revenue sources (operating grants) increased \$4.4 million in FY 2021, compared to an increase of \$2.3 million in FY 2020. The increase is directly tied to federal operating assistance made available at a 100% reimbursement rate in response to the pandemic, versus the traditional 50/50% share.

Expenses:

Salary/wage expenses increased to 59% of the District's total expenses in FY 2021, compared to 54% in FY 2020. Salaries increased \$0.4 million (4.9%) in FY 2021 compared to \$0.2 million (3.3%) in FY 2020. Wage increases have stabilized since expanded route selections in FY 2018 were implemented.

Fringe Benefits decreased \$1.6 million (47.3%) and increased \$1.05 million (34.1%) in FY 2020 and 2019, respectively. Health insurance increased 5% in FY 2021 with renewal rates coming in around 20%, the smaller increase due to pre-negotiated multi-year rates.

Professional Services expenses are driven by environmental and project factors at the time, fluctuations are common from year to year due to claim activity, service needs, and service additions. Services decreased \$0.17 million (-32.9%) in FY 2021. Claim management services are now fully outsourced and administered by PMA Cinch/Travelers.

Materials and Supplies increased \$0.45 million (21.19%) a combination of lower gas prices, fewer miles driven, increased sanitizing supplies and other mitigations of the public health emergency. Pandemic-related route reductions primarily drives this change for FY 2021. Finally, casualty and liability coverage increased slightly, but due to timing of invoices appears to have jumped considerably. This was not the case. Underlying coverage premiums across all forms of lines increased slightly (3.7%) due to cyber security and large loss premium costs. Self-insured liability claims saw an uptick in FY 2021. With self-insured claims stripped out, and timing issues addressed, SMTD's risk portfolio costs have remained stable since FY 2018.



CAPITAL ASSET ANALYSIS

A summary of the District’s capital assets is presented in Table 3.

**Capital Assets at Year-end
(In Thousands)**

	FY2021	FY2020	FY2019
Land	\$ 5.43	\$ 3.99	\$ 4.00
Parking lot	1.78	1.78	1.76
Passenger shelters	0.57	0.59	0.55
Administration building	1.23	1.23	1.23
Buildings	0.90	0.90	0.90
Buses and Paratransit vans	26.06	27.94	24.81
Cars and trucks	0.34	0.34	0.34
Storage garage	1.79	1.79	1.79
Maintenance shop and office	7.93	7.89	7.75
Garage Equipment	0.90	0.84	0.85
Office furniture and fixtures	0.14	0.14	0.14
Two-way radio equipment	0.26	0.26	0.26
Other assets	1.87	1.85	1.52
Telephone system	0.11	0.11	0.11
Stockroom and machine shop	0.18	0.18	0.18
CNG fueling station	1.78	1.78	1.78
Total Capital Assets Being Depreciated	45.84	47.62	43.97
Less accumulated depreciation	(20.66)	(19.51)	(16.42)
Total Capital Assets, Net of Depreciation	\$ 30.61	\$ 32.10	\$ 31.56

Table 3

For the year ending June 30, 2021:

- Substantial Security Systems and Video Surveillance investments were made in FY 2021 bringing more asset control and security to the District.
- DriverGuards were installed on all rolling stock to protect operators and the public from potential COVID-19 exposure.
- SMTD converted fare collection systems on both mainline and demand response routes, improving fare collection accuracy, decreasing cash handling risk, and ultimately providing SMTD ridership with more options on fare purchasing.



For the year ending June 30, 2020:

- Six new and replacement revenue service vehicles, and four Para-Transit vans were placed into service, and a corresponding number retired. \$3.13 million was added, net, to Busses and Para-Transit Vans.
- Passenger shelter improvements continue District-wide, with an addition of \$0.03 million, or 6.04%.
- Other assets – Security system for Admin Building – valued at \$30 thousand, represents a 21.90% increase to the security system.
- Asset total value increased by 8.29%, or an addition of \$3.65 million in fixed assets.

FINANCIAL ANALYSIS OF FIDUCIARY FUND

A summary of the Net Position of the District’s OPEB Trust Fund is presented in Table 4.

**Condensed Statement of Net Plan Position
Other Post-Employment Benefits Fiduciary Trust Fund**

	FY2021	FY2020	FY2019	FY2018
Cash and cash equivalents	\$ 464,810	\$ 527,774	\$ 297,351	\$ 32,830
Interest receivable	70,839	148,979	93,828	92,519
Investments	328,084			
Municipal bonds	7,075,292	6,705,203	6,152,357	5,121,942
Net Position Restricted for OPEB	\$7,939,025	\$7,381,956	\$ 6,543,536	\$ 5,247,291

Table 4

The District’s offers health insurance options to qualified members with a total of 173 members eligible for future benefits. The Net OPEB liability stands at \$6.95 million, with \$7.94 million in assets against a FY 2020 Total OPEB liability of \$13,491,998 for a funded ratio of 58.84%. A summary of the Changes to Net Position of the District’s OPEB Trust Fund is presented in Table 5.

OPEB Statement of Changes in Fiduciary Net Position

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

	FY2021	FY2020	FY2019
Employer contributions	778,812	878,998	1,225,706
Investment Income	254,017	434,772	454,448
Benefits paid out	(475,760)	(475,351)	(383,909)
Net investment gain (loss)	303,052	434,772	454,448
Change in Net Position	557,069	838,419	1,296,245
Net Position – Beginning of Year	7,381,956	6,543,536	5,247,291
Net Position – End of Year	7,939,025	7,381,956	6,543,536

Table 5

YEAR IN REVIEW

- SMTD converted fare collection systems on both mainline and demand response routes, improving fare collection accuracy, decreasing cash handling risk, and ultimately providing SMTD ridership with more options on fare purchasing.
- An ITS project began in FY-2017 and is consider fully implemented in FY 2021. The project includes the launch of Computer Aided Dispatching and Automatic Vehicle Location (CAD/AVL) software, Automatic Passenger Counter system (APC), Automatic Voice Annunciator system (AVA) as well as Real Time Passenger Information system (RTIS) and an Interactive Voice Response telephone system (IVR). Finally, with the implementation to the District's Fare Collection system, real-time bus location and Single Sign-On are in implementation stage to complete the project.
- Through the state operating grant, bus shelters were refurbished system-wide, with the District making its largest investment in shelter care in many years.
- Improvements to the District Training facility has led to an increase of classroom hours for existing employees and provides a much more welcoming space for on-boarding new employees and orientation. As well, all SMTD Board of Trustee monthly meetings have been moved to the new space. With a computer lab, classrooms, and a full-sized Bus Operator Driver simulator, the space is state of the art.
- The District concluded construction for a secondary transfer point in FY2021 at Junction Circle.

Future Projects – 2020-2025

- Procurement documents stalled by the public health emergency are ready for release in late FY2021 and will flow through FY2022. Procurement was slowed by the pandemic and supply-chain issues felt across the nation.
- The District will begin policy review and stakeholder input to revamp SMTD's fare structure to allow for multiple payment options and emerging Multi-Modal transportation options.
- The District entered into an Intergovernmental Agreement with the City of Springfield and Sangamon County to construct a new multi-modal transportation/municipal complex facility. Design is currently underway, and groundbreaking occurred in FY2021.
- The District submitted close to \$18 million in grant funding requests for busses, facilities, and Information Technology systems corporate-wide. These requests dovetail with recent grant awards from the state (Rebuild Round 1) and federally competitive grants, as well as purposing stimulus grants for future programming.

CONTACTING THE DISTRICT'S MANAGEMENT

The financial reports of the District provide an overview for the public of the financial accountability the District maintains for the resources received. Further questions concerning this report should be directed to Tim Wenthe, District Controller, or Erik Bush, Director of Finance & Administration, Springfield Mass Transit District, 928 South Ninth Street, Springfield, IL 62704.

BASIC FINANCIAL STATEMENTS

SANGAMON MASS TRANSIT DISTRICT

**STATEMENTS OF NET POSITION
PROPRIETARY FUND**

As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,044,594	\$ 2,655,904
Investments	465,772	-
Accounts receivable		
Taxes	1,416,008	1,565,411
Operating assistance grants - net	1,644,047	968,946
Capital assistance grants - net	1,567,238	159,392
Other receivables	293,873	315,840
Materials and supplies inventories	677,696	716,284
Prepaid expenses	140,730	160,525
Total current assets	<u>11,249,958</u>	<u>6,542,302</u>
NONCURRENT ASSETS		
Investments	253,015	659,025
Net pension asset	4,170,565	462,439
Capital Assets		
Capital assets, not being depreciated	5,426,564	3,989,847
Property and equipment	45,843,003	47,620,317
Less: accumulated depreciation	<u>(20,661,092)</u>	<u>(19,506,564)</u>
Total noncurrent assets	<u>35,032,055</u>	<u>33,225,064</u>
Total assets	<u>46,282,013</u>	<u>39,767,366</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	1,317,993	1,828,444
OPEB deferred outflows	1,024,669	1,186,318
Total deferred outflows of resources	<u>2,342,662</u>	<u>3,014,762</u>
Total assets and deferred outflows of resources	<u>\$ 48,624,675</u>	<u>\$ 42,782,128</u>

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

**STATEMENTS OF NET POSITION (Continued)
PROPRIETARY FUND**

As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 2,163,786	\$ 611,414
Accrued payroll	275,650	213,250
Accrued payroll taxes and retirement	197,547	176,415
Accrued compensated absences	509,128	491,441
Total current liabilities	<u>3,146,111</u>	<u>1,492,520</u>
NONCURRENT LIABILITIES		
Net OPEB Liability	6,253,604	6,948,461
Total noncurrent liabilities	<u>6,253,604</u>	<u>6,948,461</u>
Total liabilities	<u>9,399,715</u>	<u>8,440,981</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	3,969,555	2,190,009
OPEB deferred inflows	1,432,254	1,406,618
Total deferred outflows of resources	<u>5,401,809</u>	<u>3,596,627</u>
NET POSITION		
Net Invested in capital assets	30,608,475	32,103,600
Unrestricted (deficit)	3,214,676	(1,359,080)
TOTAL NET POSITION	<u>\$ 33,823,151</u>	<u>\$ 30,744,520</u>

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND**

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Full adult fares	\$ 199,776	\$ 664,175
Senior citizen, student, and handicapped fees	2,976	21,439
Local student fare assistance	663	33,169
Advertising revenue	<u>55,047</u>	<u>128,151</u>
Total operating revenues	258,462	846,934
OPERATING AND MAINTENANCE EXPENSES	<u>15,274,278</u>	<u>15,320,792</u>
Operating loss before depreciation	(15,015,816)	(14,473,858)
DEPRECIATION	<u>3,307,236</u>	<u>3,218,817</u>
Loss from operations	<u>(18,323,052)</u>	<u>(17,692,675)</u>
NONOPERATING REVENUES (EXPENSES)		
Local taxes	2,983,766	2,862,498
Grants		
State of Illinois - Downstate Public Transportation Assistance		
Assistance program		
Operating assistance	10,953,149	10,006,551
Federal Transit Administration		
Operating assistance	5,803,606	2,343,552
Investment income	14,350	66,600
Interest on property taxes	28	1,510
Other income	50,933	99,088
Net gain/(loss) on disposal of capital assets	<u>(25,276)</u>	<u>(1,569)</u>
Total non-operating revenues	<u>19,780,556</u>	<u>15,378,230</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	1,457,504	(2,314,445)
CAPITAL CONTRIBUTIONS		
Capital assistance - federal	230,308	2,625,657
Capital assistance - state	<u>1,390,819</u>	<u>-</u>
Total capital contributions	<u>1,621,127</u>	<u>2,625,657</u>
CHANGE IN NET POSITION	3,078,631	311,212
NET POSITION - BEGINNING OF YEAR	<u>30,744,520</u>	<u>30,433,308</u>
NET POSITION - END OF YEAR	<u>\$ 33,823,151</u>	<u>\$ 30,744,520</u>

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

**STATEMENTS OF CASH FLOWS
PROPRIETARY FUND**

For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares	\$ 225,385	\$ 589,997
Cash received from sales of charters, advertising and rental income	105,978	227,244
Wages and benefits paid to employees	(13,017,609)	(11,704,569)
Payments to suppliers for goods and services	(3,861,219)	(4,015,460)
Net cash flows from operating activities	(16,547,465)	(14,902,788)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies received from		
State of Illinois	10,278,048	8,526,509
Federal Transit Administration	5,803,606	2,343,552
Property and income taxes received	3,133,197	2,593,250
Net cash flow from noncapital financing activities	19,214,851	13,463,311
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received from		
Federal Transit Administration and State of Illinois	32,540	2,718,364
Purchase and construction of capital assets	(265,825)	(3,763,702)
Net cash flows from capital and related financing activities	(233,285)	(1,045,338)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold	(59,761)	22,745
Investment income	14,350	66,600
Net cash flows from investing activities	(45,411)	89,345
Net change in cash and cash equivalents	2,388,690	(2,395,470)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,655,904	5,051,374
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,044,594	\$ 2,655,904
NONCASH TRANSACTIONS		
Contributed assets	\$ 180,741	\$ -

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS (Continued)
 PROPRIETARY FUND
 For the Years Ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO		
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (18,323,052)	\$ (17,692,675)
Nonoperating revenue		
Rental income	50,933	99,088
Noncash items included in operating loss		
Depreciation expense	3,307,236	3,218,817
Change in assets and liabilities		
Accounts receivable	21,967	(124,643)
Prepaid expenses	19,795	(34,747)
Materials and supplies	38,589	161,228
Pension liability, deferrals, and asset	(1,230,844)	949,711
Accounts payable	161,549	(441,571)
Net OPEB liability/obligation and deferrals	(694,857)	(1,089,833)
Accrued wages and benefits	101,219	57,549
Net gain/(loss) on disposal of capital assets	-	(1,569)
Other liabilities	-	(4,143)
	\$ (16,547,465)	\$ (14,902,788)
NET CASH FLOWS FROM OPERATING ACTIVITIES		
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO		
STATEMENT OF NET POSITION ACCOUNTS		
Cash and Investments - current	\$ 5,510,366	\$ 2,655,904
Investments - noncurrent	253,015	659,025
Total Cash and Investments	5,763,381	3,314,929
Less: Noncash equivalents	718,787	659,025
CASH AND CASH EQUIVALENTS	\$ 5,044,594	\$ 2,655,904

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

**STATEMENTS OF FIDUCIARY NET POSITION
OPEB TRUST FUND**

As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 464,810	\$ 527,774
Interest receivable	70,839	148,979
Current investments		
Certificates of Deposit	307,388	-
Municipal Bonds	20,696	-
Total current assets	<u>863,733</u>	<u>676,753</u>
NONCURRENT ASSETS		
Non-current investments		
Municipal Bonds	5,097,871	6,705,203
U.S. Agencies	1,977,421	-
Total noncurrent assets	<u>7,075,292</u>	<u>6,705,203</u>
TOTAL ASSETS	<u>7,939,025</u>	<u>7,381,956</u>
RESTRICTED NET POSITION		
Restricted Net Position for OPEB	<u>7,939,025</u>	<u>7,381,956</u>
TOTAL RESTRICTED NET POSITION	<u><u>\$ 7,939,025</u></u>	<u><u>\$ 7,381,956</u></u>

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST**

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS		
Employer contributions	\$ 778,812	\$ 878,998
Investment income	268,703	447,956
Less investment expense	<u>(14,686)</u>	<u>(13,184)</u>
Net Investment Income	<u>254,017</u>	<u>434,772</u>
Total additions	<u>1,032,829</u>	<u>1,313,770</u>
DEDUCTIONS		
Benefits	<u>475,760</u>	<u>475,351</u>
Total deductions	<u>475,760</u>	<u>475,351</u>
CHANGE IN NET POSITION	557,069	838,419
RESTRICTED NET POSITION - BEGINNING OF YEAR	<u>7,381,956</u>	<u>6,543,537</u>
RESTRICTED NET POSITION - END OF YEAR	<u>\$ 7,939,025</u>	<u>\$ 7,381,956</u>

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

1. SUMMARY OF ACCOUNTING POLICIES

The financial statements of Sangamon Mass Transit District (“the District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the district are described below.

The District (a public benefit corporation) was created under the provisions of the “Illinois Local Mass Transit District Act.” The members of the District’s governing body are appointed by the Chairman of the Sangamon County Board with consent of the County Board; however, the County’s responsibility does not extend beyond the appointment process. Accordingly, the District does not meet the definition of a component unit of a primary government under the requirements of Governmental Accounts Standards Board Statement No. 61, *The Financial Reporting Entity: an amendment of GASB Statements No. 14 and No. 34*. In addition, there are no organizations which are financially accountable to the District that would require consideration as component units of the District under the standards referred to above.

In addition, the District reports the OPEB trust fund as a fiduciary component unit. This fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of the District’s other post-employment benefit plan. The OPEB trust fund was established on June 1, 2015.

A. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is defined as an independent fiscal entity with a self-balancing set of accounts recording cash and other resources together with all related deferred outflows of resources, liabilities, deferred inflows of resources, equities, revenues, and expenses. Government resources are allocated to and accounted for in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The term measurement focus is used to denote what is being measured and reported in the District’s operating statement. The District is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether the District is better or worse off economically as a result of events and transactions of the period.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The term basis of accounting is used to determine when a transaction or event is recognized on the District's operating statement. The District uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

The District follows enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

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

C. Cash and Investments

For the purpose of the Statement of Cash Flows, the District considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents. The District considers its investment in the Illinois Funds Investment Pool to be the equivalent of cash. The investment pool is essentially a demand deposit account and deposits and withdrawals may be made at any time without prior notice or penalty. Nonnegotiable certificates of deposits are recorded at cost.

The types of investments allowed are regulated by Illinois State laws and are listed in Note 2. Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are based on market information as discussed in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

D. Accounts Receivable

Substantially all District receivables are due from government units and are considered to be to be fully collectible.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

E. Materials and Supplies Inventories

Inventories of bus parts and lubricants are valued at the lower of cost or fair value using average invoice cost. Inventories of fuels are carried at the lower of cost or fair value, determined by the first-in, first-out method. The District uses the consumption method when recognizing expenses.

F. Prepaid Expenses

This represents amounts paid for services or insurance coverage applicable to future periods. The District uses the consumption method when recognizing expenses.

G. Net Pension Liability (Asset)

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF or the “Fund”) and additions to/deductions from IMRF’s fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Details are included in Note 7.

H. Capital Assets and Depreciation

Capital assets are recorded at cost and depreciation is provided over the assets’ estimated useful lives by the straight-line method. The useful lives of capital assets are estimated as follows:

	<u>Years</u>
Building and improvements	33-1/3
Light duty equipment	3 - 5
Medium duty vans	9
Service vehicles	6
Buses/fareboxes	12
Used buses	2
Computers/software	3
Furniture, fixtures, shelters, and other equipment	10 – 15

The District records all capital items, which are individually greater than \$5,000, with a useful life of greater than one year, as capital assets. Donated capital assets are valued at their acquisition value on the date received.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

I. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time. Deferred outflows relate to the GASB Statement No. 68 pension liability and the GASB Statement No. 75 OPEB liability. Details of the accounts are included in Note 7 and 8.

J. Accrued Compensated Absences

Employees earn varying amounts of vacation depending on the number of years of service and employment position. Vacation pay will be paid at the time vacation is taken and does not accumulate from one year to another. When an employee separates from the District, earned and unused vacation time will be computed and paid out to the employee at their regular rate of pay. Upon the death or IMRF retirement, full-time administrative employees hired prior to February 1, 2011 and full-time Bus Operators and Maintenance Technicians will be paid up to 25 days of unused sick time. Full-time administrative employees hired after February 1, 2011 will be paid up to 20 days of unused sick time. The sick time will be paid out to the employee at their regular rate of pay. Employees may forgo payment of entitled sick days in order to obtain additional service credit from IMRF. Any unused, unpaid sick time will be reported to the Illinois Municipal Retirement Fund (IMRF) to be used for additional service credit up to one year.

K. Other Postemployment Benefit Liability (Net OPEB Liability)

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 District OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan. For this purpose, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

L. Provision for Uninsured Claims

Claims for uninsured losses are reported in the financial statements based upon the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

L. Provision for Uninsured Claims (Continued)

In addition, claims adjustment expenses expected to be incurred in connection with the settlement of unpaid claims are accrued at the time the liability for the underlying claim is recognized. The amount of claims liabilities at the end of the year is included in accounts payable on the District's statement of net position. See Note 9.

M. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will therefore not be recognized as an inflow of resources (revenue) until that future time. Pension deferred inflows relate to the GASB Statement No. 68 pension liability. Details of the account are included in Note 7. OPEB deferred inflows relate to the GASB Statement No. 75 liability. Details of the account are included in Note 8.

N. Line of Credit

The District had a line of credit with Illinois National Bank in the amount of \$1,500,000 that they draw on when receipt of grant funds does not correspond with payments due. The line of credit matured November 22, 2020 and was not renewed by the District. The amount drawn on the line of credit was \$0 as of June 30, 2020.

O. Net Position

Equity is classified as Net Position and is displayed in three components:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The District has no outstanding debt as of June 30, 2021 and 2020.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

O. Net Position (Continued)

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislations. Certain unexpended property tax revenues are restricted by state statutes and may only be used for the purposes for which they were originally levied. In both fiscal years 2021 and 2020, the District expended all of its property tax revenues; therefore, no restricted net position related to unexpended property tax revenue is reported.

Unrestricted net position – The component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use unrestricted resources first, then restricted resources as they are needed.

P. Revenue Recognition

Operating revenues of the District are passenger fare revenues received from customers. The District also recognizes as operating revenue amounts received from businesses for advertisements on District buses and other District-owned property. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property taxes due to the District, net of estimated uncollectible amounts, are recognized as revenues in the year for which they are levied. Revenue from the Illinois corporate personal property replacement tax is recognized to the extent that the tax is available for distribution to the District by the Illinois Department of Revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenue from passes and tokens is generally recognized at the time of sale.

Q. Capital Contributions

The District has received Federal, State, and Local funding for acquisition and construction of capital assets. In accordance with GASB Statement No. 33, this funding is reported as an increase in net position.

The Federal and State grants are subject to grantor agency compliance audits. Management believes losses, if any, resulting from those compliance audits are not material to these statements.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

R. Effect of New Accounting Standards on Current Period Financial Statements

GASB issued Statement No. 87, “Leases.” The objective of this Statement is to improve accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. District will adopt Statement No. 87 for its June 30, 2021, financial statements.

GASB issued Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.” The objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the year ending June 30, 2021; however, the District does not borrow funds for construction projects and therefore there is no impact to its financial statements.

GASB issued Statement No. 92, “Omnibus 2020.” The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practices that have been identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics, with certain provisions effective upon issuance and the remainder for the fiscal year ending June 30, 2021, none of which have an impact to District’s financial statements.

GASB Issued Statement No. 93, “Replacement of Interbank Offered Rates.” The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). This Statement is effective for the fiscal years ending June 30, 2021 and June 30, 2022; however, there is no impact to District’s financial statements.

GASB Issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” The Statement establishes the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement is effective for District’s fiscal year ending June 30, 2023.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

**R. Effect of New Accounting Standards on Current Period Financial Statements
(Continued)**

GASB Issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The statement is effective for the District’s fiscal year ending April 30, 2023.

GASB Issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No.14 and No.84 and a Suppression of GASB Statement No.32. Certain provisions of this statement are effective upon issuance with the remainder effective for the fiscal year ending April 30, 2022; however, the District does not have a Section 457 Deferred Compensation Plan, therefore there is no impact to the financial statements.

S. CARES ACT FUNDING

On Friday, March 27, 2020, President Trump signed the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) into law. The CARES Act provides emergency assistance and health care response for individuals, families and businesses affected by the [COVID-19 pandemic](#) and provide emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic.

Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients, even those in large urban areas, are also eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. Sangamon Mass Transit District received a 5307 Cares Act grant agreement in the amount of \$7,630,374. The amount of reimbursement submitted by the District was \$1,591,488 and \$2,343,552 for June 30, 2021 and 2020, respectively.

2. DEPOSITS AND INVESTMENTS

The District’s investment policy allows the District to invest in instruments allowed by Illinois Compiled Statutes (ILCS). Specifically, the District is permitted to invest in the following:

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities.
3. Interest-bearing savings accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.
4. Short-term obligations of corporations organized in the United States with assets exceeding \$500 million. The obligation must be rated with one of the three highest classifications by two standard ratings services, must mature within 270 days of purchase, and such purchases cannot exceed 10 percent of the corporation's outstanding obligations.
5. Money market mutual funds registered under the Investment Company Act of 1940.
6. Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district. The bonds must be rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise.
7. Public Treasurers' Investment Pool.
8. Repurchase agreements of government securities purchased through banks or trust companies.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Funds is authorized by the Illinois General Assembly and is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poor's upon the request of the Fund's management. The most recent money market rating issued by Standard and Poor's was AAAM. The fair value of the position in the Illinois Funds Investment Pool is the same as the value of the pool shares. Illinois State Statue provides the Illinois State Treasurer with regulatory oversight over the Pool. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The District's Board, by resolution, periodically prescribes minimum acceptable interest rates for such investments and minimum collateral requirements for uninsured deposits and investments. Deposits and investments held by the District at June 30 consist of the following:

	2021		2020	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Checking and Savings	3,275,406	3,230,553	2,713,033	2,385,926
Money Market	464,810	464,810	527,774	527,774
Certificates of Deposit	546,802	546,210	231,516	231,516
Illinois Funds	1,814,040	1,814,040	269,978	269,978
Mutual Funds	115,166	115,166	-	-
Municipal Bonds	5,459,965	5,459,965	7,102,074	7,102,074
U.S. Agencies	2,000,823	2,000,823	30,638	30,638
Totals	13,677,012	13,631,567	10,875,013	10,547,906
Reconciliation to financial statements				
Per statement of net position				
Current cash		5,044,594		2,655,904
Current investments		465,772		-
Noncurrent investments		253,015		659,025
Per statement of net position -				
Fiduciary Fund				
Current cash and cash equivalents		464,810		527,774
Current investments				
Certificates of Deposit		307,388		-
Municipal Bonds		20,696		-
Noncurrent investments				
U.S. Agencies		1,977,421		-
Municipal Bonds		5,097,871		6,705,203
Total Deposits and Investments		\$ 13,631,567		\$ 10,547,906

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. To guard against custodial credit risk for deposits with financial institutions, the District investment policy requires that deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) coverage amounts be collateralized with collateral in an amount of 100% of the uninsured deposits. No collateral agreement was required to cover investments as of June 30, 2021 and June 30, 2020. In addition, at June 30, 2021 and 2020, the District had an irrevocable, unconditional and nontransferable letter of credit in the amount of \$3,000,000 and \$4,000,000, respectively, to secure their operating account. This letter of credit is not in compliance with the District's policy as it is not backed by the full faith and credit of the US government. At June 30, 2021 and 2020, the District had uncollateralized deposits with a carrying value of \$0.

B. Investments

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

As of June 30, 2021, and 2020, no investments were exposed to custodial credit risk.

The District's investment policy limits investing to security types that are allowed by ILCS. This policy addresses this risk by only allowing investments that are rated at the time of purchase within the four highest classifications established by a rating service of nationally recognized expertise.

Springfield Mass Transit District OPEB Trust follows the investment policy of The District, or if none, follows the Public Funds Investment Act, 30 ILCS 235/2.

Credit risk is the risk an issuer to other counterparty to an investment will not fulfill its obligations.

At June 30, 2021, the District's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
U. S Agencies	Not Rated	Not Rated
Municipal Bonds	BBB-, BBB, BBB+, A-, A, A+ AA, AA+	Not Rated, AA3, BAA3, A2, A3
Illinois Funds	AAAm	Not Rate

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

At June 30, 2020, the District's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
U. S Agencies	Not Rated, AA+	AAA
Municipal Bonds	BBB+, A-, A, A+ AA	Not Rated, AA3, BAA4, A2, BAA1, A, AA
Illinois Funds	AAAm	Not Rate

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. The District's investment policy doesn't specifically address interest rate risk, except to require investments with varied maturities to provide for sufficient liquidity to mee all obligations of the District, and by limiting repurchase agreements to a maximum maturity of 330 days and limiting investments in short term obligations of corporations organized in the United States to a maximum maturity of 270 days.

At June 30, 2021 and 2020, the District's investments were as follows:

<u>Investment Type</u>	<u>Maturity in Years</u>			
	<u>Fair Value</u>	<u><1 Year</u>	<u>1-5 Years</u>	<u>5> Years</u>
Municipal Bonds	\$ 5,459,964	\$ 132,480	\$ 1,059,199	\$4,268,285
U.S. Agencies	2,000,823	-	407,331	1,593,492
Mutual Funds	115,166	115,166	-	-
Total	<u>\$ 7,575,953</u>	<u>\$ 247,646</u>	<u>\$ 1,466,530</u>	<u>\$5,861,777</u>

	<u>Maturity in Years</u>			
	<u>Fair Value</u>	<u><1 Year</u>	<u>1-5 Years</u>	<u>5> Years</u>
Municipal Bonds	\$ 7,102,074	\$ 390,913	\$ 1,248,865	\$5,462,296
U.S. Agencies	30,638	-	-	30,638
Total	<u>\$ 7,132,712</u>	<u>\$ 390,913</u>	<u>\$ 1,248,865</u>	<u>\$5,492,934</u>

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the District to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

The District recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended June 30, 2021.

The following is a description of the valuation technique used for assets measured at fair value on a recurring basis and the fair value measurements as of June 30, 2021 and June 30, 2020.

1. Mutual funds and marketable equity securities valued at the closing quoted price in an active market
2. Market approach with multidimensional model for investments held as Municipal Bonds and at U.S. Agencies.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Municipal Bonds	\$ 5,459,964	\$ -	\$ 5,459,964	\$ -
U.S. Agencies	2,000,823	-	2,000,823	-
Mutual Funds	115,166	115,166	-	-
Total	<u>\$ 7,575,953</u>	<u>\$ 115,166</u>	<u>\$ 7,460,787</u>	<u>\$ -</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Municipal Bonds	\$ 7,102,074	\$ -	\$ 7,102,074	\$ -
U.S. Agencies	30,638	-	30,638	-
Total	<u>\$ 7,132,712</u>	<u>\$ -</u>	<u>\$ 7,132,712</u>	<u>\$ -</u>

3. LOCAL TAXES

Property taxes attach as an enforceable lien on real property as of January 1 in the year in which the taxes are levied. The District generally files its tax levy ordinance with Sangamon County in July of each year. Sangamon County bills, collects, and disburses the taxes of the District. The taxes are generally payable in two installments on June 1 and September 1. The taxes levied in July of 2019 became a lien on January 1, 2019, were payable in June and September of 2020 and recognized as revenue in fiscal year 2020. The taxes levied in July of 2020 became a lien on January 1, 2020, were payable in June and September of 2021 and recognized as revenue in fiscal year 2021. The taxes levied in July of 2021 will be received and recognized as revenue in fiscal year 2022. Amounts not received in September are written off in the current fiscal year and have historically been insignificant.

The District is permitted, without referendum, to levy taxes up to .25% per \$100 of assessed valuation (\$2,095,372,353 in 2021 and \$2,094,964,747 in 2020) for general corporate purposes, .005% for auditing purposes, and in unlimited amounts for retirement and certain liability insurance and other costs, subject to annual statutory limitations on increases of the lesser of 5% or the increase in the consumer price index for the year. Taxes revenue and receivable at June 30 consist of the following:

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

3. LOCAL TAXES (Continued)

	2021		2020	
	Revenue	Receivable	Revenue	Receivable
General Corporate Levy	\$ 1,443,018	\$ 711,700	\$ 1,420,588	\$ 799,355
Illinois Municipal				
Retirement Fund Levy	411,599	206,487	399,177	230,978
Liability Insurance Levy	463,828	232,691	451,426	261,211
Social Security Levy	419,955	210,680	407,527	235,815
Auditing Levy	27,159	13,626	27,168	15,721
Replacement Tax	218,207	40,824	156,612	22,331
Totals	<u>\$ 2,983,766</u>	<u>\$ 1,416,008</u>	<u>\$ 2,862,498</u>	<u>\$ 1,565,411</u>

4. CAPITAL ASSISTANCE GRANTS

The FTA reimburses the District for the federal share of the District's capital expenditures incurred during the fiscal year according to individual federal grant agreements. The Illinois Department of Transportation reimburses the District for the state share of the District's capital expenditures incurred during the fiscal year according to individual state grant agreements.

At June 30, amounts were due to the District, as follows:

	2021	2020
Federal Capital Assistance IL-2018-026-02	\$ 17,027	\$ -
Federal Capital Assistance IL-90-X744	280,990	280,990
Federal Capital Assistance IL-04-0086	61,775	61,775
Federal Capital Assistance IL-90-X744-00	(183,373)	(183,373)
State Capital Assistance CAP-14-1030-ILL	<u>1,390,819</u>	<u>-</u>
Total Capital Receivable	<u>\$ 1,567,238</u>	<u>\$ 159,392</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

5. OPERATING ASSISTANCE GRANTS

The Federal Transit Administration (FTA) reimburses the District for up to one-half of the District's eligible operating losses incurred during the fiscal year, subject to certain limitations. The Division of Public Transportation, IDOT reimburses the District for 65% of the District's eligible operating expenses subject to certain overall limitations. Operating grants received in excess of the amounts earned under the terms of the grants are required to be repaid to the grantor.

At June 30, amounts were due to the District from IDOT and the FTA as follows:

	<u>2021</u>	<u>2020</u>
IDOT FY 21 Operating Assistance OP-21-54-IL	\$ 703,403	\$ -
IDOT FY 20 Operating Assistance OP-20-05-IL	(63,510)	(63,510)
IDOT FY 19 Operating Assistance OP-19-05-IL	(319,811)	(319,811)
IDOT FY 18 Operating Assistance OP-18-05-IL	(39,026)	(39,026)
IDOT FY 17 Operating Assistance OP-17-05-IL	(1,058)	(1,058)
IDOT FY 16 Operating Assistance OP-16-05-IL	46,061	46,061
IDOT FY 15 Operating Assistance OP-15-05-IL	(134,710)	(134,710)
IDOT FY 14 Operating Assistance OP-14-05-IL	(17,152)	(17,152)
IDOT FY 13 Operating Assistance OP-13-05-IL	(1,833)	(1,833)
IDOT FY 12 Operating Assistance OP-12-05-IL	(66,300)	(66,300)
IDOT FY 11 Operating Assistance OP-11-05-IL	22,733	22,733
IDOT FY 97 Operating Assistance OP-97-05-IL	(34,259)	(34,259)
IDOT FY 96 Operating Assistance OP-96-05-IL	27,945	27,945
IDOT FY 95 Operating Assistance OP-95-05-IL	20,670	20,670
IDOT FY 94 Operating Assistance OP-94-05-IL	22,737	22,737
Less: Allowance for Doubtful Accounts	<u>(37,093)</u>	<u>(37,093)</u>
Total State Operating Assistance Receivable	128,797	(574,606)
Federal Operating Assistance Receivable*	<u>1,515,250</u>	<u>1,543,552</u>
Total Operating Assistance Receivable	<u>\$ 1,644,047</u>	<u>\$ 968,946</u>

*This includes receivables for Projects IL-2020-029-00 operating assistance.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2021 consists of the following:

	<u>Balances</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>June 30, 2021</u>
Capital Assets, Not Being Depreciated				
Land	\$ 3,989,847	\$ -	\$ -	\$ 3,989,847
Construction in Progress	-	1,583,126	(146,409)	1,436,717
Total Capital Assets Not Being Depreciated	<u>3,989,847</u>	<u>1,583,126</u>	<u>(146,409)</u>	<u>5,426,564</u>
Capital Assets, Being Depreciated				
Parking Lot	1,779,488	2,972	-	1,782,460
Passenger Shelters	587,427	-	(21,165)	566,262
Administration Building	1,233,055	-	-	1,233,055
Transfer Center Building	895,523	-	-	895,523
Buses and Paratransit Vans	27,935,921	180,741	(2,054,763)	26,061,899
Cars and Trucks	339,887	-	-	339,887
Storage Garage	1,788,270	-	-	1,788,270
Maintenance Shop and Office	7,886,864	45,307	-	7,932,171
Garage Equipment	844,741	50,397	-	895,138
Office Furniture and Fixtures	143,768	-	-	143,768
Two-Way Radio Equipment	261,482	-	-	261,482
Other Assets	1,853,709	121,253	(102,056)	1,872,906
Telephone System	114,788	-	-	114,788
Stockroom and Machine Shop	176,377	-	-	176,377
CNG Fueling Station	1,779,017	-	-	1,779,017
Total Capital Assets Being Depreciated	<u>47,620,317</u>	<u>400,670</u>	<u>(2,177,984)</u>	<u>45,843,003</u>
Total Capital Assets	<u>\$ 51,610,164</u>	<u>\$ 1,983,796</u>	<u>\$ (2,324,393)</u>	<u>\$ 51,269,567</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CHANGES IN CAPITAL ASSETS (Continued)

Accumulated depreciation activity for the year ending June 30, 2021 consists of the following:

	Balances July 1, 2019	Additions	Retirements	Balances June 30, 2020
Capital Assets, Not Being Depreciated				
Land	\$ 3,989,847	\$ -	\$ -	\$ 3,989,847
Construction in Progress	10,672	3,773,267	(3,783,939)	-
Total Capital Assets Not Being Depreciated	<u>4,000,519</u>	<u>3,773,267</u>	<u>(3,783,939)</u>	<u>3,989,847</u>
Capital Assets, Being Depreciated				
Parking Lot	1,761,765	17,723	-	1,779,488
Passenger Shelters	553,952	33,475	-	587,427
Administration Building	1,233,055	-	-	1,233,055
Transfer Center Building	895,523	-	-	895,523
Buses and Paratransit Vans	24,807,385	3,186,281	(57,745)	27,935,921
Cars and Trucks	339,887	-	-	339,887
Storage Garage	1,788,270	-	-	1,788,270
Maintenance Shop and Office	7,749,088	137,776	-	7,886,864
Garage Equipment	847,574	67,625	(70,458)	844,741
Office Furniture and Fixtures	143,768	-	-	143,768
Two-Way Radio Equipment	263,050	-	(1,568)	261,482
Other Assets	1,520,649	333,060	-	1,853,709
Telephone System	114,788	-	-	114,788
Stockroom and Machine Shop	176,377	-	-	176,377
CNG Fueling Station	1,779,017	-	-	1,779,017
Total Capital Assets Being Depreciated	<u>43,974,148</u>	<u>3,775,940</u>	<u>(129,771)</u>	<u>47,620,317</u>
Total Capital Assets	<u>\$ 47,974,667</u>	<u>\$ 7,549,207</u>	<u>\$ (3,913,710)</u>	<u>\$ 51,610,164</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ending June 30, 2020 consists of the following:

	<u>Balances</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>June 30, 2020</u>
Capital Assets, Not Being Depreciated				
Land	\$ 3,989,847	\$ -	\$ -	\$ 3,989,847
Construction in Progress	<u>10,672</u>	<u>3,773,267</u>	<u>(3,783,939)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>4,000,519</u>	<u>3,773,267</u>	<u>(3,783,939)</u>	<u>3,989,847</u>
Capital Assets, Being Depreciated				
Parking Lot	1,761,765	17,723	-	1,779,488
Passenger Shelters	553,952	33,475	-	587,427
Administration Building	1,233,055	-	-	1,233,055
Transfer Center Building	895,523	-	-	895,523
Buses and Paratransit Vans	24,807,385	3,186,281	(57,745)	27,935,921
Cars and Trucks	339,887	-	-	339,887
Storage Garage	1,788,270	-	-	1,788,270
Maintenance Shop and Office	7,749,088	137,776	-	7,886,864
Garage Equipment	847,574	67,625	(70,458)	844,741
Office Furniture and Fixtures	143,768	-	-	143,768
Two-Way Radio Equipment	263,050	-	(1,568)	261,482
Other Assets	1,520,649	333,060	-	1,853,709
Telephone System	114,788	-	-	114,788
Stockroom and Machine Shop	176,377	-	-	176,377
CNG Fueling Station	<u>1,779,017</u>	<u>-</u>	<u>-</u>	<u>1,779,017</u>
Total Capital Assets Being Depreciated	<u>43,974,148</u>	<u>3,775,940</u>	<u>(129,771)</u>	<u>47,620,317</u>
Total Capital Assets	<u>\$ 47,974,667</u>	<u>\$ 7,549,207</u>	<u>\$ (3,913,710)</u>	<u>\$ 51,610,164</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CHANGES IN CAPITAL ASSETS (Continued)

Accumulated depreciation activity for the year ending June 30, 2019 consists of the following.

	Balances July 1, 2019	Additions	Retirements	Balances June 30, 2020
Capital Assets, Being Depreciated				
Parking Lot	\$ 189,880	\$ 82,728	\$ -	\$ 272,608
Passenger Shelters	269,960	46,362	-	316,322
Administration Building	654,128	39,597	-	693,725
Transfer Center Building	74,854	28,855	-	103,709
Buses and Paratransit Vans	9,795,675	2,200,320	(57,746)	11,938,249
Cars and Trucks	187,363	43,537	-	230,900
Storage Garage	1,106,861	43,215	-	1,150,076
Maintenance Shop and Office	1,649,571	233,379	-	1,882,950
Garage Equipment	691,422	35,072	(70,457)	656,037
Office Furniture and Fixtures	143,770	-	-	143,770
Two-Way Radio Equipment	47,382	99,693	-	147,075
Other Assets	913,211	207,182	-	1,120,393
Telephone System	8,873	34,985	-	43,858
Stockroom and Machine Shop	159,179	5,291	-	164,470
CNG Fueling Station	523,821	118,601	-	642,422
Total Accumulated Depreciation	<u>16,415,950</u>	<u>3,218,817</u>	<u>(128,203)</u>	<u>19,506,564</u>
Total Capital Assets Being Depreciated, Net	<u>27,558,198</u>	<u>557,123</u>	<u>(1,568)</u>	<u>28,113,753</u>
Total Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 31,558,717</u></u>	<u><u>\$ 4,330,390</u></u>	<u><u>\$ (3,785,507)</u></u>	<u><u>\$ 32,103,600</u></u>

7. DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2020, and 2019, the following employees were covered by the benefit terms:

	<u>2020</u>	<u>2019</u>
Retirees and Beneficiaries currently receiving benefits	106	104
Inactive Plan Members entitled to but not yet receiving benefits	117	103
Active Plan Members	<u>156</u>	<u>152</u>
Totals	<u><u>379</u></u>	<u><u>359</u></u>

7. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 and 2019 was 8.01% and 5.25%, respectively. For the calendar year 2020 and 2019, the District contributed \$687,848 and \$464,646, respectively to the plan. The District's contribution rate for fiscal year ended June 30, 2021 and 2020 was 7.86% and 6.63%. For fiscal year ended June 30, 2021 and 2020, the District contributed \$704,063 and \$565,614, respectively to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The District's net pension asset for fiscal year 2021 was measured as of December 31, 2020. The District's net pension asset for fiscal year 2020 was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020 and 2019:

- The **Actuarial Cost Method** used was Aggregate Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%. (2.50% in 2019)
- **Salary Increases** were expected to be 2.85% to 13.75% (3.35% to 14.25% in 2018), including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019. (2017 valuation study, 2014 to 2016 period in 2019)
- The Pub-2010 for **Mortality** (for nondisabled retirees) Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

7. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension asset for plan years ended December 31, 2020 and 2019. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (Asset) (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset)
Balances at December 31, 2018	\$ 34,710,258	\$ 31,684,447	\$ 3,025,811
Changes for the Year:			
Service Cost	835,409	-	835,409
Interest on the Total Pension Liability	2,474,101	-	2,474,101
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	173,874	-	173,874
Changes of Assumptions	-	-	-
Contributions - Employer	-	464,646	(464,646)
Contributions - Employees	-	459,437	(459,437)
Net Investment Income	-	6,031,836	(6,031,836)
Benefit Payments, Including Refunds of Employee Contributions	(2,004,867)	(2,004,867)	-
Other (Net Transfer)	-	(65,570)	65,570
Adjustment to Plan Fiduciary Net Position Due to the Audited Net Position by the IMRF Auditors		81,285	(81,285)
Net Changes	1,478,517	4,966,767	(3,488,250)
Balances at December 31, 2019	\$ 36,188,775	\$ 36,651,214	\$ (462,439)
Changes for the Year:			
Service Cost	\$ 901,614	\$ -	\$ 901,614
Interest on the Total Pension Liability	2,573,343	-	2,573,343
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(85,290)	-	(85,290)
Changes of Assumptions	(359,976)	-	(359,976)
Contributions - Employer	-	687,847	(687,847)
Contributions - Employees	-	479,013	(479,013)
Net Investment Income	-	5,639,561	(5,639,561)
Benefit Payments, Including Refunds of Employee Contributions	(2,290,389)	(2,290,389)	-
Other (Net Transfer)	-	(68,604)	68,604
Net Changes	739,302	4,447,428	(3,708,126)
Balances at December 31, 2020	\$ 36,928,077	\$ 41,098,642	\$ (4,170,565)

Changes in assumptions related to inflation rate, salary increases and mortality rates were made in 2020.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (assets), calculated using a Single Discount Rate of 7.25% and 7.25% for plan years ended December 31, 2020 and 2019, respectively, as well as what the plan's net pension liability (assets) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

<u>Net Pension Liability (Asset)</u>	<u>1% Lower (6.25%)</u>	<u>Current Discount (7.25%)</u>	<u>1% Higher (8.25%)</u>
December 31, 2020	\$ 412,359	\$ (4,170,565)	\$ (7,876,864)
<u>Net Pension Liability (Asset)</u>	<u>1% Lower (6.25%)</u>	<u>Current Discount (7.25%)</u>	<u>1% Higher (8.25%)</u>
December 31, 2019	\$ 4,177,483	\$ (462,439)	\$ (4,294,920)

Outstanding Payables

At June 30, 2021 and 2020, the District had outstanding payables to IMRF of \$95,365 and \$77,036, respectively, related to June 2021 and 2020 employer, employee, and voluntary contributions, which are payable in the following month. These amounts are included in accounts payable on the Statements of Net Position.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2021 and 2020, the District recognized pension expense of \$1,475,943 and \$951,364, respectively. At June 30, 2020 and 2019, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods				
Differences Between Expected and Actual Experience	\$ 598,328	\$ 120,598	\$ 916,281	\$ 156,756
Changes of Assumptions	372,454	477,405	581,593	418,707
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,371,552	-	1,614,546
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	970,782	3,969,555	1,497,874	2,190,009
Pension Contributions Made Subsequent to the Measurement Date	347,211	-	330,570	-
Total Deferred Amounts Related to Pensions	<u>\$ 1,317,993</u>	<u>\$ 3,969,555</u>	<u>\$ 1,828,444</u>	<u>\$2,190,009</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLAN (Continued)

Deferred outflows related to pension resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows and Deferred Inflows of Resources</u>
2022	\$ (881,685)
2023	(93,136)
2024	(1,429,562)
2025	(594,390)
Total	<u>\$ (2,998,773)</u>

8. OTHER POSTEMPLOYMENT BENEFITS

General Information About the Plan

Plan description. Sangamon Mass Transit District (the “District”) administers the District’s Retiree Health Insurance Program—a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) on behalf of its eligible retirees and their dependents, as well as surviving spouses of deceased retirees of the District.

Management of the District is vested in the Board of Trustees (The “Board”), which consists of seven members appointed by the Sangamon County Board of Supervisors to oversee the policies and operations of the District.

Employees covered by benefit terms. At June 30, 2021 and 2020, the Retiree Health Insurance Program membership consisted of the following:

	<u>2021</u>	<u>2020</u>
Retirees and Beneficiaries Currently Receiving Benefits	67	64
Terminated Employees Entitled to Benefits but not yet Receiving Them	15	15
Active Plan Members	<u>102</u>	<u>94</u>
	<u>184</u>	<u>173</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits provided. Eligibility requirements and benefits provided for District operators and mechanics are as follows: The District will pay the Union adopted and District approved group medical coverage premium for any retired full-time employee who has retired on or after July 1, 1980 and before July 1, 1996, and have attained age 60 years at retirement. The District will pay the Union adopted and District approved group medical coverage premium for any retired employee who has retired on or after July 1, 1996 having attained the age of 55 years at retirement; provided, however, that each employee retiring on or after July 1, 1996 shall pay 50% of the monthly premium in excess of \$225 per month up to a maximum out-of-pocket cost to the retiree of \$35 per month. Further, provided that each employee retiring on or after December 31, 2006 shall pay 10% of the monthly premium up to a maximum out-of-pocket cost to the retiree of \$58.90 per month. The District provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. Chapter 21 of the District Code grants the authority to establish and amend the benefit terms to the Board.

The District shall provide a \$3,750 life insurance policy for all of its retired employees.

Amalgamated Transit Union (ATU) employees who retire on or after January 1, 2009 pay varying percentages of the retiree premium with varying maximums based on the following schedule:

<u>Years of Service</u>	<u>% of Monthly Premium</u>	<u>Maximum Monthly Premium</u>
10	40%	\$ 125
11	37%	125
12	34%	110
13	28%	110
14	25%	110
15	22%	110
16+	11%	80

ATU members hired after June 30, 2011 will not be eligible for healthcare benefits upon retirement.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The District will pay the approved group medical coverage premium for administration staff, paratransit administration, transportation department, and the supervisor/and assistant of maintenance who retire under IMRF and have attained the following years of service:

Years of Service	Full time before Feb, 2011 % of Monthly Premium Emp/Dep	Full time after Feb 2011 % of Monthly Premium Emp/Dep	Employee Maximum Monthly Premium
10	70%/0%	64%/0%	\$ 125
11	74%/0%	67%/0%	125
12	81%/0%	73%/0%	110
13	84%/0%	76%/0%	110
14	88%/60%	79%/30%	110
15	90%/70%	80%/40%	110
16	100%/80%	90%/50%	80

Dependent coverage will be offered at the percentage of the actual cost.

For employees hired after August 1, 2012, no health care benefit will be offered upon retirement.

Upon reaching Medicare age, employees enroll in Medicare Part B coverage. At that time, Medicare becomes the primary insurance policy and the District plan becomes supplemental. The premium for the supplemental plan is reduced. The retiree continues to contribute toward the reduced premium according to the tier that they retired under as outlined above.

Contributions. The District negotiates the contribution percentage between the District and employees through the union contracts and personnel policy. Retirees are required to contribute applicable premiums as defined in the Union Agreement and the District contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal years ended June 30, 2021 and 2020, the District contributed \$778,812 and \$878,998, respectively. Active employees do not contribute to the plan until retirement.

NET OPEB LIABILITY

The District's net OPEB liability reported as of June 30, 2021 and 2020 was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020 and 2019.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

NET OPEB LIABILITY

Actuarial assumptions. The net OPEB liability was determined by an actuarial valuation as of July 1, 2020 and June 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020 and June 1, 2019
Inflation Rate	2.50%
Salary Increase Rate	Varies by Service (2020), Varies by Service (2019)
Discount Rate	4.37% (2020), 4.38% (2019)
Initial Trend Rate	7.00% (2020), 8.00% (2019)
Ultimate Trend Rate	4.00%
Years to Ultimate	54
Investment Rate of Return	4.50%

The actuarial assumptions used in the June 30, 2021 valuation were: Mortality rates were based on the PubG-2010 amount-weighted, below-median income with scale MP-2020. Healthy Inactive Lives: PubG-2010 amount-weighted, below-median income, Male (adjusted 106%) and Female (adjusted 105%) with scale MP-2020. Disabled Lives: PubG-2010 amount-weighted, with scale MP-2020.

The actuarial assumptions used in the June 30, 2020 valuation were: Mortality rates were based on the RP-2014 Total Dataset Mortality Tables with fully generational mortality improvement using Scale MP-2017. Healthy Retiree and Beneficiary mortality rates were based on the RP-2014 Mortality Table with Blue Collar Adjustment with fully generational mortality improvement using Scale MP-2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major 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.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	5%	0%
U.S. Equity	-	-
International Equity	-	-
Real Estate	-	-
U.S. Fixed Income	<u>95%</u>	2.99%
Total	<u><u>100%</u></u>	

Investment policy. The District’s policy in regard to the allocation of invested assets is established and may be amended by the District’s Board by a majority vote of its members. It is the policy of the District’s Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The District’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The Board has not adopted an asset allocation policy as of June 30, 2021 or 2020.

Rate of return. For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on investments, net of investment expenses, was 3.92% and 8.05%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability was 4.37 percent and 4.38 percent for June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. The expected rate of return on trust investments is 4.50%. This rate was used to discount projected benefit payments for 50 years at which point the trust is projected to become insolvent. The remaining projected benefit payments were discounted at a municipal bond rate. The high-quality municipal bond rate, 2.18%, was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower or 1-percentage-point higher than the current discount rate:

<u>Net OPEB Liability (Asset)</u>	<u>1% Decrease (3.50%)</u>	<u>Discount Rate (4.50%)</u>	<u>1% Increase (5.50%)</u>
June 30, 2021	\$ 8,277,236	\$ 6,253,604	\$ 4,612,626
<u>Net OPEB Liability (Asset)</u>	<u>1% Decrease (3.38%)</u>	<u>Discount Rate (4.38%)</u>	<u>1% Increase (5.38%)</u>
June 30, 2020	\$ 9,013,170	\$ 6,948,461	\$ 5,279,476

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>Net OPEB Liability (Asset)</u>	<u>1% Decrease (3.0% - 7.0%)</u>	<u>Healthcare Cost Trend Rate (4.0% - 8.0%)</u>	<u>1% Increase (5.0% - 9.0%)</u>
June 30, 2021	\$ 4,287,966	\$ 6,253,604	\$ 8,708,883
<u>Net OPEB Liability (Asset)</u>	<u>1% Decrease (3.0% - 7.0%)</u>	<u>Healthcare Cost Trend Rate (4.0% - 8.0%)</u>	<u>1% Increase (5.0% - 9.0%)</u>
June 30, 2020	\$ 5,066,315	\$ 6,948,461	\$ 9,300,286

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A - B)
Balances at June 30, 2019	\$ 14,229,767	\$ 5,247,291	\$ 8,982,476
Changes for the Year:			
Service Cost	232,515	-	232,515
Interest	658,878	-	658,878
Differences Between Expected and Actual			
Experience	368,781	-	368,781
Changes in Assumptions	(1,615,062)	-	(1,615,062)
Contributions - Employer	-	1,224,679	(1,224,679)
Contributions - Employees	-	-	-
Net Investment Income	-	454,448	(454,448)
Benefit Payments	(382,881)	(382,881)	-
Administrative Expense	-	-	-
Net Changes	<u>(737,769)</u>	<u>1,296,246</u>	<u>(2,034,015)</u>
Balances at June 30, 2020	\$ 13,491,998	\$ 6,543,537	\$ 6,948,461
Changes for the Year:			
Service Cost	\$ 248,074	\$ -	\$ 248,074
Interest	591,517	-	591,517
Differences Between Expected and Actual			
Experience	-	-	-
Changes in Assumptions	(220,678)	-	(220,678)
Contributions - Employer	-	878,998	(878,998)
Contributions - Employees	-	-	-
Net Investment Income	-	434,772	(434,772)
Benefit Payments	(475,351)	(475,351)	-
Administrative Expense	-	-	-
Net Changes	<u>143,562</u>	<u>838,419</u>	<u>(694,857)</u>
Balances at June 30, 2021	<u>\$ 13,635,560</u>	<u>\$ 7,381,956</u>	<u>\$ 6,253,604</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2021 and 2020, the District recognized OPEB expense of \$271,241 and \$434,539 respectively. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources	2020 Deferred Outflows of Resources	2020 Deferred Inflows of Resources
Differences between expected and actual experience	\$ 245,856	\$ -	\$ 307,320	\$ -
Changes of assumptions	-	1,260,606	-	1,345,885
Net difference between projected and actual earnings on OPEB plan investments	-	171,648	-	60,733
Employer contributions made subsequent to the measurement date	778,813	-	878,998	-
Total	<u>\$ 1,024,669</u>	<u>\$ 1,432,254</u>	<u>\$ 1,186,318</u>	<u>\$ 1,406,618</u>

Deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2022	\$ (264,810)
2023	(303,455)
2024	(310,615)
2025	(270,740)
2026	(36,778)
Thereafter	-
Totals	<u>\$ (1,186,398)</u>

SANGAMON MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

9. CONTINGENT LIABILITIES AND SELF-INSURANCE

The District's participation in various state and federally-assisted grant programs is subject to acceptance of compliance audits by the grantors. Accordingly, the District's compliance with applicable grant requirements may be established at some future date. Management believes the District has complied with the terms and conditions of its grants, and that proposed adjustments, if any, will not be material.

In September 1985, the District became self-insured for losses arising from workers' compensation and public liability claims. On July 1, 2015, the District purchased first dollar worker's compensation coverage for new claims.

For the year ended June 30, 2021, the District paid \$675,951 in full or partial settlement of various claims and paid an additional \$46,279 for claims adjustment and related legal services. In addition, \$468,852 had been provided, net of estimated subrogation rights, for estimated losses on 17 unsettled claims outstanding at the end of the year.

For the year ended June 30, 2020, the District paid \$76,846 in full or partial settlement of various claims and paid an additional \$59,388 for claims adjustment and related legal services. In addition, \$380,039 had been provided, net of estimated subrogation rights, for estimated losses on 21 unsettled claims outstanding at the end of the year.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

A reconciliation of the changes in the total liabilities for claims for the current fiscal year and the prior fiscal year are shown below:

	2021	2020	2019
Amount of Claims Liabilities, at the Beginning of the Year	\$ 380,039	\$ 501,194	\$ 618,624
Incurred Claims for the Current Year and Changes in the Provision for Events of Prior Years	811,043	15,080	68,518
Payments of Claims Attributable to the Current and Prior Years	<u>(722,230)</u>	<u>(136,235)</u>	<u>(185,948)</u>
Amount of Claims Liabilities, at the End of the Year	<u>\$ 468,852</u>	<u>\$ 380,039</u>	<u>\$ 501,194</u>

The amount of claims liabilities at the end of the year is included in accounts payable on the District's statement of net position.

9. CONTINGENT LIABILITIES AND SELF-INSURANCE (Continued)

For those exposures covered by insurance policies, settled claims have not exceeded insurance coverage purchased for the past three fiscal years. Employee life and health risks are insured through the purchase of a group insurance plan.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

SANGAMON MASS TRANSIT DISTRICT

DEFINED BENEFIT PENSION PLAN - REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

Last Seven Calendar Years

Calendar Year Ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 901,614	\$ 835,409	\$ 721,365	\$ 810,388	\$ 808,680	\$ 778,118	\$ 783,068
Interest on the total pension liability	2,573,343	2,474,101	2,300,767	2,304,616	2,217,364	2,140,553	1,938,489
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(85,290)	173,874	1,340,294	(253,099)	(220,505)	(372,237)	392,191
Changes of Assumptions	(359,976)	-	997,411	(1,045,383)	(38,987)	38,180	1,000,791
Benefit payments, including refunds of employee contributions	(2,290,389)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)	(1,335,128)
Net change in total pension liability	<u>739,302</u>	<u>1,478,517</u>	<u>3,428,259</u>	<u>101,450</u>	<u>1,194,584</u>	<u>1,084,009</u>	<u>2,779,411</u>
Total Pension Liability - Beginning	<u>36,188,775</u>	<u>34,710,258</u>	<u>31,281,999</u>	<u>31,180,549</u>	<u>29,985,965</u>	<u>28,901,956</u>	<u>26,122,545</u>
Total Pension Liability - Ending (A)	<u>\$ 36,928,077</u>	<u>\$ 36,188,775</u>	<u>\$ 34,710,258</u>	<u>\$ 31,281,999</u>	<u>\$ 31,180,549</u>	<u>\$ 29,985,965</u>	<u>\$ 28,901,956</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 687,847	\$ 464,646	\$ 663,813	\$ 981,897	\$ 1,169,058	\$ 658,258	\$ 670,876
Contributions - employee	479,013	459,437	354,443	321,987	328,613	333,546	310,710
Net investment income	5,639,561	6,031,836	(2,133,005)	5,382,920	1,901,586	143,042	1,674,448
Benefit payments, including refunds of employee contributions	(2,332,165)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)	(1,335,128)
Other (Net Transfer)	(26,828)	(65,570)	693,528	(750,726)	207,864	(715,970)	(84,827)
Net change in plan fiduciary net position	<u>4,447,428</u>	<u>4,885,482</u>	<u>(2,352,799)</u>	<u>4,221,006</u>	<u>2,035,153</u>	<u>(1,081,729)</u>	<u>1,236,079</u>
Plan Fiduciary Net Position - Beginning	<u>36,651,214</u>	<u>31,684,447</u>	<u>34,037,246</u>	<u>29,816,240</u>	<u>27,781,087</u>	<u>28,862,816</u>	<u>27,626,737</u>
Change in Plan Fiduciary Net Position Due to IMRF Auditors	<u>-</u>	<u>81,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 41,098,642</u>	<u>\$ 36,651,214</u>	<u>\$ 31,684,447</u>	<u>\$ 34,037,246</u>	<u>\$ 29,816,240</u>	<u>\$ 27,781,087</u>	<u>\$ 28,862,816</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ (4,170,565)</u>	<u>\$ (462,439)</u>	<u>\$ 3,025,811</u>	<u>\$ (2,755,247)</u>	<u>\$ 1,364,309</u>	<u>\$ 2,204,878</u>	<u>\$ 39,140</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.29%	101.28%	91.28%	108.81%	95.62%	92.65%	99.86%
Covered Valuation Payroll	\$ 8,587,356	\$ 8,722,889	\$ 7,876,504	\$ 7,155,258	\$ 7,302,495	\$ 7,305,587	\$ 6,910,358
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	-48.57%	-5.30%	38.42%	-38.51%	18.68%	30.18%	0.57%

Changes in assumptions related to salary rates, inflation rates, mortality and retirement age in 2020

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

See accompanying Notes to Required Supplementary Information.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine the 2020 and 2019 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 23-year closed period (24-year closed period in 2019)

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.25%

Price Inflation: 2.50%

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.25% (7.50% in 2019)

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generated projection scale MP-2017 (base year 2015). For nondisabled retirees, the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. For 2019, non-disabled retirees, an IMRF specific mortality table was used with fully generated projection scale MP-2017 (base year 2015). For nondisabled retirees, the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

SANGAMON MASS TRANSIT DISTRICT
NOTES TO SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. Updated from MP-2014 (base year 2012) in 2018.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SANGAMON MASS TRANSIT DISTRICT

DEFINED BENEFIT PENSION PLAN - REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Eight Fiscal Years

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 664,085	\$ 670,876	\$ -	\$ 6,910,358	10%
2015	685,651	685,651	-	6,809,007	10%
2016	1,137,580	1,137,580	-	6,626,856	17%
2017	999,568	999,568	-	6,894,788	14%
2018	637,808	637,808	-	6,989,415	9%
2019	663,813	663,813	-	7,672,953	9%
2020	565,614	565,614	-	8,602,850	7%
2021	704,063	704,063	-	8,958,473	8%

Notes to Schedule:

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 23 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually (7.50% in FY20), projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.00% compounded annually.

See accompanying Notes to Required Supplementary Information.

SANGAMON MASS TRANSIT DISTRICT

OTHER POSTEMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 248,074	\$ 232,515	\$ 250,351	\$ 239,570	\$ 779,778
Interest	591,517	658,878	620,278	597,166	417,026
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	368,781	-	-	-
Changes of assumptions	(220,678)	(1,615,062)	-	-	-
Benefit payments, including refunds of employee contributions	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Net change in total OPEB liability	<u>143,562</u>	<u>(737,769)</u>	<u>525,490</u>	<u>513,819</u>	<u>876,309</u>
Total OPEB Liability - Beginning	<u>13,491,998</u>	<u>14,229,767</u>	<u>13,704,277</u>	<u>13,190,458</u>	<u>12,314,149</u>
Total OPEB Liability - Ending (A)	<u>\$ 13,635,560</u>	<u>\$ 13,491,998</u>	<u>\$ 14,229,767</u>	<u>\$ 13,704,277</u>	<u>\$ 13,190,458</u>
Trust Net Position					
Contributions - employer	\$ 878,998	\$ 1,224,679	\$ 753,911	\$ 1,392,384	\$ 903,684
Contributions - employee	-	-	-	-	-
Net investment income (loss)	434,772	454,448	182,896	(7,449)	229,864
Administrative expenses	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Other	-	-	-	-	-
Net Change in Net Position Held in Trust	<u>838,419</u>	<u>1,296,246</u>	<u>591,668</u>	<u>1,062,018</u>	<u>813,053</u>
Trust Net Position - Beginning	<u>6,543,537</u>	<u>5,247,291</u>	<u>4,655,623</u>	<u>3,593,605</u>	<u>2,780,552</u>
Trust Net Position - Ending (B)	<u>\$ 7,381,956</u>	<u>\$ 6,543,537</u>	<u>\$ 5,247,291</u>	<u>\$ 4,655,623</u>	<u>\$ 3,593,605</u>
Net OPEB Liability (Asset) - Ending (A) - (B)	\$ 6,253,604	\$ 6,948,461	\$ 8,982,476	\$ 9,048,654	\$ 9,596,853
Trust Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	48.50%	36.88%	33.97%	27.24%
Covered Employee Payroll	\$ 5,726,525	\$ 5,520,606	\$ 5,531,169	\$ 5,264,646	\$ 6,894,788
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	109.20%	125.86%	162.40%	171.88%	139.19%

*GASB Statement No. 74 was implemented as of June 30, 2017. Information in this schedule will be presented on a prospective basis.

** The District liability at the end of each fiscal year is based on the measurement date of one year prior.

See accompanying Notes to Required Supplementary Information.

SANGAMON MASS TRANSIT DISTRICT
NOTES TO SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET OPEB LIABILITY AND RELATED RATIOS

Actuarial valuation information relative to the determination of contributions:

Valuation Date: July 1, 2020 and June 1, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry age normal

Asset Valuation Method: Market Value

Price Inflation: 2.50%

Healthcare Cost Trend Rates: 7.0% initial, decreasing to an ultimate rate of 4.0% (8.0% initial in 2019)

Salary Increases: 2.50% annually

Investment Rate of Return: 4.50%

Mortality: Actives: RP-2014 Total Dataset Mortality Tables with fully generational improvement using Scale MP-2017

Healthy Retirees, Beneficiaries and Covered Spouses: RP-2014 Mortality Tables with Blue Collar adjustment and fully generational improvement using Scale MP-2017

Disabled Members: RP-2014 Disabled Annuitant Mortality Tables with fully generational improvement using Scale MP-2017

SANGAMON MASS TRANSIT DISTRICT

OTHER POSTEMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 831,308	\$ 981,120	\$ 957,242	\$ 829,047	\$ 860,074
Contributions in relation to the actuarially determined contribution	778,812	878,998	1,224,679	753,911	1,392,384
Contribution deficiency (excess)	<u>\$ 52,496</u>	<u>\$ 102,122</u>	<u>\$ (267,437)</u>	<u>\$ 75,136</u>	<u>\$ (532,310)</u>
Covered-employee payroll	\$ 5,726,525	\$ 5,520,606	\$ 5,531,169	\$ 5,264,646	\$ 6,894,788
Contributions as a percentage of covered-employee payroll	13.60%	15.92%	22.14%	14.32%	20.19%

*GASB Statement No. 74 was implemented as of June 30, 2017. Information in this schedule will be presented on a prospective basis.

See accompanying Notes to Required Supplementary Information.

SUPPLEMENTAL FINANCIAL INFORMATION

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FIXED ROUTE OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2021
(With Comparative Actual Totals for June 30, 2020)

	<u>Vehicle Operations</u>	<u>Vehicle Maintenance</u>	<u>Facilities Maintenance</u>	<u>General Administration</u>	<u>Total 2021</u>	<u>Total 2020</u>
LABOR						
Operator's salaries and wages	\$ 4,441,331	\$ -	\$ -	\$ -	\$ 4,441,331	\$ 4,316,489
Operator's paid absences	536,565	-	-	-	536,565	486,126
Other salaries and wages	661,557	1,197,473	112,231	575,902	2,547,163	2,345,248
Other paid absences	111,839	229,330	23,468	104,187	468,824	371,762
FRINGE BENEFITS	990,931	418,952	-	201,630	1,611,513	3,065,838
SERVICES						
Advertising fees	-	-	-	128,032	128,032	92,520
Professional technical services	-	-	-	142,945	142,945	231,447
Contract maintenance service	-	-	68,793	-	68,793	52,699
Custodial services	-	-	6,362	-	6,362	13,826
Security services	-	-	-	2,548	2,548	2,404
Other services	-	-	-	54,478	54,478	133,477
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	472,617	13,033	-	-	485,650	386,103
Tires and tubes	117,763	-	-	-	117,763	111,540
Other materials and supplies	-	920,057	323,830	106,927	1,350,814	1,098,022
UTILITIES	-	-	-	288,007	288,007	258,788
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	-	-	-	255,991	255,991	188,636
Premiums for physical damage insurance	-	-	-	85,073	85,073	78,767
Recoveries of physical damage losses	-	-	-	(15,264)	(15,264)	(10,438)
Premiums for other corporate insurance	-	-	-	38,289	38,289	37,059
Uninsured losses, net of recoveries	-	-	-	145,799	145,799	(11,785)
LICENSES AND TAXES						
Vehicle licensing and registration fees	307	-	2,045	-	2,352	5,246
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	10,280	10,280	38,374
Dues and subscriptions	-	-	-	66,301	66,301	52,655
Other	-	-	-	78,148	78,148	52,937
LEASE EXPENSE	-	-	-	37,290	37,290	70,953
TOTALS	<u>\$ 7,332,910</u>	<u>\$ 2,778,845</u>	<u>\$ 536,729</u>	<u>\$ 2,306,563</u>	<u>\$ 12,955,047</u>	<u>\$ 13,468,693</u>

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF PARATRANSIT OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2021
(With Comparative Actual Totals for June 30, 2020)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2021	Total 2020
LABOR						
Operator's salaries and wages	\$ 576,711	\$ -	\$ -	\$ -	\$ 576,711	\$ 661,384
Operator's paid absences	47,354	-	-	-	47,354	39,572
Other salaries and wages	194,412	64,559	-	90,265	349,236	328,510
Other paid absences	26,000	-	-	12,858	38,858	36,018
FRINGE BENEFITS	202,457	11,855	-	18,574	232,886	433,484
SERVICES						
Advertising fees	-	-	-	-	-	-
Professional technical services	-	-	-	6,592	6,592	9,090
Contract maintenance service	-	-	43,063	-	43,063	27,641
Custodial services	-	-	707	-	707	1,525
Security services	-	-	-	-	-	-
Other services	-	-	-	17,198	17,198	25,163
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	175,741	1,350	-	-	177,091	173,624
Tires and tubes	14,008	-	-	-	14,008	14,611
Other materials and supplies	-	108,656	-	3,816	112,472	48,271
UTILITIES	-	-	-	27,554	27,554	32,397
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	-	-	-	28,443	28,443	20,960
Premiums for physical damage insurance	-	-	-	9,453	9,453	8,752
Recoveries of physical damage losses	-	-	-	-	-	-
Uninsured losses, net of recoveries	-	-	-	625,005	625,005	(15,155)
LICENSES AND TAXES						
Vehicle licensing and registration fees	624	-	-	-	624	-
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	3,476	3,476	1,074
Dues and subscriptions	-	-	-	5,027	5,027	4,734
Other	-	-	-	2,787	2,787	1,327
LEASE EXPENSE	-	-	-	686	686	686
TOTALS	<u>\$ 1,237,307</u>	<u>\$ 186,420</u>	<u>\$ 43,770</u>	<u>\$ 851,734</u>	<u>\$ 2,319,231</u>	<u>\$ 1,853,668</u>

SANGAMON MASS TRANSIT DISTRICT

COMPUTATION OF FEDERAL OPERATING ASSISTANCE

For the Year Ended June 30, 2021

	Actual Project Cost
<u>Projects IL-2020-021-00/IL-2020-029-00/IL-2020-030-00</u>	
Total Operating Expenses (excluding depreciation)	
Salaries and labor	\$ 9,006,041
Benefits	3,751,189
Services	342,687
Materials and supplies	2,257,797
Utilities	315,561
Casualty and liability insurance and losses	1,172,790
Taxes and licenses	2,975
Leases and rentals	37,976
Miscellaneous	193,510
Eligible Operating Expenses	<u>17,080,526</u>
Less Offsetting Revenues	<u>268,724</u>
Net Project Cost	<u>\$ 16,811,802</u>
Local Share	
State operating assistance	<u>\$ 10,699,133</u>
Net Expenses Before Applying FTA Funds	<u>\$ 6,112,669</u>
Federal Assistance Limitation (lesser of)	
100% of net project cost	<u>\$ 16,811,802</u>
Net project cost after use of Local Share	<u>\$ 6,112,669</u>
Grant award IL-2020-021-00	\$ 5,286,824
Grant award IL-2020-029-00	\$ 3,650,068
Grant award IL-2020-030-00	\$ 2,696,868
Total Grant Awards	<u>\$ 11,633,760</u>
BALANCE DUE FROM (TO) FEDERAL TRANSIT ADMINISTRATION	<u>\$ 5,803,606</u>

REPORT ON FEDERAL AWARDS

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

To the Board of Trustees
Sangamon Mass Transit District
Springfield, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sangamon Mass Transit District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 1, 2022.

Internal Control Over Financial Reporting

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

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sangamon Mass Transit District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Springfield, Illinois
February 1, 2022

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

To the Board of Trustees
Sangamon Mass Transit District
Springfield, Illinois

Report on Compliance for Each Major Federal Program

We have audited Sangamon Mass Transit District’s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2021. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items Finding 2021-002 that we consider to be a material weakness in internal control over compliance.

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 1, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of those basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Springfield, Illinois
February 1, 2022

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
U.S. Department of Transportation			
<i>Federal Transit Cluster:</i>			
<i>Direct Program:</i>			
Federal Transit Capital Investment Grants			
Federal Transit Capital Investment Grants	20.500	IL-2016-004	\$ 32,540
Total Federal Transit Capital Investment Grants			<u>32,540</u>
Federal Transit Formula Grants			
Federal Transit Formula Grants (CARES Act)	20.507	IL-2020-021-00	1,591,488
Federal Transit Formula Grants	20.507	IL-2018-026-00	17,027
Federal Transit Formula Grants	20.507	IL-2020-030-00	2,696,868
Federal Transit Formula Grants	20.507	IL-2020-029-00	1,515,250
Total Federal Transit Formula Grants			<u>5,820,633</u>
 <i>Passed through Illinois Department of Transportation:</i>			
Bus and Bus Facilities Formula & Discretionary Programs	20.526	IL-2019-017	<u>180,741</u>
Total Bus and Bus Facilities Formula & Discretionary Programs			<u>180,741</u>
<i>Total Department of Transportation</i>			<u>6,033,914</u>
Total Federal Transit Cluster-Cluster			<u>6,033,914</u>
Total Expenditures of Federal Awards			<u>\$ 6,033,914</u>

The accompanying notes are an integral part of this schedule

SANGAMON MASS TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

NOTE 1 – REPORTING ENTITY

This report on Federal Awards includes the federal awards of the Sangamon Mass Transit District. The reporting entity for the Sangamon Mass Transit District is based upon the criteria established by the Governmental Accounting Standards Board.

NOTE 2 – BASIS OF PRESENTATION

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

NOTE 3 – DESCRIPTION OF MAJOR PROGRAM

There was one major program for the year ended June 30, 2021, the Federal Transit Cluster. This grant was awarded by the Federal Transit Administration – U.S. Department of Transportation to the Sangamon Mass Transit District for the purposes of financing capital projects and supporting public transportation services in urbanized areas.

NOTE 4 – RECONCILIATION OF THE FINANCIAL STATEMENTS

The Federal aid is included in the statement of revenues, expenses and changes in net position as follows:

Operating assistance	\$ 5,803,606
Capital assistance	<u>230,308</u>
	<u>\$ 6,033,914</u>

NOTE 5 – INDIRECT COST RATE

The Sangamon Mass Transit District has not elected to use the 10% de minimis indirect cost rate.

NOTE 6 – ADDITIONAL INFORMATION

As of and during the year ended June 30, 2021, the District did not receive any federal insurance or federal loans or loan guarantees. In addition, the District did not pass through any federal awards to sub-recipients.

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditor’s report issued on compliance for major federal programs: *unmodified*

Internal control over major federal programs:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance? X Yes No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Federal Transit Cluster
20.500	Federal Transit Capital Investment Grants
20.507	Federal Transit Formula Grants
20.526	Bus and Bus Facilities Formula & Discretionary Programs

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

Auditee qualified as low-risk auditee? Yes X No

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2021

Section II – Financial Statement Findings

2021-001 – Financial Reporting

Criteria/Specific Requirement: AU Section 325, Communicating Internal Control Related Matters Identified in an Audit, requires auditors to report a weakness if the District is not able to prepare its year-end financial statements, including the statement of cash flows and all footnote disclosures; prepare the schedule of expenditures of federal awards; or has material journal entries.

Condition: During our audit of IMRF pension expense and liability, we identified and proposed an audit adjustment, which was reviewed and approved by management, to present fairly the District's basic financial statements. The adjustment was to various IMRF accounts and was material in nature.

Cause and Effect: The accounting department has a limited number of staff who do not always have the time or specialized expertise required make the required IMRF adjustment in order to properly present all IMRF pension balances.

Recommendation: We recommend the District review IMRF pension expense and liability and agree the balances to the actuarial valuation report.

Management's response: Management agrees with this finding and their response is included in the Corrective Action Plan.

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2021

Finding 2021-002 – Cash Management

Criteria/Specific Requirement: Reimbursement Payment Method: 2 CFR part 200.305(b)(3) states that program costs must be paid by non-Federal entity funds before submitting a payment request.

Condition: When testing award reimbursements, we noted that three different federal grants (IL-2020-0021-01, IL-2020-030-01, and IL-2016-004-02) requested reimbursement prior to paying expenses incurred.

Effect: The District is not complying with the grant agreement and federal award requirements.

Cause: The District requested reimbursement prior to paying incurred expenses.

Questioned Costs: \$3,459,757

Recommendation: We recommend management review grant agreements to ensure appropriate timing for reimbursement of federal awards.

Management's Response: Management agrees with this finding and their response is included in the Corrective Action Plan.

SANGAMON MASS TRANSIT DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

<u>Prior Finding</u>	<u>Condition</u>	<u>Status</u>
2020-001	Financial Reporting	Repeated – 2021-001
2020-002	Ineligible Expenditures – Removal of questioned costs from federal award being recognized.	Considered implemented as of 6/30/2021



CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS

For the Year Ended June 30, 2021

2021-001 – Financial Reporting

Condition: During our testing of IMRF pension expense and liability, we noted that the deferred outflows and deferred inflows for IMRF were not properly calculated. As a result, we noted that deferred outflows for IMRF were understated by \$1,017,784 and deferred inflows for IMRF were understated by \$973,140. An adjustment was made to correct the understatement.

Corrective Action: Staff will develop a reconciliation schedule timed to reflect the release of IMRF actuary information and use the instructions contained in the GRS vs IMRF Reconciliation Adjustments Schedule effective with the year beginning July 1, 2021 and ending June 30, 2022.

Responsible Person for Corrective Action Plan: Director of Finance and Administration

Implementation Date for Corrective Action Plan: June 30, 2022



CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS (Continued)

For the Year Ended June 30, 2021

Finding 2021-002 – Cash Management

Condition: When testing award reimbursements, we noted that three different federal grants (IL-2020-0021-01, IL-2020-030-01, and IL-2016-004-02) requested reimbursement prior to paying expenses incurred.

Corrective Action: Staff has implemented a method of calculating federal operating assistance based on training received from the Federal Transit Administration during fiscal year 2021, specifically on FTA Circular 9030.1E. These federal circular details include the requirements of calculating operating and the method of tracking earned funds on the Schedule of Expenditure of Federal Awards (SEFA). Based on this methodology staff has created two new month-end accounting reporting models that will be used once total disbursements are identified in the monthly financial close. This new method is a vast improvement over past practice as it will allow SMTD to draw federal funds on a quarterly, or even monthly, basis as each month is closed, expenses are finalized, and results reported. In the past, this was an annual exercise of reconciling funds accrued on a “formula-basis” to funds accrued on an “earned-basis”. Additionally, clarity on when to book a receivable versus what expenses populate the SEFA was obtained in the same training which will enable accounting staff to prepare its own SEFA on an on-going basis per guidance.

Responsible Person for Corrective Action Plan: Director of Finance and Administration

Implementation Date for Corrective Action Plan: December 31, 2021

ILLINOIS DEPARTMENT OF TRANSPORTATION

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS APPLICABLE TO THE
FINANCIAL ASSISTANCE RECEIVED UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-21-54-IL**

To the Board of Trustees
Sangamon Mass Transit District
Springfield, Illinois

Report on Compliance

We have audited Sangamon Mass Transit District’s (the District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2021. The District’s financial assistance is identified in the Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-21-54-IL. We also tested the calculation of the State’s participation in the District’s operating deficit and that State assistance claimed and paid are recorded and reported in accordance with the contract with the State of Illinois.

Management’s Responsibility

Management is responsible for compliance with the laws and regulations applicable to the financial assistance received under the downstate operating assistance grant.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance of the District based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the “Downstate Operating Assistance Grant Program Agreement” with the State of Illinois Department of Transportation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state financial assistance occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides as reasonable basis for our opinion on compliance with the laws and regulations applicable to the financial assistance received under the downstate operating assistance grant. However, our audit does not provide a legal determination of the District's compliance.

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on the downstate operating assistance grant for the year ended June 30, 2021.

Other Matters

The purpose of this report on is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation. Accordingly, this report is not suitable for any other purpose.

Sikich LLP

Springfield, Illinois
February 1, 2022

SANGAMON MASS TRANSIT DISTRICT

**SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-21-54-IL**

For the Year Ended June 30, 2021

OPERATING REVENUES AND INCOME

401	Passenger fares for transit services	\$	146,149
402	Special transit fares		57,266
405	Total charter service revenues		-
406	Auxiliary revenue		55,047
407	Non-transportation revenue		65,309
408	Sec. 5307 force accounting and administration cost reimbursement		-
413	Federal cash grants and reimbursement		5,803,606
	Total Operating Revenues		6,127,377

OPERATING EXPENSES

501	Labor		9,006,042
502	Fringe benefits		3,751,189
503	Professional services		342,687
504	Materials and supplies consumed		2,257,797
505	Utilities		315,561
506	Casualty and liability		1,172,790
507	Taxes		2,975
508	Net purchased transportation		-
509	Miscellaneous expense		286,860
512	Leases, rentals, and purchase-lease payments		37,976
517	Debt service projects		-
	Total Operating Expenses		17,173,877
	Ineligible Expenses:		
	APTA and IPTA dues		3,700
	Other (Single Audit)		-
	Other (Federally Funded Projects)		36,728
	Other (Q5, misc. ineligible)		52,923
	CARES Act Expenditures		-
	Unfunded portion of GASB 68 Expense		-
	Less: Total ineligible expenses		93,351
	Total Eligible Operating Expenses		17,080,526
	Total Operating Revenue and Income		6,127,377
	Deficit		10,953,149
	65% of Eligible Expenses		11,102,342
	Maximum Contract Amount		11,929,742
	Eligible FY21 Downstate Operating Assistance (Deficit, 65% of eligible expenses, or maximum contract amount, whichever is less)		10,953,149
	FY21 Downstate Operating Assistance Received (prior to close of fiscal year)		10,249,746
	FY21 Downstate Operating Assistance (Over) Under Paid	\$	703,403

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

None noted