SANGAMON MASS TRANSIT DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended June 30, 2025 and 2024

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SANGAMON MASS TRANSIT DISTRICT
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December 12, 2025

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, 2025 and 2024 is submitted herewith. This report provides a broad view of SMTD's financial activities for the 2025 and 2024 fiscal years and its financial position at June 30, 2025 and 2024. 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 fort 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, 2025 and 2024 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, 2025 and 2024 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 17 routes Monday through Saturday. Buses are wheelchair lift equipped. Six 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 2025 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 2025 included:

- Continuing work on the new multi-modal transportation complex and SMTD transfer center.
- Continue Contracting with Sangamon County IT to provide IT Management Services.
- Change from Sangamon County Sheriff to Springfield Police Department to provide security.
- Use the services of new electronic fare media
- Purchase of replacement buses, including 4 CNG buses to replace 4 diesel buses at end of useful life, 7 CNG buses to replace 7 CNG buses, and 8 Diesel/Electric Hybrid buses to replace 8 diesel buses at end of useful life.
- Implement new onboard video surveillance system.
- Purchase administrative staff and road supervisor vehicles.

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

- Purchase CVP vehicles to replace paratransit vehicles.
- Complete Land Acquisition.
- Complete website redesign.
- Complete yard repairs and facility updates.
- Complete Bus Wash and Vacuum replacements.
- Update computer servers and IVN5 modules.
- Move forward on East Property Development.
- Complete NEPA for additional land acquisition.

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.

3051 Hollis Dr., 3rd Floor
Springfield, IL 62704
217.793.3363

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INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Sangamon Mass Transit District (the District), as of and for the years ended June 30, 2025 and June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities and fiduciary activities of the Sangamon Mass Transit District, as of June 30, 2025 and June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the fiduciary component unit were not audited in accordance with *Government Auditing Standards*.

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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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.

Sangamon Mass Transit District has not presented the required supplementary schedule of investment returns for other postemployment benefit plan for the measurement date of June 30, 2022, as required by GASB Statement No. 75. Such information from June 30, 2017-2022, 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. Our opinion on the basic financial statements is not affected by this information to June 30, 2017-2022.

Supplemental 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 supplemental financial information, and Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-25-54-IL as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-25-54-IL 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, and Schedule of Revenues and Expenses Under Downstate Operating Assistance Grant OP-25-54-IL 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.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2024, which are not presented with the accompanying financial statements. In our report dated December 16, 2024, we expressed unmodified opinions on the respective financial statements of the business-type activities and fiduciary activities. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The 2024 comparative information included on certain schedules 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 2024 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 2024 comparative information included on certain schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 12, 2025 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 CPA LLC

Springfield, Illinois
December 12, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

Springfield Mass Transit District

Management's Discussion and Analysis

For the Years Ended June 30, 2025 and 2024

The Springfield Mass Transit District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2025, and 2024. The intent of this discussion and analysis is to look at the District's financial performance based on currently known facts, decisions, or conditions in conjunction with the financial statements immediately following this section.

Financial Summary

- The assets and deferred outflows of resources of the District exceeded its liabilities at June 30, 2025 and 2024, by $31,720 and $13,397,338 (net position), respectively. Of this amount, $31,854,391 and $32,489,224, respectively, is net investment in capital assets, and $12,270,423 and $11,778,946, respectively, is unrestricted.
- The District ended FY2025 with a total mainline ridership of 1,345,778, which is a slight increase from FY2024 of less than one percent. The District ended FY2025 with a total access ridership of 98,705, which is a 3% increase from FY2024.
- The District's property tax increased by less than one percent from FY2024, whereas the overall operating expenses of the District increased by 14%. However, the overall percentage in the District's approach to matching State Operating Assistance funds remained the same in the use of federal funds and property tax levy outside auxiliary revenues.
- There are a few factors related to the District's increase in operating expenses. The District uses accrual accounting, which correlates to reporting a large reserve in FY2025. The District ratified a new collective bargaining agreement resulting in a shortened progression period, an increase to wages, and incentive pay for longevity for drivers and maintenance employees. Wage increases result in increases in IMRF liabilities and taxes. An additional factor for an increase in FY2025 relates to staffing levels. In FY2024, the District was understaffed in multiple departments, whereas in FY2025 those positions were filled. The District also added positions in FY2025. Lastly, the District added two facilities, with the new transfer center and the remodeled autobody repair workshop, which affects larger costs in utilities and insurance premiums.

Overview of the Financial Statements

The intention of the discussion and analysis is to serve as an introduction to the District's basic financial statements of the business-type activities and fiduciary activities. The statement of net position presents financial information on the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the different reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the District is improving or deteriorating. Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are unable to support the District's programs.

The District maintains a defined benefit pension plan that provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by Illinois Municipal Retirement Fund (IMRF), with benefit provisions established by statute and only changeable by the General Assembly of the State of Illinois. The District administers a retiree health insurance program, which is a single-employer defined benefit plan 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.

Established by the Illinois General Assembly, the Downstate Public Transportation Act, referred to as the Downstate Operating Assistance Program (DOAP) provides operating funds to assist in the development and operations of the public transportation services up to 65% of eligible expenses through an annual appropriation from the general assembly. The District was appropriated $27,241,500 for FY2025. The Urbanized Area Formula Funding program (49 USC 5307) makes federal resources available for transit capital and operating assistance. The District was apportioned $4,240,524 in 2024.

The District is a local unit of government with taxing authority and is required by law to adopt a tax levy and file an ordinance on or before the last Tuesday in December. The District levies property tax each year, on all taxable real property located within the District. For 2024 levy payable in 2025, which is for fiscal year beginning July 1, 2024 and ending on June 30, 2025, the District filed it's tax levy on November 1, 2024.

Detailed Analysis

The financial statements of the District are presented on a proprietary (enterprise) fund basis, with similar accounting principles to the private sector. The District ended FY2025 with a total mainline (fixed route) ridership of 1,345,778 revenue trips, which is a 0.16% increase from FY2024. Although the District has had a steady increase since 2022, ridership numbers are still below pre-pandemic levels. Chart 1 shows yearly fixed route ridership for FY2016-FY2025.

Paratransit service was also negatively impacted by the pandemic; however, ridership has recovered and increased each year since the pandemic. The District has various contracts with local non-profit organizations to provide services for applicable communities. Chart 2 shows yearly paratransit ridership for FY2016-FY2025.

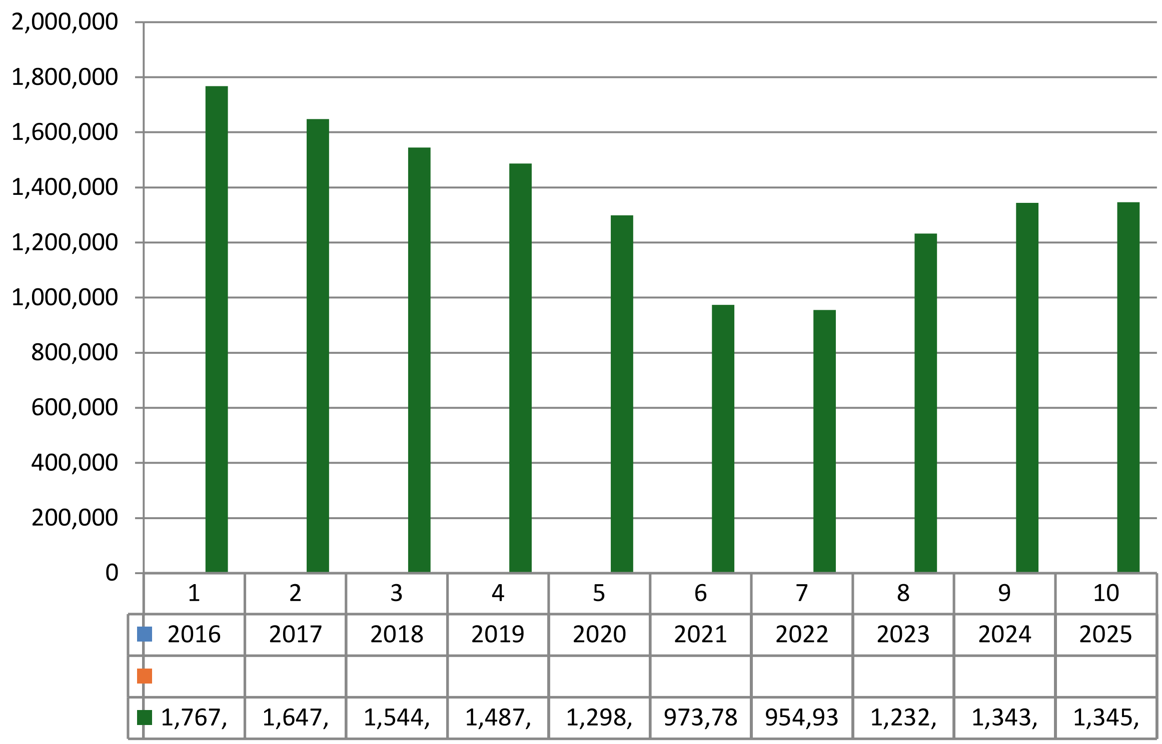

Chart 1

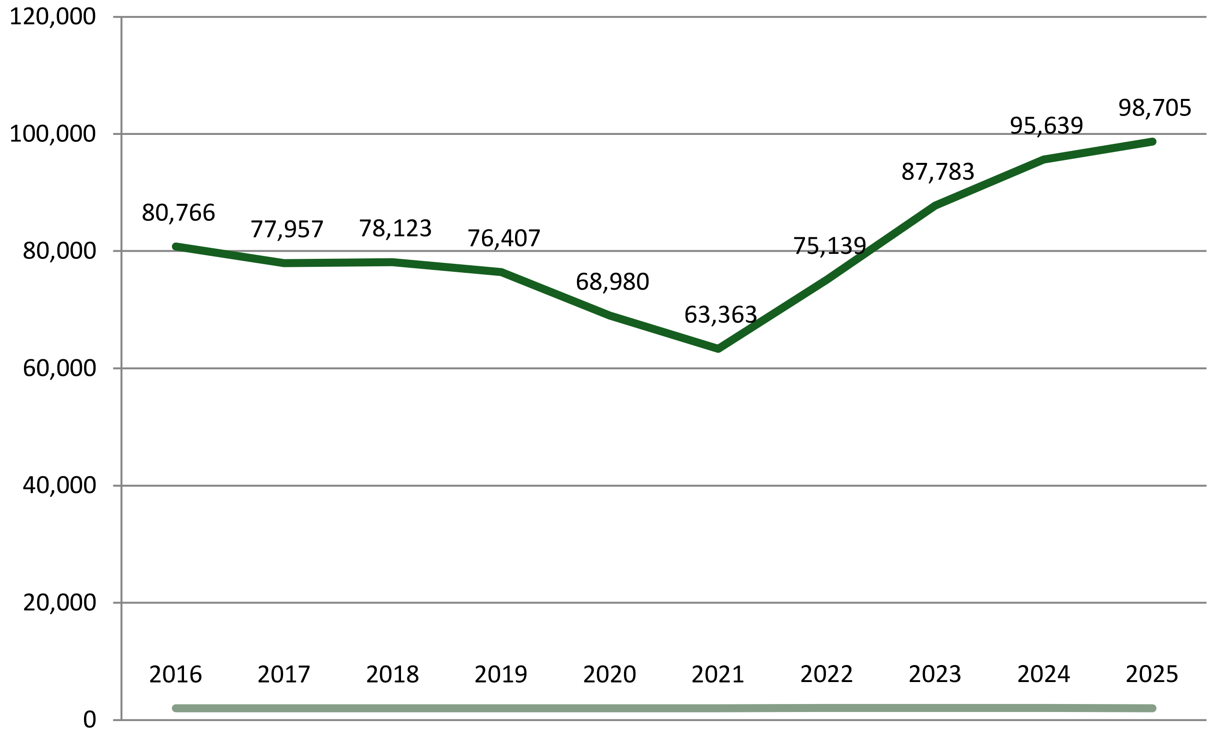

Chart 2

Financial Analysis of the District Operating and Capital Fund

The Statement of Net Position includes assets, deferred outflows/inflows, liabilities, and investments of the District. The difference between assets and liabilities, as reflected in 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 in Table 1.

Table 1

Condensed Statements of Net Position

	FY2025	FY2024	FY2023
Current and other assets	18,104,504	17,034,877	14,682,746
Non-Current assets	1,277,445	1,473,771	739,415
Capital assets	32,223,597	33,150,520	23,607,292
Total assets	51,605,546	51,659,168	39,029,453
Deferred outflows of resources	4,129,402	4,354,824	6,147,835
Current and other liabilities	3,563,603	3,535,650	2,896,360
Noncurrent liabilities	5,829,372	5,584,961	9,234,302
Total liabilities	9,392,975	9,120,611	12,130,662
Deferred inflows of resources	1,124,118	1,707,246	1,257,829
Net Position			
Net Investment in capital assets	31,854,391	32,489,224	23,498,390
Restricted for Pensions	1,093,041	917,965	-
Unrestricted	12,270,423	11,778,946	8,290,407
Total Net Position	45,217,855	45,186,135	31,788,797

Table 1

For the year ending June 30, 2025:

- Capital assets decreased $926,923 (2.8%) from $33.1 million to $32.2 million. Additional details are provided in Table 3.
- The District's Net Position increased by $31,720 (0.1%) from $45.1 million to $45.2 million.

For the year ending June 30, 2024:

- Capital assets increased $9.54 million (40.4%) from $23.6 million to $33.1 million.
- The District's Net Position increased by $13,397,338 (42.1%) from $31.8 million to $45.2 million.

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

Table 2-A
Condensed Statements of Revenue, Expenses and Changes in Net Position

	FY2025	FY2024	FY2023
Operating Revenues	$ 1,264,377	$ 1,242,112	$ 1,103,471
Non-Operating Revenues	23,634,830	22,703,292	20,730,892
Total Revenues	24,899,207	23,945,404	21,834,363
Operation and Maintenance Expenses	23,579,732	18,845,424	22,312,884
Depreciation and Amortization	4,053,044	3,120,598	3,272,605
Total Expenses	27,632,776	21,966,022	25,585,489
Net Income (Loss) Before Contributions	(2,733,569)	1,979,382	(3,751,126)
Capital Contributions	2,765,289	11,417,957	1,486,750
Change in Net Position	31,720	13,397,339	(2,264,376)
Net Position – Beginning of Year	45,186,136	31,788,797	34,053,173
Net Position - End of Year	$ 45,217,856	$ 45,186,136	$ 31,788,797

Table 2A

For the year ending June 30, 2025:

- Operating Revenue increased by $22 thousand (1.79%) from $1.24 million to $1.26 million.
- Non-Operating Revenue increased $931 thousand (4.10%) from $22.7 million to $23.6 million.
- Capital Contributions decreased $8.6 million (75.2%) from $11.4 million to $2.7 million in FY 2025. The District purchased new buses in FY2024, which is why there was a decrease in FY2025.
- An increase to change in net position of $31 thousand (0.07%) from $45.1 million to $45.2 million, showing relative stability in equity between the fiscal years, with the District having slightly more unrestricted funds in FY2025 when compared to FY2024. (page 6).

For the year ending June 30, 2024:

- Operating Revenue increased $139 thousand (12.56%) from $1.1 million to $1.2 million.
- Non-Operating Revenue increased $1.97 million (9.51%) from $20.73 million to $22.7 million.
- Capital Contributions increased $9,931,207 (668%) from $1.49 million to $11.42 million in FY 2024.
- An increase to change in net position of $15.66 million (692%) is the result of operations expenses and depreciation, and capital contributions.

Detailed Revenue and Expenses

	FY2025	FY2024	FY2023
Full Price Fares	1,069,297	1,047,849	905,693
Discounted Fares	39,441	39,263	42,780
Auxiliary Revenue	155,639	155,000	154,998
Total Operating Revenues	1,264,377	1,242,112	1,103,471
Local Taxes	3,402,817	3,390,756	3,448,376
State/Federal Operating Assistance	19,733,076	18,819,596	17,035,461
Investment Income	469,657	472,837	218,506
Other	29,280	20,103	28,549
Total Non-Operating Revenues	23,634,830	22,703,292	20,730,892
Total Revenues	24,899,207	23,945,404	21,834,363
Salaries	12,917,676	11,245,245	10,679,515
Fringe Benefits	5,015,450	4,981,337	4,981,337
Professional Services	1,194,481	964,166	482,432
Materials and Supplies	2,775,285	2,814,359	2,746,966
Utilities	406,870	326,915	2,746,966
Casualty and Liability Insurance	1,029,012	626,173	544,679
Other	240,958	225,667	2,863,528
Total Operation and Maintenance Expenses	23,579,732	18,845,424	22,312,884

Table 2-B

Revenues:

Full Price Fares increased $21 thousand (2.05%) and Discounted Fares increased slightly by 0.45% in FY2025. Auxiliary Revenue increased slightly, as the District introduced a new auxiliary revenue with revenue from the public vending machines at the transfer center.

Local taxes overall increased $12 thousand (0.36%) in FY2025. Local taxes include both property tax and replacement tax. The property tax, without the replacement tax, grew based on the CPI from the previous year and addition to the economic value of all property of the community, for an increase of $109 thousand (3.55%) from FY2024 to FY2025. For the replacement tax amount, which is distributed by the State of Illinois and intended to replace certain taxes previously allowed by local government taxing authorities, the total amount decreased $97 thousand (-32.94%) from FY2024 to FY2025, resulting in an overall increase of (0.36%). Sangamon County bases property taxes on the taxable assessed value (EAV), which is the value of the property.

State and federal non-transportation revenue sources (operating grants) increased $931 thousand (4.85%) in FY2025. Overall, 64.3% of eligible operating expenses are covered by state operating assistance.

<u>Expenses:</u>

Salary and wage expenses increased $1.67 million (14.87%) in FY2025. In FY2025, the District ratified a new collection bargaining agreement, resulting in a shortened progression period, an increase of wages by 4% for ATU employees, and incentive pay for longevity for fixed route drivers and maintenance employees, giving some District employees an annual increase for FY2025 of 10%. An additional factor relates to staffing levels. The District was understaffed in FY2024 in three departments. The District also added staff counts to two departments.

Fringe Benefits increased $34 thousand (0.68%). Many factors influence fringe benefits, including health insurance premiums, the number of staff who enroll in health insurance, wage increases, and net adjustments for fluctuations in IMRF and OPEB.

Professional Services expenses are driven by environmental and project factors at the time, and fluctuations are common from year to year due to project activity, service needs, and service additions. Services increased $230 thousand (23%) in FY2025 which is reflective of a continuing trend of increases in this area. Specifically, the District saw an increase in the costs for security coverage.

In FY2025, Materials and Supplies decreased $39 thousand (-1.39%). With replacement buses added to the fleet in FY2025, the District saw a decrease in parts. In FY2025, Casualty and Liability increased $402 thousand (64.33%), as the District reported a reserve based on recommendations from legal counsel. The District saw an increase of $79 thousand (24.46%) in Utilities costs related to adding the new facilities of the transfer center and the autobody repair workshop, as well as a new phone project to better address customer calls. Fortunately, the District added their first solar panels in FY2025 to help offset costs.

The District continues to complete capital projects to maintain a state of good repair with vehicles and facilities. Table 3 summarizes Capital Assets at Year-End. In FY2025, significant capital assets include the new downtown transfer center, renovations to the autobody repair workshop, and installation of new on-board video surveillance system.

Capital Assets at Year-end
(In Thousands)

	FY2025	**FY2024**
Land and Construction in Progress	$ 2,984	$ 11,649
Parking lot	1,804	1,804
Passenger shelters	548	552
Administration building	1,485	1,485
Transfer Center Buildings	2,791	489
Buses and Paratransit vans	33,553	29,480
Cars and trucks	388	388
Storage garage	1,843	1,788
Maintenance shop and office	7,972	7,972
Garage Equipment	1,612	945
Office furniture and fixtures	111	112
Two-way radio equipment	250	250
Other assets & construction wip	3,439	2,195
Telephone system	278	278
Stockroom and machine shop	176	176
CNG fueling station	1,779	1,779
Subscription-based software licenses	777	469
Total	61,792	61,811
Less accumulated depreciation/amortization	(29,569)	(28,660)
Capital assets – net	$ 32,223	$ 33,151

Table 3

For the year ending June 30, 2025:

- New Downtown Transfer Center
- Renovations completed for the Autobody Repair Workshop, including installation of a paint booth and solar panels
- Updates to Security Cameras in the Administration and Maintenance buildings
- Door replacements project started
- Equipment purchased for the new autobody repair workshop, safety equipment for fall prevention, new modems for the vehicles, and new AV equipment for the Board Meetings
- New On-board Video Surveillance System installed
- Replace two and expand two road supervisor vans

For the year ending June 30, 2024:

- Professional services for the design and construction management services for the Bus Storage Garage Renovations project.
- Construction of the renovations for the Bus Storage Garage Renovations for the Autobody Repair Workshop.
- Technology support for the new Transfer Center, including security cameras, digital displays, TVMs, and computer hardware.
- Furniture for the new Transfer Center and Autobody workshop.
- Gillig replacement buses arrived in May 2024 but weren't put into service until FY2025.
- Design and construction management services for East Property Development. The District purchased adjacent land to the east for yard development and additional storage.

Financial Analysis of the Fiduciary Fund

A summary of the Net Position of the District's OPEB Trust Fund is presented in Table 4. Deferred outflows (assets) relate to the GASB Statement No 68 pension liability and the GASB Statement No 75 OPEB liability. Details of the accounts are included in the accompanying independent auditors report in Notes 9 and 10. Regarding long-term financial activity, the District's IMRF fund is almost 100% fully funded. The District maintains investment accounts that earn investment income for the District to use towards operating expenses.

Table 4
Condensed Statement of Net Plan Position
Fiduciary Fund

	FY2025	FY2024	FY2023
Cash and cash equivalents	$ 137,227	$ 179,222	$ 113,602
Interest receivable	124,175	95,177	92,451
Current Investments	220,673	362,328	985,604
Noncurrent Assets and Investments	8,950,021	8,180,140	7,120,138
TOTAL ASSETS	$ 9,432,096	$ 8,816,867	$ 8,311,795
Net Position Restricted for OPEB	$ 9,432,096	$ 8,816,867	$ 8,311,795

Table 4

Detailed information about the District's OPEB liability is presented in Note 11 to the financial statements. The District's total OPEB liability is $14,442,073, with the net liability of $5,625,205 for a percent funded ratio of 61.05%.

Table 5
Statement of Changes in Fiduciary Net Position
Fiduciary Fund

	FY2025	FY2024	FY2023
Employer contributions	675,339	686,461	1,286,552
Investment Income	489,591	335,143	23,308
Benefits paid out	(549,701)	(516,532)	(466,552)
Net gain (loss)	615,229	505,072	843,308
Net Increase (Decrease) in Net Position	**615,229**	**505,072**	**843,308**
Net Position – Beginning of Year	8,816,867	8,311,795	7,468,487
Net Position – End of Year	9,432,096	8,816,867	8,311,795

Table 5

This final report is designed to a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this discussion should be addressed to Managing Director, Springfield Mass Transit District, 928 S 9th Street, Springfield, IL 62629.

BASIC FINANCIAL STATEMENTS

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUND

June 30, 2025 and 2024

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 7,770,059	$ 8,885,079
Investments	1,058,486	675,411
Accounts receivable		
Taxes	1,547,108	1,533,647
Operating assistance grants - net	5,319,878	3,360,237
Capital assistance grants - net	292,526	521,857
Other receivables	218,116	220,563
Materials and supplies inventories	1,132,380	1,079,708
Prepaid expenses	765,951	758,375
Total current assets	18,104,504	17,034,877
NONCURRENT ASSETS		
Investments	184,404	555,806
Net pension asset	1,093,041	917,965
Capital assets		
Capital assets, not being depreciated	2,984,117	11,649,580
Property and equipment	58,030,572	49,691,769
Less: Accumulated depreciation	(29,320,896)	(28,448,400)
Right-to-use subscription based IT	777,451	469,817
Less: Accumulated amortization	(247,647)	(212,246)
Total noncurrent assets	33,501,042	34,624,291
Total assets	51,605,546	51,659,168
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	2,104,217	2,892,762
OPEB deferred outflows	2,025,185	1,462,062
Total deferred outflows of resources	4,129,402	4,354,824
Total assets and deferred outflows of resources	55,734,948	56,013,992

(This statement is continued on the following page.)

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION (Continued)
PROPRIETARY FUND

June 30, 2025 and 2024

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 1,361,022	$ 1,548,217
Accrued payroll	606,801	492,914
Accrued payroll taxes and retirement	239,157	247,981
Accrued compensated absences	692,197	641,182
Commitment payable, current	550,000	550,000
SBITA liability, current	114,426	55,356
Total current liabilities	3,563,603	3,535,650
NONCURRENT LIABILITIES		
SBITA liability	204,167	104,690
Commitment payable	-	550,000
Net OPEB liability	5,625,205	4,930,271
Total noncurrent liabilities	5,829,372	5,584,961
Total liabilities	9,392,975	9,120,611
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	53,678	120,381
OPEB deferred inflows	1,070,440	1,586,865
Total deferred outflows of resources	1,124,118	1,707,246
NET POSITION		
Net invested in capital assets	31,854,391	32,489,224
Restricted - net pension asset	1,093,041	917,965
Unrestricted	12,270,423	11,778,946
TOTAL NET POSITION	$ 45,217,855	$ 45,186,135

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, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Full adult fares	$ 1,069,297	$ 1,047,849
Senior citizen, student, and handicapped fees	140	2,405
Local student fare assistance	39,301	36,858
Auxiliary revenue	155,639	155,000
Total operating revenues	1,264,377	1,242,112
OPERATING AND MAINTENANCE EXPENSES	23,579,732	18,845,424
Operating loss before depreciation and amortization	(22,315,355)	(17,603,312)
DEPRECIATION AND AMORTIZATION	4,053,044	3,120,598
Loss from operations	(26,368,399)	(20,723,910)
NON-OPERATING REVENUES (EXPENSES)		
Local taxes	3,402,817	3,390,756
Grants		
State of Illinois - Downstate Public Transportation Assistance		
Assistance program		
Operating assistance	15,393,173	13,644,759
Federal Transit Administration		
Operating assistance	4,339,903	5,174,837
Investment income	469,657	472,837
Interest on property taxes	5,413	4,958
Other income	23,867	17,144
Net gain (loss) on disposal of capital assets	-	(2,000)
Total non-operating revenues	23,634,830	22,703,291
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(2,733,569)	1,979,381
CAPITAL CONTRIBUTIONS		
Capital assistance - federal	2,280,741	8,281,650
Capital assistance - state	452,411	3,136,307
Capital assistance - other	32,137	-
Total capital contributions	2,765,289	11,417,957
CHANGE IN NET POSITION	31,720	13,397,338
NET POSITION - BEGINNING OF YEAR	45,186,135	31,788,797
NET POSITION - END OF YEAR	$ 45,217,855	$ 45,186,135

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares	$ 1,111,185	$ 1,156,182
Cash received from sales of charters, advertising, and rental income	179,506	172,145
Wages and benefits paid to employees	(18,755,706)	(16,471,771)
Payments to suppliers for goods and services	(4,852,600)	(5,449,426)
Net cash flows from operating activities	(22,317,615)	(20,592,870)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies received from		
State of Illinois	13,433,533	11,970,813
Federal Transit Administration	4,339,903	5,658,277
Property and income taxes received	3,394,769	3,405,422
Net cash flow from noncapital financing activities	21,168,205	21,034,512
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received from		
Federal Transit Administration and State of Illinois	2,034,794	11,882,095
Purchase and construction of capital assets	(2,140,668)	(12,008,869)
SBITA payments	(317,720)	(104,557)
Net cash flows from capital and related financing activities	(423,594)	(231,331)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold	-	145,374
Investments purchased	(11,673)	-
Investment income	469,657	472,837
Net cash flows from investing activities	457,984	618,211
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,115,020)	828,520
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,885,079	8,056,559
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 7,770,059	$ 8,885,079

(This statement is continued on the following page.)

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUND

For the Years Ended June 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations	$ (26,368,399)	$ (20,723,910)
Non-operating revenue		
Rental income	23,867	17,144
Noncash items included in operating loss		
Depreciation and amortization expense	4,053,044	3,120,598
Change in assets and liabilities		
Accounts receivable	2,447	69,071
Prepaid expenses	(7,576)	(704,960)
Materials and supplies	(52,672)	(132,827)
Pension liability, deferrals, and asset	546,767	(1,399,629)
Accounts payable	263,442	(40,576)
Commitment payable	(550,000)	(550,000)
Net OPEB liability/obligation and deferrals	(384,614)	(440,163)
Accrued wages and benefits	156,079	192,382
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (22,317,615)	$ (20,592,870)
NONCASH TRANSACTIONS		
SBITA Issuances	$ 583,107	$ 155,701
Loss on Disposal of capital assets	-	(2,000)
Capital assets acquired through donations	959,826	-
Capital assets acquired through retainage and accounts payable	50,613	501,250

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION
OPEB TRUST FUND

June 30, 2025 and 2024

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 137,227	$ 179,222
Interest receivable	124,175	95,177
Current investments		
Municipal bonds	220,673	202,338
Total current assets	482,075	476,737
NONCURRENT ASSETS		
Noncurrent investments		
Corporate Bonds	119,695	-
Municipal bonds	7,442,372	5,349,390
U.S. Treasury	-	562,044
U.S. Government agency	1,387,954	2,428,696
Total noncurrent assets	8,950,021	8,340,130
Total assets	9,432,096	8,816,867
RESTRICTED NET POSITION		
Restricted net position for OPEB	9,432,096	8,816,867
TOTAL RESTRICTED NET POSITION	$ 9,432,096	$ 8,816,867

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST FUND

For the Years Ended June 30, 2025 and 2024

	2025	2024
ADDITIONS		
Employer contributions	$ 675,339	$ 686,461
Investment income	510,383	351,732
Less investment expense	(20,792)	(16,589)
Net investment income	489,591	335,143
Total additions	1,164,930	1,021,604
DEDUCTIONS		
Benefits	549,701	516,532
Total deductions	549,701	516,532
CHANGE IN NET POSITION	615,229	505,072
RESTRICTED NET POSITION - BEGINNING OF YEAR	8,816,867	8,311,795
RESTRICTED NET POSITION - END OF YEAR	$ 9,432,096	$ 8,816,867

See accompanying notes to financial statements.

1. SUMMARY OF ACCOUNTING POLICIES

The financial statements of Sangamon Mass Transit District (the District or SMTD) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 Sangamon County Board; however, Sangamon 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 GASB 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 Other Postemployment Benefit (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 postemployment benefit plan. The OPEB Trust Fund was established on June 1, 2015. The OPEB Trust Fund is governed by a five-member Board of Trustees, which include the Chairman of the District Board, District Director of Finance and Administration, District Managing Director, a member of the District Board appointed by the District Board and a District employee who is eligible to receive OPEB benefits upon retirement. Accordingly, the OPEB Trust Fund meets the definition of a fiduciary component unit and is reported as an OPEB Trust Fund in these financial statements.

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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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.

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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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 Public Treasurers' Investment Pool, known as The Illinois Funds, 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. Non-negotiable 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. The Illinois Funds noted in Note 2 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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

d. Accounts Receivable

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

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 9.

h. Capital Assets and Depreciation/Amortization

Capital assets are recorded at cost and depreciation is provided over the assets' estimated useful lives by the straight-line method. Intangible assets represent the District's right-to-use leased software. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of software.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

h. Capital Assets and Depreciation/Amortization (Continued)

The useful lives of capital assets are estimated as follows:

	Years
Building and improvements	10-50
Infrastructure - Roads	18-50
Office furniture	5
Office equipment	4-10
Water treatment equipment	15-20
Automobiles	2-7
Trucks	2-8
Buses	12
Other vehicles	2-10
Other machinery and equipment	4-20
Subscription - based IT assets	1-5

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.

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 Notes 9 and 10.

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. Accumulated vacation time more than the employees' accrual rate may be carried over to the following year in an amount not to exceed two years' worth of time, or employees may be paid out for a maximum of two weeks in a 12-month period. 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. Amalgamated Transit Union (ATU) contract employees, upon retirement or death of an active employee, employees or their beneficiaries will be paid for unused sick leave not to exceed 25 days. Retiring employees, whether ATU or administrative employees, who buy one year service credit with sick time may cash out up to 50 days of sick leave. This sub-section does not apply to employees who terminate or otherwise leave their

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

j. Accrued Compensated Absences (Continued)

employment. Administrative employees, upon death or retirement, employees will be paid up to 25 days of unused sick time. 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 IMRF to be used for additional service credit up to one year. Employees leaving the employment of SMTD for any other reason will not be entitled to payment for unused sick pay benefits.

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 in 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 GASB 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. 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 12.

m. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and, therefore, will 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 9. OPEB deferred inflows relate to the GASB Statement No. 75 OPEB liability. Details of the account are included in Notes 9 and 10.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

n. 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 and intangible assets, including restricted capital assets, net of accumulated depreciation and amortization 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, 2025, and 2024, except for the subscription-based information technology arrangement (SBITA) liabilities.

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 2025 and 2024, the District expended all 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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

o. Revenue Recognition

Operating revenues of the District are passenger fare revenues received from customers. The District also recognizes 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 of capital assets. Other revenues and expenses not meeting this definition are reported as non-operating 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.

p. 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.

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

GASB issued Statement No. 101, *Compensated Absences*. The statement provides guidance on the accounting and financial reporting for compensated absences for governments. This statement is effective for the fiscal year ending June 30, 2025. As of June 30, 2025, SMTD has implemented this statement and it is reflected in the financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures,* seeks to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. This statement is effective for the fiscal year ending June 30, 2025. There is no impact on the financial statements in relation to this statement.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This statement is effective for the fiscal year ending June 30, 2026. SMTD has not yet implemented this statement.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments. This statement is effective for the fiscal year ending June 30, 2026. SMTD has not yet implemented this statement.

r. Coronavirus Aid, Relief, and Economic Security 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. The District received a 5307 CARES Act grant agreement in the amount of $7,630,374. The amount of reimbursement submitted by the District was $264,966 and $116,389 for June 30, 2025 and 2024, 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.

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% 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 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 Illinois Funds is rated by Standard and Poor's upon the request of The Illinois Funds' management.

2. DEPOSITS AND INVESTMENTS (Continued)

The most recent money market rating issued by Standard and Poor's was AAAm. The fair value of the position in The Illinois Funds is the same as the value of the pool shares. Illinois State Statue provides the Illinois State Treasurer with regulatory oversight over The Illinois Funds. 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.

The District's Board of Trustees, 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:

	2025		2024	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Checking and savings	$ 864,508	$ 850,399	$ 1,000,612	$ 1,060,306
Corporate bonds	119,695	119,695	-	-
Money market	137,227	137,227	179,222	179,222
The Illinois Funds	6,919,659	6,919,659	7,824,773	7,824,773
Exchange traded funds	33,588	33,588	33,548	33,548
Municipal bonds	7,720,555	7,720,555	5,616,802	5,616,802
U.S. agencies	1,514,849	1,514,849	2,558,209	2,558,209
U.S. Treasuries	1,024,898	1,024,898	1,565,126	1,565,126
TOTAL	$ 18,334,979	$ 18,320,870	$ 18,778,292	$ 18,837,986
Reconciliation to financial statements				
per statement of net position				
Current cash		$ 7,770,059		$ 8,885,079
Current investments		1,058,486		675,411
Noncurrent investments		184,404		555,806
Per statement of net position -				
Fiduciary Fund				
Current cash and cash equivalents		137,227		179,222
Current investments				
Municipal bonds		220,673		202,338
U.S. agencies		-		159,990
Noncurrent investments				
U.S. agencies		1,387,954		2,268,706
U.S. Treasuries		-		562,044
Corporate Bonds		119,695		-
Municipal bonds		7,442,372		5,349,390
TOTAL DEPOSITS AND INVESTMENTS		$ 18,320,870		$ 18,837,986

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 deposits as of June 30, 2025 and 2024. In addition, at June 30, 2025 and 2024, the District had an irrevocable, unconditional, and nontransferable letter of credit in the amount of $2,500,000 and $2,500,000, respectively, to secure their operating account. This letter of credit is in compliance with the District's policy as it is backed by the full faith and credit of the U.S. Government.

b. Investments

Custodial Credit Risk

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. The District's investment policy does not address custodial credit risk for investments.

As of June 30, 2025 and 2024, 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 Fund follows the investment policy of the District, or if none, follows the Public Funds Investment Act, 30 ILCS 235/2.

Credit Risk

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Credit Risk (Continued)

At June 30, 2025, the District's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
U.S. agencies	Not rated	Not rated
Municipal bonds	BBB-, BBB, BBB+, A-, A, A+ AA, AA+	Not Rated, AA3, BAA3, A2, A3
The Illinois Funds	AAAm	Not rated
Corporate bonds	BBB-, BBB, BBB+, A-, A, A+ AA, AA+	Not Rated, AA3, BAA3, A2, A3

At June 30, 2024, the District's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
U.S. agencies	Not Rated	Not Rated
Municipal bonds	BBB-, BBB, BBB+, A-, A, A+ AA , AA+	Not Rated, AA3, BAA3, A2, A3
The Illinois Funds	AAAm	Not rated

Interest Rate Risk

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 meet 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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Interest Rate Risk (Continued)

At June 30, 2025 and 2024, the District's investments subject to interest rate risk were as follows:

	2025			
	Fair Value	<1 Year	1-5 Years	5> Years
U.S. agencies	$ 1,514,849	$ -	$ 179,928	$ 1,334,921
Municipal bonds	7,720,555	220,673	1,926,362	5,573,520
Corporate bonds	119,695	-	-	119,695
Exchange traded funds	33,588	33,588	-	-
U.S. Treasury	1,024,898	1,024,898	-	-
TOTAL	$ 10,413,585	$ 1,279,159	$ 2,106,290	$ 7,028,136

	2024			
	Fair Value	<1 Year	1-5 Years	5> Years
U.S. agencies	$ 2,558,209	$ 159,990	$ 1,064,416	$ 1,333,803
Municipal bonds	5,616,802	212,340	2,116,234	3,288,228
Mutual funds	33,547	33,547	-	-
U.S. Treasury	1,565,126	631,861	577,066	356,199
TOTAL	$ 9,773,684	$ 1,037,738	$ 3,757,716	$ 4,978,230

Concentration of Credit Risk

Concentration of credit risk is the risk that the District's investment policy diversifies investments by limiting investments to avoid over-concentration in securities from a specific issuer, investing in securities with varying maturities, investing a portion of the portfolio in readily available funds such as bank cash management accounts, money market funds, The Illinois Funds to ensure liquidity is maintained to meet ongoing obligations. With the exception of U.S. Treasuries and U.S. agency obligations, as well as Illinois Investment Pools, no more than 50% of Sangamon Mass Transit District's total investment portfolio shall be invested in a single security type and no more than 50% of the City's total investment portfolio shall be invested with a single financial institution.

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 years ended June 30, 2025 and 2024.

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, 2025 and 2024.

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 Corporate Bonds, Municipal Bonds and at U.S. agencies.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Fair Value Measurements (Continued)

3. Negotiable certificates of deposit and U.S. Treasury: Valued using similar assets or liabilities in active markets.

Investment Type	2025 Fair Value	Level 1	Level 2	Level 3
U.S. agencies	$ 1,514,849	$ -	$ 1,514,849	$ -
Municipal bonds	7,720,555	-	7,720,555	-
Exchange traded funds	33,588	33,588	-	-
Corporate bonds	119,695	-	119,695	-
U.S. Treasury	1,024,898	1,024,898	-	-
TOTAL	$ 10,413,585	$ 1,058,486	$ 9,355,099	$ -

Investment Type	2024 Fair Value	Level 1	Level 2	Level 3
U.S. agencies	$ 2,558,209	$ -	$ 2,558,209	$ -
Municipal bonds	5,616,802	-	5,616,802	-
Exchange traded funds	33,548	33,548	-	
U.S. Treasury	1,565,126	-	1,565,126	-
TOTAL	$ 9,773,685	$ 33,548	$ 9,740,137	$ -

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 December 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 2023 became a lien on January 1, 2023, were payable in June and September of 2024 and recognized as revenue in fiscal year 2024. The taxes levied in July of 2024 became a lien on January 1, 2024, were payable in June and September of 2025 and recognized as revenue in fiscal year 2025. The taxes levied in July of 2025 became a lien on January 1, 2025, will be received and recognized as revenue in fiscal year 2026. Amounts not received in September are written off in the current fiscal year and have historically been insignificant.

3. LOCAL TAXES (Continued)

The District is permitted, without referendum, to levy taxes up to 0.25% per $100 of assessed valuation ($2,577,089,413 in 2025 and $2,337,824,463 in 2024) for general corporate purposes, 0.005% 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:

	2025		2024	
	Revenue	Receivable	Revenue	Receivable
General corporate levy	$ 1,679,799	$ 787,584	$ 1,623,399	$ 772,625
Illinois Municipal Retirement Fund levy	478,037	227,470	460,773	222,678
Liability insurance levy	539,713	256,821	521,289	251,918
Social Security levy	488,306	232,362	472,414	228,301
Auditing levy	17,997	8,561	16,174	7,872
Replacement tax	198,965	34,310	296,707	50,253
TOTAL	$ 3,402,817	$ 1,547,108	$ 3,390,756	$ 1,533,647

4. CAPITAL ASSISTANCE GRANTS

The Federal Transit Administration (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 (IDOT) 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:

	2025	2024
Federal Capital Assistance IL-90-X744	$ -	$ 12,347
Federal Capital Assistance IL-2016-004	-	402,389
Federal Capital Assistance IL-2022-013	101,961	39,774
Federal Capital Assistance IL-2024-002	-	34,729
State Capital Assistance CAP-21-1143-ILL	177,792	-
State Capital Assistance CAP-22-1172-ILL	-	31,521
State Capital Assistance CAP-22-1213-ILL	-	1,097
Illinois Public Risk Fund 2025	12,773	-
TOTAL CAPITAL RECEIVABLE	$ 292,526	$ 521,857

5. OPERATING ASSISTANCE GRANTS

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:

	2025	2024
IDOT FY 25 Operating Assistance OP-25-54-IL	$ 4,279,740	$ -
IDOT FY 24 Operating Assistance OP-24-54-IL	-	2,334,237
IDOT FY 21 Operating Assistance OP-21-54-IL	118,433	118,433
IDOT FY 20 Operating Assistance OP-20-05-IL	(63,510)	(63,510)
IDOT FY 13 Operating Assistance OP-13-05-IL	-	(1,833)
IDOT FY 12 Operating Assistance OP-12-05-IL	-	(66,300)
IDOT FY 11 Operating Assistance OP-11-05-IL	-	22,733
IDOT FY 97 Operating Assistance OP-97-05-IL	-	(34,259)
IDOT FY 96 Operating Assistance OP-96-05-IL	-	27,945
IDOT FY 95 Operating Assistance OP-95-05-IL	-	20,670
IDOT FY 94 Operating Assistance OP-94-05-IL	-	22,737
Less allowance for doubtful accounts	-	(37,093)
Total state operating assistance receivable	4,334,663	2,343,760
Federal operating assistance receivable*	974,937	1,016,476
IL-2022-038	10,278	-
TOTAL OPERATING ASSISTANCE RECEIVABLE	$ 5,319,878	$ 3,360,236

*This includes receivables for Projects IL-2022-038 and IL-2024-002 operating assistance.

6. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 consists of the following:

	Balances July 1, 2024	Additions	Retirements	Balances June 30, 2025
Capital assets, not being depreciated				
Land	$ 1,523,447	$ -	$ -	$ 1,523,447
Construction in progress	10,126,133	2,498,111	(11,163,574)	1,460,670
Total capital assets not being depreciated	11,649,580	2,498,111	(11,163,574)	2,984,117
Tangible capital assets, being depreciated				
Parking lot	1,803,638	-	-	1,803,638
Passenger shelters	552,330	-	(3,764)	548,566
Administration building	1,484,737	-	-	1,484,737
Transfer center building	488,400	2,303,103	-	2,791,503
Buses and paratransit vans	29,480,828	6,822,109	(2,749,363)	33,553,574
Cars and trucks	387,435	-	-	387,435
Storage garage	1,788,268	55,495	-	1,843,763
Maintenance shop and office	7,971,799	-	-	7,971,799
Garage equipment	945,444	683,060	(15,836)	1,612,668
Office funiture and fixtures	111,878	-	(1,057)	110,821
Two-way radio equipment	249,503	-	-	249,503
Other assets	2,194,540	1,451,552	(206,496)	3,439,596
Telephone system	277,575	-	-	277,575
Stockroom and machine shop	176,377	-	-	176,377
CNG fueling station	1,779,017	-	-	1,779,017
Total tangible capital assets, being depreciated	49,691,769	11,315,319	(2,976,516)	58,030,572
Intangible capital assets, being amortized				
Subscription-based software licenses	469,817	476,266	(168,632)	777,451
Total intangible capital assets	469,817	476,266	(168,632)	777,451
Total capital/intangible assets being depreciated/amortized	50,161,586	11,791,585	(3,145,148)	58,808,023
TOTAL CAPITAL ASSETS	$ 61,811,166	$ 14,289,696	$ (14,308,722)	$ 61,792,140

6. CHANGES IN CAPITAL ASSETS (Continued)

Accumulated depreciation activity for the year ended June 30, 2025 consists of the following:

	Balances July 1, 2024	Additions	Retirements	Balances June 30, 2025
Tangible capital assets, being depreciated				
Parking lot	$ 613,023	$ 84,496	$ -	$ 697,519
Passenger shelters	454,065	42,724	(3,763)	493,026
Administration building	858,920	47,148	-	906,068
Transfer center building	125,701	61,396	-	187,097
Buses and paratransit vans	17,451,341	2,689,272	(2,749,363)	17,391,250
Cars and trucks	338,169	14,379	-	352,548
Storage garage	1,322,934	43,353	-	1,366,287
Maintenance shop and office	2,844,694	242,554	-	3,087,248
Garage equipment	871,552	50,806	(15,836)	906,522
Office funiture and fixtures	105,401	449	(1,057)	104,793
Two-way radio equipment	249,503	-	-	249,503
Other assets	1,826,403	449,012	(206,496)	2,068,919
Telephone system	93,489	4,822	-	98,311
Stockroom and machine shop	176,377	-	-	176,377
CNG fueling station	1,116,827	118,601	-	1,235,428
Total tangible capital assets	28,448,399	3,849,012	(2,976,515)	29,320,896
Intangible capital assets, being amortized				
Subscription-based software licenses	212,246	204,033	(168,632)	247,647
Total intangible capital assets	212,246	204,033	(168,632)	247,647
Total accumulated depreciation/amortization	28,660,645	4,053,045	(3,145,147)	29,568,543
Total capital/intangible assets being depreciated/amortized	21,500,941	7,738,540	(1)	29,239,480
TOTAL CAPITAL/INTANGIBLE ASSETS, NET	$ 33,150,521	$ 10,236,651	$ (11,163,575)	$ 32,223,597

6. CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2024 consists of the following:

	Balances July 1, 2023	Additions	Retirements	Balances June 30, 2024
Capital assets, not being depreciated				
Land	$ 1,456,970	$ 66,477	$ -	$ 1,523,447
Construction in progress	1,314,351	12,396,486	(3,584,704)	10,126,133
Total capital assets not being depreciated	2,771,321	12,462,963	(3,584,704)	11,649,580
Tangible capital assets, being depreciated				
Parking lot	1,782,459	21,179	-	1,803,638
Passenger shelters	566,262	-	(13,932)	552,330
Administration building	1,405,997	78,740	-	1,484,737
Transfer center building	488,400	-	-	488,400
Buses and paratransit vans	27,478,540	3,331,172	(1,328,884)	29,480,828
Cars and trucks	387,435	-	-	387,435
Storage garage	1,788,268	-	-	1,788,268
Maintenance shop and office	7,971,799	-	-	7,971,799
Garage equipment	919,773	25,671	-	945,444
Office funiture and fixtures	105,139	6,739	-	111,878
Two-way radio equipment	249,503	-	-	249,503
Other assets	2,196,735	-	(2,195)	2,194,540
Telephone system	114,789	162,786	-	277,575
Stockroom and machine shop	176,377	-	-	176,377
CNG fueling station	1,779,017	-	-	1,779,017
Total tangible capital assets, being depreciated	47,410,493	3,626,287	(1,345,011)	49,691,769
Intangible capital assets, being amortized				
Subscription-based software licenses	348,940	193,067	(72,190)	469,817
Total intangible capital assets	348,940	193,067	(72,190)	469,817
Total capital/intangible assets being depreciated/amortized	47,759,433	3,819,354	(1,417,201)	50,161,586
TOTAL CAPITAL ASSETS	$ 50,530,754	$ 16,282,317	$ (5,001,905)	$ 61,811,166

6. CHANGES IN CAPITAL ASSETS (Continued)

Accumulated depreciation activity for the year ended June 30, 2024 consists of the following:

	Balances July 1, 2023	Additions	Retirements	Balances June 30, 2024
Tangible capital assets, being depreciated				
Parking lot	$ 524,203	$ 88,820	$ -	$ 613,023
Passenger shelters	425,036	42,961	(13,932)	454,065
Administration building	812,949	45,971	-	858,920
Transfer center building	109,060	16,641	-	125,701
Buses and paratransit vans	16,671,237	2,108,988	(1,328,884)	17,451,341
Cars and trucks	310,895	27,274	-	338,169
Storage garage	1,279,719	43,215	-	1,322,934
Maintenance shop and office	2,602,140	242,554	-	2,844,694
Garage equipment	825,868	45,684	-	871,552
Office funiture and fixtures	105,139	262	-	105,401
Two-way radio equipment	249,503	-	-	249,503
Other assets	1,611,899	216,699	(2,195)	1,826,403
Telephone system	88,667	4,822	-	93,489
Stockroom and machine shop	176,377	-	-	176,377
CNG fueling station	998,226	118,601	-	1,116,827
Total tangible capital assets	26,790,918	3,002,492	(1,345,011)	28,448,399
Intangible capital assets, being amortized				
Subscription-based software licenses	132,542	118,104	(38,400)	212,246
Total intangible capital assets	132,542	118,104	(38,400)	212,246
Total accumulated depreciation/amortization	26,923,460	3,120,596	(1,383,411)	28,660,645
Total capital/intangible assets being depreciated/amortized	20,835,973	698,758	(33,790)	21,500,941
TOTAL CAPITAL/INTANGIBLE ASSETS, NET	$ 23,607,294	$ 13,161,721	$ (3,618,494)	$ 33,150,521

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA),* the District's SBITA activity is as follows:

The District entered into a SBITA for the right-to-use a garage data system and network manager software in March 2022. The SBITA is payable in annual principal and interest installments ranging from $46,413 to $49,239. The total intangible right-to-use asset acquired under this SBITA was $143,457 which was fully amortized during this fiscal year. The District then extended this SBITA in December 2024 with annual principal and interest installments ranging from $52,238 to $53,805. The total intangible right-to-use asset acquired under this SBITA was $181,935 with $13,063 of accumulated amortization and $106,043 in payable obligations.

7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

The District entered into a SBITA for the right-to-use ERP software in February 2023. The SBITA is payable in annual principal and interest installments ranging from $32,176 to $33,790. The total intangible right-to-use asset acquired under this SBITA was $65,966 with $14,340 of accumulated amortization. The District then extended this SBITA in April 2024 with payments ranging from $16,146 to $19,626. The total intangible right-to-use asset acquired under this SBITA is now $157,043 with $69,636 of accumulated amortization and $56,117 in payable obligations.

The District entered into a SBITA for the right-to-use email gateway protection software in January 2023. The SBITA is payable in a one-time installment of $1,679. The total intangible right-to-use asset acquired under this SBITA was $1,679 with $1,399 of accumulated amortization and $0 in payable obligations.

The District entered into a SBITA for the right-to-use dispatch software in April 2022. The SBITA is payable in annual principal and interest installments of $19,887. The total intangible right-to-use asset acquired under this SBITA was $99,438 with $64,634 of accumulated amortization and $19,888 in payable obligations.

The District entered into a SBITA for the right-to-use dispatch software in January 2024. The SBITA is payable in annual principal and interest installments ranging from $21,000 to $24,500. The total intangible right-to-use asset acquired under this SBITA was $68,200 with $34,100 of accumulated amortization and $24,500 in payable obligations.

The District entered into a SBITA for the right-to-use digital display software in July 2024. The SBITA is payable in annual principal and interest installments ranging from $50,201 to $61,844. The total intangible right-to-use asset acquired under this SBITA was $266,301 with $53,260 of accumulated amortization and $112,045 in payable obligations.

The District entered into a SBITA for the right-to-use dispatch software in May 2024. The SBITA is payable in a one-time installment of $14,961. The total intangible right-to-use asset acquired under this SBITA was $14,961 with $10,236 of accumulated amortization and $0 in payable obligations.

The District entered into a SBITA for the right-to-use computer aided design and automated vehicle location software in January 2025. The SBITA is payable in a one-time installment of $12,800. The total intangible right-to-use asset acquired under this SBITA was $12,800 with $1,280 of accumulated amortization and $0 in payable obligations.

7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

The following schedule reflects the District's future obligations under the SBITA payable:

Fiscal Year Ending June 30,	SBITA Principal	SBITA Interest
2026	$ 114,426	$ -
2027	122,698	-
2028	81,469	-
TOTAL	$ 318,593	$ -

8. COMMITMENT PAYABLE

The District has committed to pay the County of Sangamon $2,200,000 in installments of $550,000 per year for four years, beginning in fiscal year 2023 through fiscal year 2026, for the construction of the Pedestrian Plaza, Public Square, Race Riot Museum, and public engagement. The balance of the commitment was $550,000 as of June 30, 2025.

9. 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 IMRF, the administrator of an agent 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 Annual Comprehensive 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.

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.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten 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 ten 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, 2024 and 2023, the following employees were covered by the benefit terms:

	2024	2023
Retirees and beneficiaries crrently receiving benefits	120	113
Inactive plan members entitled to but not yet receiving benefits	152	140
Active plan members	181	166
TOTAL	453	419

Contributions

As set by statute, the District’s Regular Plan Members are required to contribute 4.50% 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 2025 and 2024 was 4.94% and 4.57%, respectively. For the fiscal year 2025 and 2024, the District contributed $590,042 and $513,628, respectively, to the plan. The District’s contribution rate for fiscal year ended June 30, 2025 and 2024 was 4.71% and 4.58%, respectively. The District also

9. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions (Continued)

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 2025 was measured as of December 31, 2024. The District's net pension asset for fiscal year 2024 was measured as of December 31, 2023. 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, 2024 and 2023:

- The actuarial cost method used was aggregate entry-age normal.
- The asset valuation method used was fair value of assets.
- The inflation rate was assumed to be 2.25%.
- Salary increases were expected to be 2.85% to 13.75% (2024) and 2.75% to 13.75% (2023) 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 2023 valuation according to an experience study from years 2020 to 2022 (2024) and 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 (2023).
- The Pub-2010 for Mortality (for Nondisabled Retirees) Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106%) tables, and future mortality improvements projected using scale MP-2021.
- 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-2021.
- 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-2021.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension asset for plan years ended December 31, 2024 and 2023. 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 4.08%, and the resulting single discount rate is 7.25%.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension 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 pension 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 to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85% to 6.25%
Cash equivalents	1.00%	3.60%
TOTAL	100.00%	

9. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability (Asset)	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT DECEMBER 31, 2022	$ 40,779,938	$ 39,152,913	$ 1,627,025
Changes for the year			
Service cost	975,141	-	975,141
Interest on the total pension liability	2,909,098	-	2,909,098
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	26,225	-	26,225
Changes of assumptions	(107,088)	-	(107,088)
Contributions - employer	-	498,010	(498,010)
Contributions - employees	-	703,060	(703,060)
Net investment income	-	5,293,972	(5,293,972)
Benefit payments, including refunds of employee contributions	(2,284,048)	(2,402,352)	118,304
Other (net transfer)	-	(28,372)	28,372
Net changes	1,519,328	4,064,318	(2,544,990)
BALANCES AT DECEMBER 31, 2023	$ 42,299,266	$ 43,217,231	$ (917,965)
BALANCES AT DECEMBER 31, 2023	$ 42,299,266	$ 43,217,231	$ (917,965)
Changes for the year			
Service cost	1,011,690	-	1,011,690
Interest on the total pension liability	3,015,474	-	3,015,474
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	875,946	-	875,946
Changes of assumptions	-	-	-
Contributions - employer	-	626,788	(626,788)
Contributions - employees	-	760,444	(760,444)
Net investment income	-	3,954,378	(3,954,378)
Benefit payments, including refunds of employee contributions	(2,424,736)	(2,642,618)	217,882
Other (net transfer)	-	(45,542)	45,542
Net changes	2,478,374	2,653,450	(175,076)
BALANCES AT DECEMBER 31, 2024	$ 44,777,640	$ 45,870,681	$ (1,093,041)

9. 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 (asset), calculated using a single discount rate of 7.25% for plan years ended December 31, 2023 and 2024, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

December 31, 2024	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	$ 4,319,397	$ (1,093,041)	$ (5,469,657)

December 31, 2023	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	$ 4,251,961	$ (917,965)	$ (5,105,837)

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

For the years ended June 30, 2025 and 2024, the District recognized pension expense of $1,740,139 and $(827,919), respectively. At June 30, 2025 and 2024, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
Deferred Amounts Related to Pensions	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	$ 755,827	$ -	$ 385,038	$ 7,662
Changes of assumptions	-	53,678	-	112,719
Net differences between projected and actual earnings on plan investments	1,059,402	-	2,237,346	-
Total deferred amounts to be recognized in pension expense future periods	1,815,229	53,678	2,622,384	120,381
Pension contributions made subsequent to the measurement date	288,988	-	270,378	-
TOTAL DEFERRED AMOUNTS RELATED TO PENSIONS	$ 2,104,217	$ 53,678	$ 2,892,762	$ 120,381

9. DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (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, 2026. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending June 30,	Net Deferred Outflows and Deferred Inflows of Resources
2026	$ 829,938
2027	1,570,276
2028	(394,471)
2029	(244,192)
2030	-
Thereafter	-
TOTAL	$ 1,761,551

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES

General Information About the Plan

Plan Description

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.

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

General Information About the Plan (Continued)

Covered Employees

At June 30, 2025 and 2024, the Retiree Health Insurance Program membership consisted of the following:

	2025	2024
Retirees and beneficiaries currently receiving benefits	67	62
Terminated employees entitled to benefits but not yet receiving them	14	13
Active plan members	164	161
TOTAL	245	236

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.

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

General Information About the Plan (Continued)

Benefits Provided (Continued)

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:

Years of Service	% of Monthly Premium	Maximum Monthly Premium
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.

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 July 2011 % of Monthly Premium	Full time After July 2011 % of Monthly Premium	Maximun Employee Monthly Premium
10	30%	36%	$ 125
11	26%	33%	125
12	19%	27%	110
13	16%	24%	110
14	12%	21%	110
15	10%	20%	110
16	0%	10%	80

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

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

General Information About the Plan (Continued)

Benefits Provided (Continued)

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

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.

Contribution

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, 2025 and 2024, the District contributed $675,339 and $686,461, 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, 2025 and 2024 was measured as of June 30, 2024 and 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023 and 2022.

Actuarial Assumptions

The net OPEB liability was determined by an actuarial valuation as of July 1, 2023 and July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2023 and June 30, 2022
Inflation rate	2.50%
Salary increase rate	Varies by service
Discount rate	4.50% (2023), 4.49% (2022)
Initial trend rate	8.50% (2023), 7.50% (2022)
Ultimate trend rate	4.00%
Years to ultimate	50
Investment rate of return	4.50%

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2023 valuation were:

> Mortality rates were based on the PubG-2010 amount-weighted, below-median income with scale MP-2021. Healthy Inactive Lives: PubG-2010 amount-weighted, below-median income, Male (adjusted 108%) and Female (adjusted 106.4%) with scale MP-2021. Disabled Lives: PubG-2010 amount-weighted, with scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	5%	0%
U.S. fixed income	95%	2.99%
TOTAL	100%	

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

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, 2025 or 2024.

Rate of Return

For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on investments, net of investment expenses, was 5.52% and 4.24%, 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 4.50% and 4.49% for June 30, 2025 and 2024. 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 46 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, 4.48% for June 30, 2025 and 4.21% for June 30, 2024, 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.

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (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 percentage point lower or 1 percentage point higher than the current discount rate:

June 30, 2025	1% Decrease (3.50%)	Discount Rate (4.50%)	1% Increase (5.50%)
Net OPEB liability	$ 7,755,505	$ 5,625,205	$ 3,882,271

June 30, 2024	1% Decrease (3.49%)	Discount Rate (4.49%)	1% Increase (5.49%)
Net OPEB liability	$ 6,848,150	$ 4,930,271	$ 3,357,689

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:

June 30, 2025	1% Decrease (3.00% to 7.50%)	Healthcare Cost Trend Rate (4.00% to 8.50%)	1% Increase (5.00% to 9.50%)
Net OPEB liability	$ 3,959,243	$ 5,625,205	$ 7,653,036

June 30, 2024	1% Decrease (3.00% to 6.50%)	Healthcare Cost Trend Rate (4.00% to 7.50%)	1% Increase (5.00% to 8.50%)
Net OPEB liability	$ 3,185,682	$ 4,930,271	$ 7,076,770

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

Changes in the Net OPEB Liability (Asset)

	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a - b) Net OPEB Liability
BALANCES AT JUNE 30, 2023	$ 13,935,988	$ 7,468,487	$ 6,467,501
Changes for the year			
Service cost	153,529	-	153,529
Interest	605,879	-	605,879
Changes in benefit terms	-		
Differences between expected and actual experience	(364,833)	-	(364,833)
Changes in assumptions	(621,945)	-	(621,945)
Contributions - employer	-	1,286,552	(1,286,552)
Contriburtions - employees	-	-	-
Net investment income	-	148,806	(148,806)
Benefit payments	(466,552)	(466,552)	-
Administrative expense	-	(125,498)	125,498
Net changes	(693,922)	843,308	(1,537,230)
BALANCES AT JUNE 30, 2024	13,242,066	8,311,795	4,930,271
Changes for the year			
Service cost	165,775	-	165,775
Interest	590,543	-	590,543
Change in benefit terms	-	-	-
Differences between expected and actual experience	730,984	-	730,984
Changes in assumptions	229,237	-	229,237
Contributions - employer	-	686,461	(686,461)
Contriburtions - employees	-	-	-
Net investment income	-	351,733	(351,733)
Benefit payments	(516,532)	(516,532)	-
Administrative expense	-	(16,589)	16,589
Net changes	1,200,007	505,073	694,934
BALANCES AT JUNE 30, 2025	$ 14,442,073	$ 8,816,868	$ 5,625,205

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

<u>Net OPEB Liability</u> (Continued)

Changes in the Net OPEB Liability (Asset) (Continued)

There were changes in assumptions in 2024 related to the discount rate, mortality premium rates.

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

For the years ended June 30, 2025 and 2024, the District recognized OPEB expense of $290,257 and $246,298, respectively. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 626,558	$ 438,348	$ 61,464	$ 538,859
Changes of assumptions	239,244	632,092	57,006	1,048,006
Net difference between projected and actual earnings on OPEB plan investments	484,044	-	657,131	-
Employer contributions made subsequent to the measurement date	675,339	-	686,461	-
TOTAL	$ 2,025,185	$ 1,070,440	$ 1,462,062	$ 1,586,865

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, 2026.

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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,	
2026	$ 136,359
2027	156,139
2028	(6,216)
2029	(6,141)
2030	20,925
Thereafter	20,926
TOTAL	$ 321,992

11. OTHER POSTEMPLOYMENT BENEFITS - PLAN DISCLOSURES

The following plan disclosures are required to be made in accordance with GASB Statement No. 74. These amounts are for the measurement date June 30, 2025. They will be reported for the District's fiscal year ending June 30, 2026.

Total OPEB liability	$ 14,681,740
Plan fiduciary net position	9,432,096
Net OPEB liability	5,249,644
Percent funded ratio	64.24%

12. 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, 2025, the District paid $28,217 in full or partial settlement of various claims and paid an additional $46,637 for claims adjustment and related legal services. In addition, $963,990 had been provided, net of estimated subrogation rights, for estimated losses on four unsettled claims outstanding at the end of the year.

For the year ended June 30, 2024, the District paid $15,296 in full or partial settlement of various claims and paid an additional $62,341 for claims adjustment and related legal services. In addition, $627,737 had been provided, net of estimated subrogation rights, for estimated losses on nine 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:

	2025	2024	2023
Amount of claims liabilities, beginning of the year	$ 627,737	$ 583,304	$ 609,986
Incurred claims for the current year and changes in the provision for events of prior years	411,107	91,478	51,748
Payments of claims attributable to the current and prior years	(74,854)	(47,045)	(78,430)
AMOUNT OF CLAIMS LIABILITIES, END OF YEAR	$ 963,990	$ 627,737	$ 583,304

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

12. 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.

13. DEBT PAYABLE

The District entered into an agreement with a financial institution for a line of credit to finance costs associated with the construction of the transfer center and purchase of maintenance equipment items. The District entered into an agreement for a line of credit for $2,000,000 on May 3, 2023 with an interest rate of 4.35%. The District drew down and repaid $665,465 from the line of credit during the fiscal year 2025 and $576,916 from the line of credit during the fiscal year 2024. The principal balance as of June 30, 2025 and 2024 was $0 and $0.

REQUIRED SUPPLEMENTARY INFORMATION

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICPAL RETIREMENT FUND

Last Ten Calendar Years

CALENDAR YEAR ENDED DECEMBER 31,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
TOTAL PENSION LIABILITY										
Service cost	$ 1,011,690	$ 975,141	$ 924,908	$ 846,610	$ 901,614	$ 835,409	$ 721,365	$ 810,388	$ 808,680	$ 778,118
Interest on the total pension liability	3,015,474	2,909,098	2,787,466	2,627,230	2,573,343	2,474,101	2,300,767	2,304,616	2,217,364	2,140,553
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	875,946	26,225	184,539	913,211	(85,290)	173,874	1,340,294	(253,099)	(220,505)	(372,237)
Changes of assumptions	-	(107,088)	-	-	(359,976)	-	997,411	(1,045,383)	(38,987)	38,180
Benefit payments, including refunds of employee contributions	(2,424,736)	(2,284,048)	(2,204,647)	(2,227,456)	(2,290,389)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)
Net change in total pension liability	2,478,374	1,519,328	1,692,266	2,159,595	739,302	1,478,517	3,428,259	101,450	1,194,584	1,084,009
Total pension liability - beginning	42,299,266	40,779,938	39,087,672	36,928,077	36,188,775	34,710,258	31,281,999	31,180,549	29,985,965	28,901,956
TOTAL PENSION LIABILITY - ENDING (A)	$ 44,777,640	$ 42,299,266	$ 40,779,938	$ 39,087,672	$ 36,928,077	$ 36,188,775	$ 34,710,258	$ 31,281,999	$ 31,180,549	$ 29,985,965
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 626,788	$ 498,010	$ 583,558	$ 735,936	$ 687,847	$ 464,646	$ 663,813	$ 981,897	$ 1,169,058	$ 658,258
Contributions - employee	760,444	703,060	650,449	576,964	479,013	459,437	354,443	321,987	328,613	333,546
Net investment income	3,954,378	5,293,972	(6,940,331)	7,097,565	5,639,561	6,031,836	(2,133,005)	5,382,920	1,901,586	143,042
Benefit payments, including refunds of employee contributions	(2,642,618)	(2,402,352)	(2,309,825)	(2,284,469)	(2,332,165)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)
Other (net transfer)	(45,542)	(28,372)	(31,769)	(23,807)	(26,828)	(65,570)	693,528	(750,726)	207,864	(715,970)
Net change in plan fiduciary net position	2,653,450	4,064,318	(8,047,918)	6,102,189	4,447,428	4,885,482	(2,352,799)	4,221,006	2,035,153	(1,081,729)
Plan fiduciary net position - beginning	43,217,231	39,152,913	47,200,831	41,098,642	36,651,214	31,684,447	34,037,246	29,816,240	27,781,087	28,862,816
Change in plan fiduciary net position due to IMRF auditors	-	-	-	-	-	81,285	-	-	-	-
PLAN FIDUCIARY NET POSITION - ENDING (B)	$ 45,870,681	$ 43,217,231	$ 39,152,913	$ 47,200,831	$ 41,098,642	$ 36,651,214	$ 31,684,447	$ 34,037,246	$ 29,816,240	$ 27,781,087
NET PENSION LIABILITY (ASSET) - ENDING (A) - (B)	$ (1,093,041)	$ (917,965)	$ 1,627,025	$ (8,113,159)	$ (4,170,565)	$ (462,439)	$ 3,025,811	$ (2,755,247)	$ 1,364,309	$ 2,204,878

CALENDAR YEAR ENDED DECEMBER 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability	102.44%	102.17%	96.01%	120.76%	111.29%	101.28%	91.28%	108.81%	95.62%	92.65%
Covered valuation payroll	$ 11,948,016	$ 10,866,073	$ 10,590,894	$ 9,545,211	$ 8,587,356	$ 8,722,889	$ 7,876,504	$ 7,155,258	$ 7,302,495	$ 7,305,587
Net pension liability (asset) as a percentage of covered valuation payroll	(9.15%)	(8.45%)	15.36%	(85.00%)	(48.57%)	(5.30%)	38.42%	(38.51%)	18.68%	30.18%

Measurement Date December 31, 2024 - there were no changes in assumptions related to salary rates, inflation rates, mortality, and retirement age

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten 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
2016	$ 1,137,580	$ 1,137,580	$ -	$ 6,626,856	17.17%
2017	999,568	999,568	-	6,894,788	14.50%
2018	637,808	637,808	-	6,989,415	9.13%
2019	663,813	663,813	-	7,672,953	8.65%
2020	565,614	565,614	-	8,602,850	6.57%
2021	704,063	704,063	-	8,958,473	7.86%
2022	735,936	735,936	-	9,545,211	7.71%
2023	583,559	583,559	-	10,590,894	5.51%
2024	513,628	513,628	-	11,232,085	4.57%
2025	590,042	590,042	-	11,948,016	4.94%

Notes to Schedule

Valuation date:	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 contribution rates:	
Actuarial cost method	Aggregate entry-age normal
Amortization period	Level percentage of payroll, closed
Remaining amortization period	19-year closed period (20-year closed period in 2023)
Asset Valuation Method	Five-year, smoothed market; 20% corridor
Wage Growth	2.75% (2.75% in 2023)
Price inflation	2.25% (2.25% in 2023)
Salary increases	2.75% to 13.75%, including inflation (2.75% to 13.75% in 2023)
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality	For nondisabled retirees, an IMRF specific mortality table was used with fully generated projection scale MP-2020. 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-2020 (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, nondisabled 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 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	There were no benefit changes during the year

(See independent auditor's report.)

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Ten Fiscal Years**

MEASUREMENT DATE JUNE 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL OPEB LIABILITY										
Service cost	$ 175,816	$ 165,775	$ 153,529	$ 166,189	$ 188,157	$ 248,074	$ 232,515	$ 250,351	$ 239,570	$ 779,778
Interest	601,024	590,543	605,879	593,942	594,184	591,517	658,878	620,278	597,166	417,026
Changes of benefit terms	-	-	-	213,609	-	-	-	-	-	-
Differences between expected and actual experience	723,261	730,984.00	(364,833)	-	(384,352)	-	368,781	-	-	-
Changes of assumptions	249,488	229,237.00	(621,945)	(225,498)	99,759	(220,678)	(1,615,062)	-	-	-
Benefit payments, including refunds of employee contributions	(549,701)	(516,532)	(466,552)	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Net change in total OPEB liability	1,199,888	1,200,007	(693,922)	278,440	21,988	143,562	(737,769)	525,490	513,819	876,309
Total OPEB liability - beginning	14,442,073	13,242,066	13,935,988	13,657,548	13,635,560	13,491,998	14,229,767	13,704,277	13,190,458	12,314,149
TOTAL OPEB LIABILITY - ENDING (A)	$ 15,641,961	$ 14,442,073	$ 13,242,066	$ 13,935,988	$ 13,657,548	$ 13,635,560	$ 13,491,998	$ 14,229,767	$ 13,704,277	$ 13,190,458
TRUST NET POSITION										
Contributions - employer	$ 675,339	$ 686,461	$ 1,286,552	$ 469,802	$ 778,813	$ 878,998	$ 1,224,679	$ 753,911	$ 1,392,384	$ 903,684
Contributions - employee	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	489,590	335,144	23,308	(470,539)	254,017	434,772	454,448	182,896	(7,449)	229,864
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(549,701)	(516,532)	(466,552)	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Other	-	-	-	-	-	-	-	-	-	-
Net change in net position held in trust	615,228	505,073	843,308	(470,539)	557,070	838,419	1,296,246	591,668	1,062,018	813,053
Trust net position - beginning	8,816,868	8,311,795	7,468,487	7,939,026	7,381,956	6,543,537	5,247,291	4,655,623	3,593,605	2,780,552
TRUST NET POSITION - ENDING (B)	$ 9,432,096	$ 8,816,868	$ 8,311,795	$ 7,468,487	$ 7,939,026	$ 7,381,956	$ 6,543,537	$ 5,247,291	$ 4,655,623	$ 3,593,605
NET OPEB LIABILITY (ASSET) - ENDING (A) - (B)	$ 6,209,865	$ 5,625,205	$ 4,930,271	$ 6,467,501	$ 5,718,522	$ 6,253,604	$ 6,948,461	$ 8,982,476	$ 9,048,654	$ 9,596,853

MEASUREMENT DATE JUNE 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Trust fiduciary net position as a percentage of the total OPEB liability	60.30%	61.05%	62.77%	53.59%	58.13%	54.14%	48.50%	36.88%	33.97%	27.24%
Covered-employee payroll	$ 11,800,927	$ 11,537,566	$ 10,878,672	$ 7,109,749	$ 6,626,676	$ 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	52.62%	48.76%	45.32%	90.97%	86.30%	109.20%	125.86%	162.40%	171.88%	139.19%

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

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 684,871	$ 686,928	$ 779,949	$ 731,505	$ 831,308	$ 981,120	$ 957,242	$ 829,047	$ 860,074
Contributions in relation to the actuarially determined contribution	675,339	686,461	1,286,552	469,802	778,812	878,998	1,224,679	753,911	1,392,384
CONTRIBUTION DEFICIENCY (EXESS)	$ 9,532	$ 467	$ (506,603)	$ 261,703	$ 52,496	$ 102,122	$ (267,437)	$ 75,136	$ (532,310)
Covered-employee payroll	$ 11,800,927	$ 11,537,566	$ 10,878,672	$ 7,109,749	$ 6,626,676	$ 5,726,525	$ 5,520,606	$ 5,531,169	$ 5,264,646
Contributions as a percentage of covered-employee payroll	5.72%	5.95%	11.83%	6.61%	11.75%	15.35%	22.18%	13.63%	26.45%

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

Valuation date:	July 1, 2024
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry-age cost method
Asset valuation method	Market value
Amortization period	20-year closed
Price inflation	2.50%
Healthcare cost trend rates	8.50% initial, decreasing to an ultimate rate of 4.0%
Salary increases	2.50% annually
Investment rate of return	4.50%
Mortality	RP-2014 Total Dataset Mortality Tables with fully generational improvement using Scale MP-2021
Healthy Retirees, Beneficiaries and Covered Spouses	RP-2014 Mortality Tables with Blue Collar adjustment and fully generational improvement using Scale MP-2021
Disabled members	RP-2014 Disabled Annuitant Mortality Tables with fully generational improvement using Scale MP-2021

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	**2025**	**2024**	**2023**
Annual money-weighted rate of return, net of investment expense	5.52%	4.24%	3.14%

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

SUPPLEMENTAL FINANCIAL INFORMATION

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FIXED ROUTE OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2025
(With Comparative Actual Totals for June 30, 2024)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2025	Total 2024
LABOR						
Operator's salaries and wages	$ 5,986,921	$ -	$ -	$ -	$ 5,986,921	$ 5,169,224
Operator's paid absences	673,724	-	-	-	673,724	592,680
Other salaries and wages	1,085,883	1,849,390	215,349	575,950	3,726,572	3,223,241
Other paid absences	192,829	373,224	30,343	104,127	700,523	548,589
FRINGE BENEFITS	2,928,667	1,048,122	-	384,357	4,361,146	2,344,420
SERVICES						
Advertising fees	-	-	-	161,833	161,833	181,506
Professional technical services	-	-	-	129,549	129,549	163,207
Contract maintenance service	-	-	192,502	-	192,502	56,018
Custodial services	-	-	11,888	-	11,888	9,114
Security services	-	-	-	310,963	310,963	291,879
Other services	-	-	-	336,849	336,849	208,760
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	695,960	17,842	-	-	713,802	788,740
Tires and tubes	149,862	-	-	-	149,862	143,374
Other materials and supplies	-	1,046,687	237,294	137,351	1,421,332	1,428,041
UTILITIES	-	-	-	361,087	361,087	287,634

(This schedule is continued on the following page.)

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FIXED ROUTE OPERATING EXPENSES BEFORE DEPRECIATION (Continued)

For the Year Ended June 30, 2025
(With Comparative Actual Totals for June 30, 2024)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2025	Total 2024
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	$ -	$ -	$ -	$ 368,863	$ 368,863	$ 338,646
Premiums for physical damage insurance	-	-	-	158,161	158,161	111,474
Recoveries of physical damage losses	-	-	-	(877)	(877)	(1,296)
Premiums for other corporate insurance	-	-	-	33,200	33,200	35,858
Uninsured losses, net of recoveries	-	-	-	505,935	505,935	40,546
LICENSES AND TAXES						
Vehicle licensing and registration fees	-	-	-	-	-	2,123
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	22,310	22,310	26,695
Dues and subscriptions	-	-	-	55,398	55,398	57,239
Other	5,148	-	-	60,022	65,170	114,301
LEASE EXPENSE	-	-	-	55,283	55,283	6,906
TOTALS	$ 11,718,994	$ 4,335,265	$ 687,376	$ 3,760,361	$ 20,501,996	$ 16,168,919

(See independent auditor's report.)

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF PARATRANSIT OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2025
(With Comparative Actual Totals for June 30, 2024)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2025	Total 2024
LABOR						
Operator's salaries and wages	$ 1,192,303	$ -	$ -	$ -	$ 1,192,303	$ 1,151,158
Operator's paid absences	86,254	-	-	-	86,254	76,428
Other salaries and wages	309,991	89,089	-	96,199	495,279	436,869
Other paid absences	38,398	-	-	17,702	56,100	47,056
FRINGE BENEFITS	566,166	33,809	-	54,329	654,304	259,351
SERVICES						
Advertising fees	-	-	-	-	-	-
Professional technical services	-	-	-	9,932	9,932	9,829
Contract maintenance service	-	-	12,470	-	12,470	23,445
Custodial services	-	-	1,161	-	1,161	971
Security services	-	-	-	-	-	-
Other services	-	-	-	27,334	27,334	19,437
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	304,127	1,734	-	-	305,861	316,159
Tires and tubes	36,333				36,333	29,798
Other materials and supplies	-	140,137	-	7,958	148,095	108,247
UTILITIES	-	-	-	45,783	45,783	39,281

(This schedule is continued on the following page.)

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF PARATRANSIT OPERATING EXPENSES BEFORE DEPRECIATION (Continued)

For the Year Ended June 30, 2025
(With Comparative Actual Totals for June 30, 2024)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2025	Total 2024
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	$ -	$ -	$ -	$ 40,985	$ 40,985	$ 37,627
Premiums for physical damage insurance	-	-	-	17,573	17,573	12,386
Recoveries of physical damage losses	-	-	-	-	-	-
Uninsured losses, net of recoveries	-	-	-	(94,828)	(94,828)	50,932
LICENSES AND TAXES						
Vehicle licensing and registration fees	3,384	-	-	-	3,384	-
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	11,455	11,455	4,182
Dues and subscriptions	-	-	-	6,124	6,124	6,393
Other	-	-	-	14,210	14,210	9,030
LEASE EXPENSE	-	-	-	7,624	7,624	921
TOTALS	$ 2,536,956	$ 264,769	$ 13,631	$ 262,380	$ 3,077,736	$ 2,639,500

(See independent auditor's report.)

SANGAMON MASS TRANSIT DISTRICT

COMPUTATION OF FEDERAL OPERATING ASSISTANCE

For the Year Ended June 30, 2025

	Actual Project Cost
PROJECTS IL-2020-021-01/IL-2022-038-01/IL-2024-002-01	
Total operating expenses (excluding depreciation)	
Salaries and labor	$ 12,917,677
Benefits	4,827,462
Services	1,140,810
Materials and supplies	3,049,769
Utilities	391,728
Casualty and liability insurance and losses	1,044,153
Taxes and licenses	25,092
Leases and rentals	9,447
Miscellaneous	1,264,544
Total operating expenses (excluding depreciation)	24,670,682
Contra-expense/earned interest	1,273,391
Eligible operating expenses	23,397,291
Less offsetting revenues	971,897
Net project cost	22,425,394
Local share	
Local share	2,562,737
State operating assistance	15,367,115
Advertising expenses	155,639
Total local share	18,085,491
NET EXPENSE BEFORE APPLYING FTA FUNDS	$ 4,339,903
FEDERAL ASSISTANCE LIMITATION (LESSER OF)	
100% of net project cost	$ 22,425,394
Net Project Cost after use of local share	$ 4,339,903
Grant Awards	
Grant Award IL-2024-002	3,100,000
Grant Award IL-2020-021	229,782
Grant Award IL-2022-038	35,184
Total grant awards	$ 3,364,966
FY25 Federal operating assistance received	3,364,966
BALANCE DUE FROM (TO) FEDERAL TRANSIT ADMINISTRATION	$ 974,937

(See independent auditor's report.)

REPORT ON FEDERAL AWARDS

3051 Hollis Dr., 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2025. The financial statements of the fiduciary component unit were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the fiduciary component unit.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 CPA LLC

Springfield, Illinois
December 12, 2025

3051 Hollis Dr., 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

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

Opinion on Each Major Federal Program

We have audited Sangamon Mass Transit District's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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.

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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility for the Auditor Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance Section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 12, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of 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 CPA LLC

Springfield, Illinois
December 12, 2025

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

Federal Grantor/Program or Cluster Title	Federal ALN Number		Name of Grant - Grant ID No.	Federal Expenditures($)
U.S. Department of Transportation				
Federal Transit Cluster:				
Direct Program:				
Federal Transit Capital Investment Grants	20.500	*	IL-2018-026	$ 6,890
Federal Transit Capital Investment Grants	20.500	*	IL-2024-002	192,173
Federal Transit Capital Investment Grants	20.500	*	IL-2022-003	103,960
Federal Transit Capital Investment Grants	20.500	*	IL-2022-013	1,054,241
Federal Transit Capital Investment Grants	20.500	*	IL-90-X744	(12,355)
Total Federal Transit Capital Investment Grants				1,344,909
Federal Transit Formula Grants				
Federal Transit Formula Grants	20.507	*	IL-2024-002	3,100,000
Federal Transit Formula Grants	20.507	*	IL-2020-021	1,122,516
Total Federal Transit Formula Grants				4,222,516
Passed through Illinois Department of Transportation:				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	*	IL-2022-034	575,425
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	*	IL-2025-010	95,983
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				671,408
Total Federal Transit Cluster				6,238,833
Transit Services Programs Cluster:				
Passed through Illinois Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		IL-2023-024	264,424
Total Transit Services Programs Cluster				264,424
Passed through Illinois Department of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505		IL-2022-038	117,387
Total U.S. Department of Transportation				6,620,644
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 6,620,644

*Denotes Major Federal Program

See notes to the schedule of expenditures of federal awards

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.

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, 2025. 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.

3. DESCRIPTION OF MAJOR PROGRAM

There was one major program for the year ended June 30, 2025, 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.

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	$ 4,339,903
Capital assistance	2,280,741
	$ 6,620,644

5. INDIRECT COST RATE

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

6. ADDITIONAL INFORMATION

As of and during the year ended June 30, 2025, 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, 2025

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?	____	Yes	X	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?	____	Yes	X	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?	____	Yes	X	No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Federal Transit Cluster
20.500	Federal Transit Capital Investment Grants
20.507	Federal Transit Formula Grants
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes	____	No

SANGAMON MASS TRANSIT DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

Prior Finding	Condition	Status
	None noted	

ILLINOIS DEPARTMENT OF TRANSPORTATION

3051 Hollis Dr., 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS APPLICABLE TO THE FINANCIAL ASSISTANCE RECEIVED UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-25-54-IL

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

Report on Compliance

Opinion

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, 2025.

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, 2025.

Basis for Opinion

We conducted our audit on 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. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Report of Compliance section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the financial assistance received under the downstate operating assistance grant.

Auditor's Responsibilities for the Report of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the State of Illinois Department of Transportation will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the report on compliance.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the provisions of the "Downstate Operating Assistance Grant Program Agreement", but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Purpose of this Report

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 CPA LLC

Springfield, Illinois
December 12, 2025

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-25-54-IL

For the Year Ended June 30, 2025

OPERATING REVENUES AND INCOME		
4111	Passenger fares for transit services	$ 971,897
4112	Special transit fares	136,841
4140	Auxiliary revenue	155,000
4142	Concession	639
4150	Other transportation revenues	498,938
4500	Federal cash grants and reimbursement	3,992,734
	Total Operating Revenues	5,756,049
OPERATING EXPENSES		
5010	Labor	12,917,677
5015	Fringe benefits	4,827,462
5020	Professional services	1,140,810
5030	Materials and supplies consumed	3,049,769
5040	Utilities	391,728
5050	Casualty and liability	1,044,153
5060	Taxes	25,092
5090	Miscellaneous expense	368,434
5220	Leases, rentals, and purchase-lease payments	9,447
517	Debt service projects	665,465
	Total Operating Expenses	24,440,037
	Ineligible Expenses:	
	APTA and IPTA dues	-
	Other (Single Audit)	-
	Other (Federally Funded Projects)	798,321
	Less: Total ineligible expenses	798,321
	Total Eligible Operating Expenses	23,641,716
	Total Operating Revenue and Income	5,756,049
	Deficit	17,885,667
	65% of Eligible Expenses	15,367,116
	Maximum Contract Amount	27,241,500
	Eligible FY25 Downstate Operating Assistance (Deficit, 65% of eligible expenses, or maximum contract amount, whichever is less)	15,367,116
	FY25 Downstate Operating Assistance Received (prior to close of fiscal year)	11,087,376
	FY25 Downstate Operating Assistance (Over) Under Paid	$ 4,279,740

None noted.