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SANGAMON MASS TRANSIT DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended June 30, 2024 and 2023

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SANGAMON MASS TRANSIT DISTRICT
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December 16, 2024

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, 2024 and 2023 is submitted herewith. This report provides a broad view of SMTD's financial activities for the 2024 and 2023 fiscal years and its financial position at June 30, 2024 and 2023. 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, 2024 and 2023 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, 2024 and 2023 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 2024 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 2024 included:

- Contracting with various vendors for design and construction management services for renovations to the Bus Storage Garage.
- Contracting with various vendors to complete construction work for the Bus Storage Garage renovations.
- Continuing work on the new multi-modal transportation complex and SMTD transfer center.
- Continue Contracting with Sangamon County IT to provide IT Management Services.
- Continue Contracting with Sangamon County Sheriff 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, and 8 Diesel/Electric Hybrid buses to replace 8 diesel buses at end of useful life.

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

- Purchase administrative staff and Road Supervisor vehicles.
- Purchase CVP vehicles to replace paratransit vehicles.
- Complete Land Acquisition.
- Purchase a new on-board video surveillance system.
- Complete yard repairs and facility updates.
- Complete Bus Wash and Vacuum replacements.
- Update computer servers, security cameras, and IVN5 modules.
- Move forward on East Property Development

ACKNOWLEDGEMENTS

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on 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 year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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*.

Prior Period Financial Statements

The financial statements of the District as of June 30, 2023, were audited by Sikich LLP, whose report dated November 22, 2023, expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

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.

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-24-54-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-24-54-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-24-54-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.

The audit as of and for the period ended June 30, 2023, was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental financial information as of and for the year-end June 30, 2023, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements by Sikich LLP and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In the opinion of Sikich LLP, the information was fairly stated in all material respects in relation to the financial statements as a whole.

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 16, 2024 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 16, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

SPRINGFIELD MASS TRANSIT DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2024 and 2023

DISTRICT FINANCIAL AND OPERATIONAL HIGHLIGHTS

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

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

The District ended FY 2024 with a total mainline ridership of 1,343,661 revenue trips. This is an increase from FY 2023 of 111,478 trips, or an increase of 9.05%. Although ridership has increased since the end of the pandemic, the five-year rolling year over year change has been an average annual reduction in ridership of 0.31% annually, or a 3.45% loss of ridership since Fiscal Year 2020. While the COVID public health emergency certainly played a role in reduced ridership, the District had seen a steady decline in the years pre-pandemic. With the route system redesign in 2019, SMTD had started to notice an increase at the beginning of 2020, before the COVID public health emergency that started in March 2020. SMTD is currently in an upward trend towards pre-covid ridership amounts. Chart 1 shows yearly mainline ridership for FY24 and the past nine years.

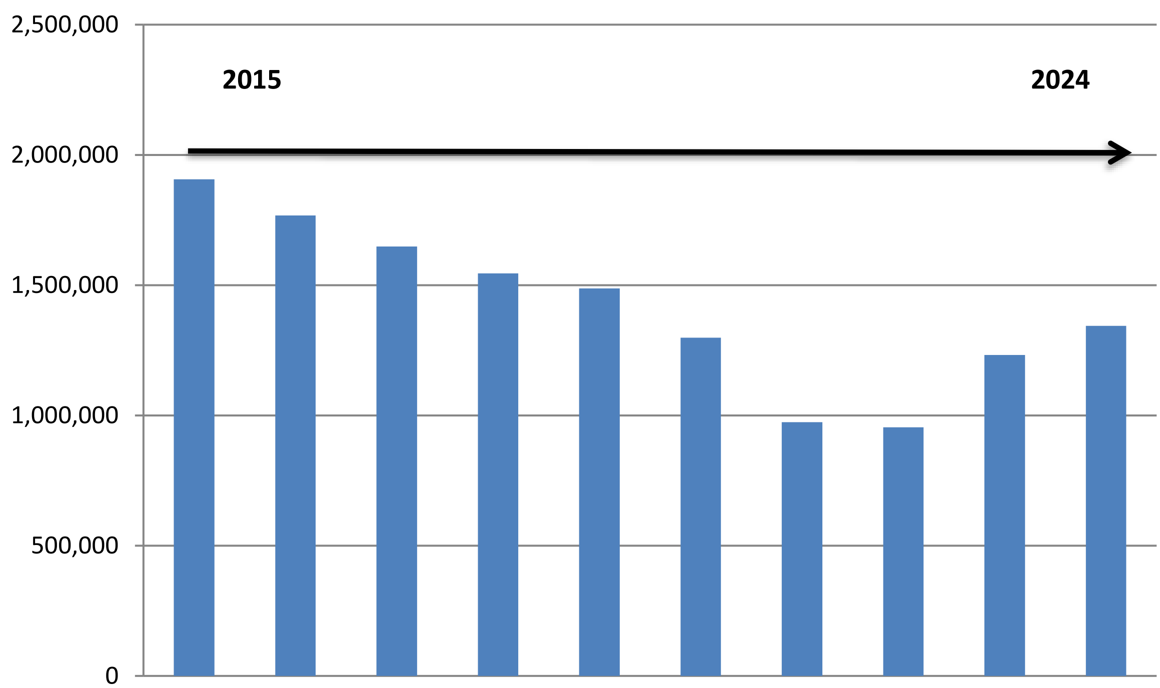

Chart 1

Paratransit service was also negatively impacted by the COVID-19 pandemic with declining ridership during 2020 and 2021. However, during FY2022, SMTD noted that ridership began to increase. In FY24, SMTD noted an 8.95% increase from FY23. The District has various contracts with local non-profit agencies to provide services to impacted communities. These contracts provide a benefit to the organizations for the transportation needs of disabled participants. Access ridership is summarized in Chart 2.

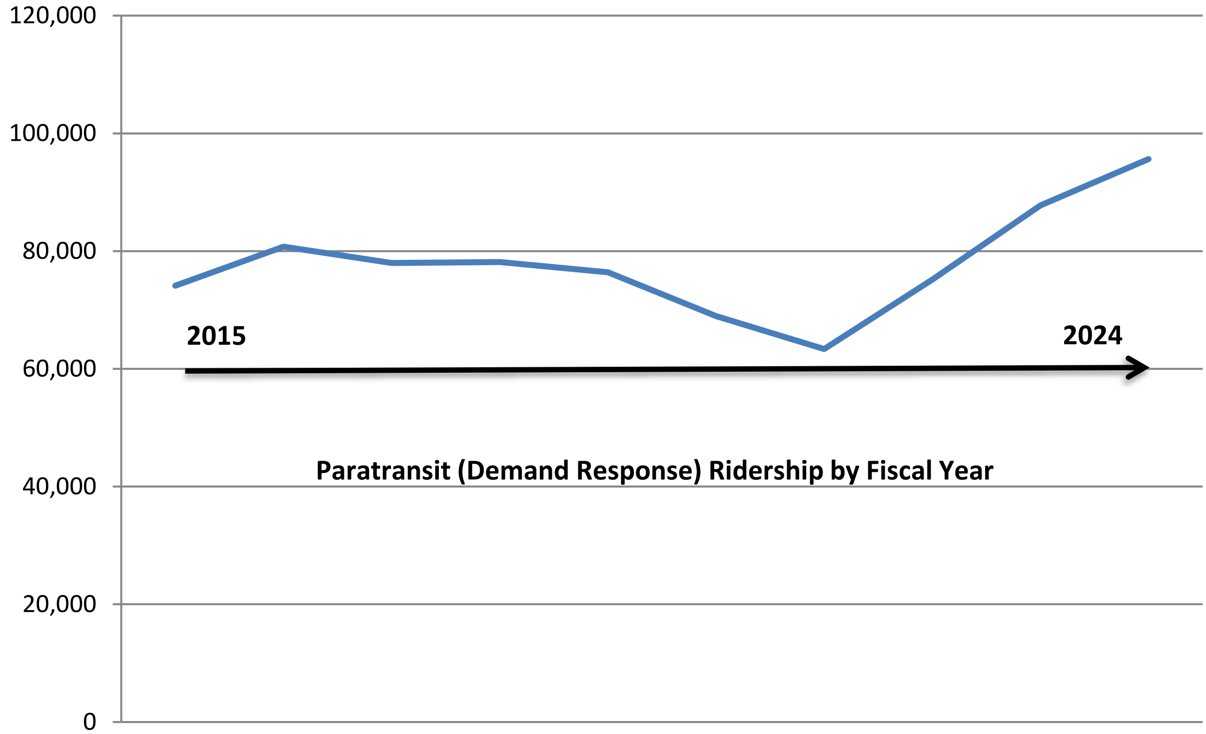

Chart 2

FINANCIAL ANALYSIS OF THE DISTRICT OPERATING FUND

The Statement of Net Position includes assets, deferred outflows/inflows, 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 below (Table 1).

Table 1

Condensed Statements of Net Position

	FY2024	FY2023	FY2022[1]
Current and other assets	17,034,877	14,682,746	13,600,320
Non-Current assets	1,473,771	739,415	8,394,513
Capital assets	33,150,520	23,607,292	25,325,652
Total assets	51,659,168	39,029,453	47,320,485
Deferred outflows of resources	4,354,824	6,147,835	2,172,891
Current and other liabilities	3,535,650	2,896,360	2,270,108
Noncurrent liabilities	5,584,961	9,234,302	5,913,628
Total liabilities	9,120,611	12,130,662	8,183,736
Deferred inflows of resources	1,707,246	1,257,829	7,256,467
Net Position			
Net Investment in capital assets	32,489,224	23,498,390	25,110,659
Restricted for Pensions	917,965	-	8,113,159
Unrestricted	11,778,946	8,290,407	829,355
Total Net Position	45,186,135	31,788,797	34,053,173

Table 1

[1] Restated

For the year ending June 30, 2024:

- Capital assets increased $9.54 million (40.4%) from $23.6 million to $33.1 million. Table 3 provides details of this change.
- The District's Net Position increased by $13,397,338 (42.1%) from $31.8 million to $45.2 million.

For the year ending June 30, 2023:

- Capital assets decreased $1.71 million (-6.8%) from $25.3 million to $23.6 million. Table 3 provides details of this change.
- The District's Net Position decreased by $2,264,376 (-6.6%) from $34.1 million to $31.8 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, with FY22 restated.

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

	FY2024	FY2023	FY2022[1]
Operating Revenues	$ 1,242,112	$ 1,103,471	$ 863,622
Non-Operating Revenues	22,703,292	20,730,892	20,568,964
Total Revenues	23,945,404	21,834,363	21,432,586
Operation and Maintenance Expenses	18,845,424	22,312,884	16,104,559
Depreciation and Amortization	3,120,598	3,272,605	3,311,203
Total Expenses	21,966,022	25,585,489	19,415,762
Net Income (Loss) Before Contributions	1,979,382	(3,751,126)	2,016,824
Capital Contributions	11,417,957	1,486,750	746,075
Change in Net Position	13,397,339	(2,264,376)	2,762,899
Net Position – Beginning of Year	31,788,797	34,053,173	31,290,274
Net Position - End of Year	$ 45,186,136	$ 31,788,797	$ 34,053,173

Table 2A

[1] Restated

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.

For the year ending June 30, 2023:

- Operating Revenue increased $239 thousand (27.77%) from $0.86 million to $1.1 million.
- Non-Operating Revenue increased $161 thousand (.79%) from $20.56 million to $20.73 million.
- Capital Contributions increased $740 thousand (99.28%) from $0.74 million to $1.49 million in FY 2023.
- A decrease to change in net position of $5.03 million (-181.96%) is the result of operations expenses and depreciation.

Table 2-B
Detailed Revenue and Expenses

	FY2024	FY2023	FY2022[1]
Full Price Fares	1,047,849	905,693	685,430
Discounted Fares	39,263	42,780	28,033
Advertising	155,000	154,998	150,159
Total Operating Revenues	1,242,112	1,103,471	863,622
Local Taxes	3,390,756	3,448,376	3,286,078
State/Federal Operating Assistance	18,819,596	17,035,461	17,599,977
Investment Income	472,837	218,506	3,232
Other	20,103	28,549	(320,323)
Total Non-Operating Revenues	22,703,292	20,730,892	20,568,964
Total Revenues	23,945,404	21,834,363	21,432,586
Salaries	11,245,498	10,679,515	10,405,420
Fringe Benefits	2,603,773	4,981,337	1,429,089
Professional Services	771,496	482,432	449,186
Materials and Supplies	2,980,377	2,746,966	2,483,307
Casualty and Liability Insurance	626,175	544,679	701,835
Other	618,106	2,863,528	635,722
Total Operation and Maintenance Expenses	18,845,424	22,298,457	16,104,559

Table 2-B

[1] Restated

Revenues:
Full Price Fares increased $142 thousand (15.70%) and Discounted Fares decreased $3 thousand (-8.22%) in FY 2024. Advertising Revenue increased slightly by only two dollars.

Local taxes overall decreased $57 thousand (-1.67%) in FY 2024. Local taxes include both property tax and replacement tax. The property tax receipts grew based on the CPI from the previous year and additions to the economic value of all property of the community, for an increase of $138 thousand (4.67%) from FY2023 to FY2024. 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 $195 thousand (-39.74%) from FY2023 to FY2024, resulting in an overall decrease of (-1.67%).

State and federal non-transportation revenue sources (operating grants) increased $1.78 million (10.47%) in FY 2024.

Expenses:
Salary and wage expenses increased to 59% of the District's total expenses in FY 2024, compared to 48% in FY 2023. Salaries increased $565 thousand (5.30%) in FY 2024.

Fringe Benefits decreased $2.4 million (-47%) because the net adjustment includes fluctuations in IMRF and OPEB in year-end adjustments. In FY2023, Fringe Benefits increased $3.55 million (248.6%), because the net adjustment includes fluctuations in IMRF and OPEB in year-end adjustments. Without these year-end adjustments, the increase would have been only 7.89% in FY2024.

Professional Services expenses are driven by environmental and project factors at the time, and fluctuations are common from year to year due to claim activity, service needs, and service additions. Services increased $289 thousand (59%) in FY 2024. Claim management services are now fully outsourced and administered by PMA Cinch/Travelers, with workmen's comp provided through Illinois Public Risk Fund (IPRF).

In FY2024, Materials and Supplies increased $233 thousand (8.5%). In FY2024, Casualty and Liability increased $81 thousand (14.96%).

CAPITAL ASSET ANALYSIS

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

Capital Assets at Year-end
(In Thousands)

	FY2024	FY2023
Land and Construction in Progress	$ 11,649	$ 2,771
Parking lot	1,804	1,783
Passenger shelters	552	566
Administration building	1,485	1,406
Transfer Center Buildings	489	489
Buses and Paratransit vans	29,480	27,460
Cars and trucks	388	388
Storage garage	1,788	1,788
Maintenance shop and office	7,972	7,972
Garage Equipment	945	919
Office furniture and fixtures	112	115
Two-way radio equipment	250	256
Other assets & construction wip	2,195	2,198
Telephone system	278	115
Stockroom and machine shop	176	176
CNG fueling station	1,779	1,779
Subscription-based software licenses	469	349
Total	61,811	50,530
Less accumulated depreciation/amortization	(28,660)	(26,923)
Capital assets – net	$ 33,151	$ 23,607

Table 3

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 FY25.
- Design and construction management services for East Property Development. SMTD purchased adjacent land to the east for yard development and additional storage.

For the year ending June 30, 2023:

- Substantial capital costs related to the purchase, implementation and installation of the new electronic farebox system.
- Professional services for the design and construction management services for the Bus Storage Garage Renovations project.
- Infrastructure support for IT, such as building an improved Storage Array, WIFI expansion coverage, fiber installation, and sign on process.
- Support Vehicle related to maintenance department, as well as attachments for snow removal.
- Construction project, including design and construction management services, to remodel the Board Room into five individual offices.

FINANCIAL ANALYSIS OF FIDUCIARY FUND

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

Table 4
Condensed Statement of Net Plan Position
Fiduciary Fund

	FY2024	FY2023	FY2022
Cash and cash equivalents	$ 179,222	$ 113,602	$ 250,399
Interest receivable	95,177	92,451	76,189
Current Investments	362,328	985,604	210,141
Noncurrent Assets and Investments	8,180,140	7,120,138	6,931,758
TOTAL ASSETS	$ 8,816,867	$ 8,311,795	$ 7,468,487
Net Position Restricted for OPEB	$ 8,816,867	$ 8,311,795	$ 7,468,487

Table 4

The District offers health insurance options to qualified members with a total of 236 members eligible for future benefits. The Net OPEB liability stands at $4.66 million, with $8.81 million in assets against a FY 2024 Total OPEB liability of $13,481,852 for a percent funded ratio of 65.40%. A summary of the Changes to Net Position of the District's OPEB Trust Fund is presented in Table 5.

OPEB Statement of Changes in Fiduciary Net Position

	FY2024	FY2023	FY2022
Employer contributions	686,461	1,286,552	469,802
Investment Income	335,143	23,308	(470,538)
Benefits paid out	(516,532)	(466,552)	(469,802)
Net gain (loss)	505,072	843,308	(470,538)
Net Increase (Decrease) in Net Position	**505,072**	**843,308**	**(470,538)**
Net Position – Beginning of Year	8,311,795	7,468,487	7,939,025
Net Position – End of Year	8,816,867	8,311,795	7,468,487

Table 5

YEAR IN REVIEW

- SMTD contracted with multiple vendors to complete design and construction management services, as well as construction work for Bus Storage Garage Renovations. SMTD renovated a storage building into an auto body workshop, while adding solar panels to the roof and a paint booth inside. Work continued throughout the year, while construction should be completed in FY25.
- The District entered into an Intergovernmental Agreement with the City of Springfield and Sangamon County to construct a new multi-modal transportation/municipal complex facility. Groundbreaking occurred in FY2022, with substantial completion expected in FY2025.
- SMTD awarded numerous contracts related to the new Springfield Sangamon County Transportation Center, including Security Locks and Cameras, Alarm System, Computer and Phone installation, Digital Displays Systems, Furniture, Fixtures, and Equipment (FFE), and Ticket Vending Machines.
- SMTD contracted Sangamon County for IT Management Services, which include 24-hour help desk services and cybersecurity monitoring.
- SMTD contracted with Avail Technologies to continue services through the end of 2029, as well as converted to a cloud-based system.
- SMTD contracted with the Sangamon County Sheriff's Department to provide additional security services at the SMTD Transfer Center.
- SMTD purchased twelve replacement vehicles. SMTD replaced four (4) 2008 35-ft, low-floor, heavy-duty diesel buses with four (4) 35' low-floor, heavy-duty CNG buses. SMTD replaced eight (8) 2011 35' low-floor, heavy-duty diesel buses with eight (8) 35' low-floor, heavy-duty electric diesel hybrid buses, which are the first of this fueling type in the SMTD revenue fleet.
- SMTD replaced carpet in the Admin Office, using Carpet Weavers as the low bid.
- SMTD updated the fire alarm system in the Admin and Maintenance buildings with Johnson Controls.
- SMTD completed a WIFI expansion project with Heart to expand coverage throughout the yard and to include the Auto Body.
- SMTD purchased a replacement brake lathe.

- SMTD purchased an adjacent parcel of land from the City of Springfield, who recently purchased the land for the Norfolk Southern Rail company as part of the rail improvement project.

Future Projects – 2025-2028

- SMTD expects to order four support vehicle replacement vans in FY2025.
- SMTD expects to complete land acquisition of identified parcels of land.
- SMTD expects to update the on-board video surveillance system to include WIFI downloading.
- SMTD expects to replace the Bus Wash, complete yard and HVAC system repairs, as well as ongoing facilities maintenance upkeep.
- SMTD expects to complete a competitive bid process for Health Insurance, third-party brokerage.
- SMTD expects to update the servers, using assistance and guidance from County IT.
- SMTD expects to update the modems on the fixed route buses.
- SMTD expects to upgrade the IVN4 CAD/AVL system with Clever.
- SMTD expects to make updates to the East Property Development, including paving, fencing, and lighting.
- SMTD expects to renovate and install a dozen new aluminum doors throughout the 928 S. 9th St property.
- SMTD expects to overhaul the website.
- SMTD expects to update the security cameras where needed in the 928 S. 9th St property.

CONTACTING THE DISTRICT'S MANAGEMENT

The financial reports of the District provide an overview for the public of the financial accountability the District maintains for the resources received. Further questions concerning this report should be directed to Tim Wenthe, Assistant Director for Finance and Compliance, or Michelle Alexander, Director of Finance & Administration, Springfield Mass Transit District, 928 South Ninth Street, Springfield, IL 62703.

BASIC FINANCIAL STATEMENTS

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUND

June 30, 2024 and 2023

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 8,885,079	$ 8,056,559
Investments	675,411	637,176
Accounts receivable		
Taxes	1,533,647	1,543,353
Operating assistance grants - net	3,360,237	2,169,731
Capital assistance grants - net	521,857	985,996
Other receivables	220,563	289,634
Materials and supplies inventories	1,079,708	946,882
Prepaid expenses	758,375	53,415
Total current assets	17,034,877	14,682,746
NONCURRENT ASSETS		
Investments	555,806	739,415
Net pension asset	917,965	-
Capital assets		
Capital assets, not being depreciated	11,649,580	2,771,321
Property and equipment	49,691,769	47,410,492
Less: Accumulated depreciation	(28,448,400)	(26,790,919)
Right-to-use subscription based IT	469,817	348,940
Less: Accumulated amortization	(212,246)	(132,542)
Total noncurrent assets	34,624,291	24,346,707
Total assets	51,659,168	39,029,453
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	2,892,762	4,059,057
OPEB deferred outflows	1,462,062	2,088,778
Total deferred outflows of resources	4,354,824	6,147,835
Total assets and deferred outflows of resources	56,013,992	45,177,288

(This statement is continued on the following page.)

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION (Continued)
PROPRIETARY FUND

June 30, 2024 and 2023

	2024	2023
CURRENT LIABILITIES		
Accounts payable	$ 1,548,217	$ 1,087,539
Accrued payroll	492,914	405,072
Accrued payroll taxes and retirement	247,981	165,836
Accrued compensated absences	641,182	618,787
Commitment payable, current	550,000	550,000
SBITA liability, current	55,356	69,126
Total current liabilities	3,535,650	2,896,360
NONCURRENT LIABILITIES		
SBITA liability	104,690	39,776
Commitment payable	550,000	1,100,000
Net OPEB liability	4,930,271	6,467,501
Net pension liability	-	1,627,025
Total noncurrent liabilities	5,584,961	9,234,302
Total liabilities	9,120,611	12,130,662
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	120,381	141,315
OPEB deferred inflows	1,586,865	1,116,514
Total deferred outflows of resources	1,707,246	1,257,829
NET POSITION		
Net invested in capital assets	32,489,224	23,498,390
Restricted - net pension asset	917,965	-
Unrestricted	11,778,946	8,290,407
TOTAL NET POSITION	$ 45,186,135	$ 31,788,797

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, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Full adult fares	$ 1,047,849	$ 905,693
Senior citizen, student, and handicapped fees	2,405	8,742
Local student fare assistance	36,858	34,038
Advertising revenue	155,000	154,998
Total operating revenues	1,242,112	1,103,471
OPERATING AND MAINTENANCE EXPENSES	18,845,424	22,298,457
Operating loss before depreciation and amortization	(17,603,312)	(21,194,986)
DEPRECIATION AND AMORTIZATION	3,120,598	3,287,032
Loss from operations	(20,723,910)	(24,482,018)
NON-OPERATING REVENUES (EXPENSES)		
Local taxes	3,390,756	3,448,376
Grants		
State of Illinois - Downstate Public Transportation Assistance		
Assistance program		
Operating assistance	13,644,759	12,412,059
Federal Transit Administration		
Operating assistance	5,174,837	4,623,402
Investment income	472,837	218,506
Interest on property taxes	4,958	1,213
Other income	17,144	27,336
Net gain (loss) on disposal of capital assets	(2,000)	-
Total non-operating revenues	22,703,291	20,730,892
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	1,979,381	(3,751,126)
CAPITAL CONTRIBUTIONS		
Capital assistance - federal	8,281,650	999,543
Capital assistance - state	3,136,307	487,207
Total capital contributions	11,417,957	1,486,750
CHANGE IN NET POSITION	13,397,338	(2,264,376)
NET POSITION - BEGINNING OF YEAR	31,788,797	34,053,173
NET POSITION - END OF YEAR	$ 45,186,135	$ 31,788,797

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares	$ 1,156,182	$ 1,142,971
Cash received from sales of charters, advertising, and rental income	172,145	182,334
Wages and benefits paid to employees	(16,471,771)	(15,659,293)
Payments to suppliers for goods and services	(5,449,426)	(4,687,614)
Net cash flows from operating activities	(20,592,872)	(19,021,602)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies received from		
State of Illinois	11,970,813	11,301,672
Federal Transit Administration	5,658,277	7,583,970
Property and income taxes received	3,405,422	3,359,354
Net cash flow from noncapital financing activities	21,034,512	22,244,996
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received from		
Federal Transit Administration and State of Illinois	11,882,095	631,662
Purchase and construction of capital assets	(12,008,869)	(1,311,417)
SBITA payments	(104,557)	(106,091)
Net cash flows from capital and related financing activities	(231,331)	(785,846)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold	145,374	-
Investments purchased	-	(711,360)
Investment income	472,837	218,506
Net cash flows from investing activities	618,211	(492,854)
NET CHANGE IN CASH AND CASH EQUIVALENTS	828,520	1,944,694
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,056,559	6,111,865
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,885,079	$ 8,056,559

(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, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations	$ (20,723,910)	$ (24,482,018)
Non-operating revenue		
Rental income	17,144	27,336
Noncash items included in operating loss		
Depreciation and amortization expense	3,120,598	3,287,032
Change in assets and liabilities		
Accounts receivable	69,071	194,498
Prepaid expenses	(704,960)	80,011
Materials and supplies	(132,827)	(63,799)
Pension liability, deferrals, and asset	(1,399,629)	(233,399)
Accounts payable	(40,578)	(192,090)
Commitment payable	(550,000)	1,650,000
Net OPEB liability/obligation and deferrals	(440,163)	748,979
Accrued wages and benefits	192,382	(38,152)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (20,592,872)	$ (19,021,602)
NONCASH TRANSACTIONS		
SBITA Issuances	$ 155,701	$ -
Loss on Disposal of capital assets	(2,000)	-
Capital assets acquired through retainage and accounts payable	501,250	257,255

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION
OPEB TRUST FUND

June 30, 2024 and 2023

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 179,222	$ 113,602
Interest receivable	95,177	92,451
Current investments		
Municipal bonds	202,338	-
U.S. Treasuries	-	825,157
U.S. government agency	-	160,447
Total current assets	476,737	1,191,657
NONCURRENT ASSETS		
Noncurrent investments		
Municipal bonds	5,349,390	4,837,952
U.S. Treasuries	562,044	410,186
U.S. government agency	2,428,696	1,872,000
Total noncurrent assets	8,340,130	7,120,138
Total assets	8,816,867	8,311,795
RESTRICTED NET POSITION		
Restricted net position for OPEB	8,816,867	8,311,795
TOTAL RESTRICTED NET POSITION	$ 8,816,867	$ 8,311,795

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, 2024 and 2023

	2024	2023
ADDITIONS		
Employer contributions	$ 686,461	$ 1,286,552
Investment income	351,732	148,806
Less investment expense	(16,589)	(125,498)
Net investment income	335,143	23,308
Total additions	1,021,604	1,309,860
DEDUCTIONS		
Benefits	516,532	466,552
Total deductions	516,532	466,552
CHANGE IN NET POSITION	505,072	843,308
RESTRICTED NET POSITION - BEGINNING OF YEAR	8,311,795	7,468,487
RESTRICTED NET POSITION - END OF YEAR	$ 8,816,867	$ 8,311,795

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

C. Cash and Investments

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

The types of investments allowed are regulated by Illinois State laws and are listed in Note 2. Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are based on market information as discussed in Note 2. 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 employment. Administrative employees, upon death or retirement, employees will be

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

J. Accrued Compensated Absences (Continued)

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 Illinois Municipal Retirement Fund (IMRF) to be used for additional service credit up to one year. Employees leaving the employ 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 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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

M. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will therefore not be recognized as an inflow of resources (revenue) until that future time. Pension deferred inflows relate to the GASB Statement No. 68 pension liability. Details of the account are included in Note 9. OPEB deferred inflows relate to the GASB Statement No. 75 liability. Details of the account are included in Note 10.

N. Net Position

Equity is classified as net position and is displayed in three components:

<u>Net Investment in Capital Assets</u>

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, 2024 and 2023, except for the subscription-based information technology arrangement (SBITA) liabilities.

<u>Restricted</u>

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 2024 and 2023, the District expended all of its property tax revenues; therefore, no restricted net position related to unexpended property tax revenue is reported.

<u>Unrestricted Net Position</u>

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 as operating revenue amounts received from businesses for advertisements on district buses and other district-owned property. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other revenues and expenses not meeting this definition are reported as 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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The Statement establishes the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. The statement is effective for District's fiscal year ended June 30, 2023; however, there is no impact to the District's financial statements.

GASB issued Statement No. 99, *Omnibus 2022*. The statement addresses a variety of topics, including: classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term,

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement No. 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63. The statement is effective for the fiscal year ended June 30, 2023 and June 30, 2024. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 is June 30, 2025.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The statement enhances accounting and financial reporting requirement for accounting changes and error corrections. The statement is effective for the fiscal year ending June 30, 2024.

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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

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 a 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.

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.

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.

R. CARES Act Funding

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

Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients, even those in large urban areas, are also eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. 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 $116,389 and $483,440 for June 30, 2024 and 2023, 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 Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Funds is authorized by the Illinois General Assembly and is exempt from registering with the Securities and Exchange Commission. The 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, 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:

	2024		2023	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Checking and savings	$ 1,000,612	$ 1,060,306	$ 1,408,568	$ 1,458,483
Corporate bonds	-	-	-	-
Money market	179,222	179,222	113,602	113,602
Certificates of deposit	-	-	493,675	493,675
The Illinois Funds	7,824,773	7,824,773	6,598,076	6,598,076
Mutual funds	-	33,548	512,380	512,380
Municipal bonds	5,616,802	5,616,802	4,996,491	4,996,491
U.S. agencies	2,558,209	2,558,209	2,046,468	2,046,468
U.S. Treasuries	1,565,126	1,565,126	1,433,319	1,433,319
TOTAL	$ 18,744,744	$ 18,837,986	$ 17,602,579	$ 17,652,494

	2024	2023
Reconciliation to financial statements		
per statement of net position		
Current cash	$ 8,885,079	$ 8,056,559
Current investments	675,411	637,176
Noncurrent investments	555,806	739,415
Per statement of net position -		
Fiduciary Fund		
Current cash and cash equivalents	179,222	113,602
Current investments		
Municipal bonds	202,338	-
U.S. agencies	159,990	160,447
U.S. Treasuries	-	825,157
Noncurrent investments		
U.S. agencies	2,268,706	1,872,000
U.S. Treasuries	562,044	410,186
Municipal bonds	5,349,390	4,837,952
TOTAL DEPOSITS AND INVESTMENTS	$ 18,837,986	$ 17,652,494

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, 2024 and 2023. In addition, at June 30, 2024 and 2023, 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 not in compliance with the District's policy as it is not backed by the full faith and credit of the US 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, 2024 and 2023, no investments were exposed to custodial credit risk.

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

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

Credit Risk

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, 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

At June 30, 2023, the District's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
U.S. agencies	Not Rated, AA+	Not Rated
Municipal bonds	BBB+, A-, A, A+ AA	Not Rated, AA3, BAA4, A2, BAA1, A, AA
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, 2024 and 2023, the District's investments subject to interest rate risk were as follows:

	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. Treasuries	1,565,126	631,861	577,066	356,199
TOTAL	$ 9,773,684	$ 1,037,738	$ 3,757,716	$ 4,978,230

	2023			
	Fair Value	<1 Year	1-5 Years	5> Years
U.S. agencies	$ 2,046,468	$ 174,468	$ 862,660	$ 1,009,340
Municipal bonds	4,996,490	94,894	1,619,764	3,281,832
Certificates of deposit	249,665	249,665	-	-
Mutual funds	512,380	102,194	410,186	-
U.S. Treasuries	1,433,320	757,550	675,770	-
TOTAL	$ 9,238,323	$ 1,378,771	$ 3,568,380	$ 4,291,172

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.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements (Continued)

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, 2024 and 2023.

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, 2024 and 2023.

1. Mutual funds and marketable equity securities valued at the closing quoted price in an active market

2. Market approach with multidimensional model for investments held as Municipal Bonds and at U.S. agencies.

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

	2024			
Investment Type	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	-
Mutual funds	33,548	33,548	-	-
U.S. Treasuries	1,565,126	-	1,565,126	-
TOTAL	$ 9,773,685	$ 33,548	$ 9,740,137	$ -

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements (Continued)

	2023			
Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. agencies	$ 2,046,468	$ -	$ 2,046,468	$ -
Municipal bonds	4,996,490	-	4,996,490	-
Mutual funds	512,380	512,380	-	-
Negotiable certificates of deposit	249,665	249,665	-	
U.S. Treasuries	1,433,320	-	1,433,320	-
TOTAL	$ 9,238,323	$ 762,045	$ 8,476,278	$ -

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 2021 became a lien on January 1, 2021, were payable in June and September of 2022 and recognized as revenue in fiscal year 2022. The taxes levied in July of 2022 became a lien on January 1, 2022, were payable in June and September of 2023 and recognized as revenue in fiscal year 2023. The taxes levied in July of 2023 will be received and recognized as revenue in fiscal year 2024. Amounts not received in September are written off in the current fiscal year and have historically been insignificant.

The District is permitted, without referendum, to levy taxes up to 0.25% per $100 of assessed valuation ($2,337,824,463 in 2024 and $2,198,117,098 in 2023) 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.

3. LOCAL TAXES (Continued)

Taxes revenue and receivable at June 30 consist of the following:

	2024		2023	
	Revenue	Receivable	Revenue	Receivable
General corporate levy	$ 1,623,399	$ 772,625	$ 1,534,950	$ 755,326
Illinois Municipal Retirement Fund levy	460,773	222,678	440,898	220,352
Liability insurance levy	521,289	251,918	497,926	248,852
Social Security levy	472,414	228,301	451,862	225,830
Auditing levy	16,174	7,872	30,345	15,348
Replacement tax	296,707	50,253	492,395	77,645
TOTAL	$ 3,390,756	$ 1,533,647	$ 3,448,376	$ 1,543,353

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 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:

	2024	2023
Federal Capital Assistance IL-90-X744	$ 12,347	$ 12,347
Federal Capital Assistance IL-2016-004	402,389	426,663
Federal Capital Assistance IL-2018-026	-	13,439
Federal Capital Assistance IL-2022-003	-	159,554
Federal Capital Assistance IL-2022-013	39,774	-
Federal Capital Assistance IL-2024-002	34,729	-
State Capital Assistance CAP-21-1143-ILL	-	(40,562)
State Capital Assistance CAP-22-1172-ILL	31,521	-
State Capital Assistance CAP-22-1213-ILL	1,097	414,555
TOTAL CAPITAL RECEIVABLE	$ 521,857	$ 985,996

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:

	2024	2023
IDOT FY 24 Operating Assistance OP-24-54-IL	$ 2,334,237	$ -
IDOT FY 23 Operating Assistance OP-23-54-IL	-	2,142,464
IDOT FY 22 Operating Assistance OP-22-54-IL	-	-
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 19 Operating Assistance OP-19-05-IL	-	(319,811)
IDOT FY 18 Operating Assistance OP-18-05-IL	-	(39,026)
IDOT FY 17 Operating Assistance OP-17-05-IL	-	(1,058)
IDOT FY 16 Operating Assistance OP-16-05-IL	-	46,061
IDOT FY 15 Operating Assistance OP-15-05-IL	-	(134,710)
IDOT FY 14 Operating Assistance OP-14-05-IL	-	(17,152)
IDOT FY 13 Operating Assistance OP-13-05-IL	(1,833)	(1,833)
IDOT FY 12 Operating Assistance OP-12-05-IL	(66,300)	(66,300)
IDOT FY 11 Operating Assistance OP-11-05-IL	22,733	22,733
IDOT FY 97 Operating Assistance OP-97-05-IL	(34,259)	(34,259)
IDOT FY 96 Operating Assistance OP-96-05-IL	27,945	27,945
IDOT FY 95 Operating Assistance OP-95-05-IL	20,670	20,670
IDOT FY 94 Operating Assistance OP-94-05-IL	22,737	22,737
Less allowance for doubtful accounts	(37,093)	(37,093)
Total state operating assistance receivable	2,343,760	1,686,291
Federal operating assistance receivable*	1,016,476	483,440
TOTAL OPERATING ASSISTANCE RECEIVABLE	$ 3,360,236	$ 2,169,731

*This includes receivables for Projects IL-2020-021 and IL-2024-002 operating assistance.

6. CHANGES IN CAPITAL ASSETS

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	425,037	42,961	(13,932)	454,066
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	1,279,721	43,215	-	1,322,936
Maintenance shop and office	2,602,141	242,554	-	2,844,695
Garage equipment	825,867	45,684	-	871,551
Office funiture and fixtures	115,874	262	-	116,136
Two-way radio equipment	256,058	-	-	256,058
Other assets	1,594,610	216,699	(2,195)	1,809,114
Telephone system	88,667	4,822	-	93,489
Stockroom and machine shop	176,375	-	-	176,375
CNG fueling station	998,226	118,600	-	1,116,826
Total tangible capital assets	26,790,920	3,002,491	(1,345,011)	28,448,400
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	26,923,462	3,120,595	(1,383,411)	28,660,646
Total capital/intangible assets being depreciated/amortized	20,835,971	698,759	(33,790)	21,500,940
TOTAL CAPITAL/INTANGIBLE ASSETS, NET	$ 23,607,292	$ 13,161,722	$ (3,618,494)	$ 33,150,520

6. CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2023 consists of the following:

	Balances July 1, 2022, Restated	Additions	Retirements	Balances June 30, 2023
Capital assets, not being depreciated				
Land	$ 1,456,971	$ -	$ -	$ 1,456,971
Construction in progress	213,933	1,492,287	(391,870)	1,314,350
Total capital assets not being depreciated	1,670,904	1,492,287	(391,870)	2,771,321
Tangible capital assets, being depreciated				
Parking lot	1,782,459	-	-	1,782,459
Passenger shelters	566,262	-	-	566,262
Administration building	1,233,055	172,942	-	1,405,997
Transfer center building	488,400	-	-	488,400
Buses and paratransit vans	27,478,540	-	-	27,478,540
Cars and trucks	339,887	67,623	(20,075)	387,435
Storage garage	1,788,268	-	-	1,788,268
Maintenance shop and office	7,964,270	7,529	-	7,971,799
Garage equipment	918,493	6,395	(5,115)	919,773
Office funiture and fixtures	133,035	-	(27,896)	105,139
Two-way radio equipment	254,928	-	(5,425)	249,503
Other assets	2,104,029	146,118	(53,412)	2,196,735
Telephone system	114,789	-	-	114,789
Stockroom and machine shop	176,377	-	-	176,377
CNG fueling station	1,779,017	-	-	1,779,017
Total tangible capital assets, being depreciated	47,121,809	400,607	(111,923)	47,410,493
Intangible capital assets, being amortized				
Subscription-based software licenses	291,292	57,648	-	348,940
Total intangible capital assets	291,292	57,648	-	348,940
Total capital/intangible assets being depreciated/amortized	47,413,101	458,255	(111,923)	47,759,433
TOTAL CAPITAL ASSETS, NET	$ 49,084,005	$ 1,950,542	$ (503,793)	$ 50,530,754

6. CHANGES IN CAPITAL ASSETS (Continued)

Accumulated depreciation activity for the year ended June 30, 2023 consists of the following:

	Balances July 1, 2022, Restated	Additions	Retirements	Balances June 30, 2023
Tangible capital assets, being depreciated				
Parking lot	$ 440,766	$ 83,437	$ -	$ 524,203
Passenger shelters	381,744	43,293	-	425,037
Administration building	772,919	40,030	-	812,949
Transfer center building	92,419	16,641	-	109,060
Buses and paratransit vans	14,355,618	2,315,619	-	16,671,237
Cars and trucks	292,813	38,157	(20,075)	310,895
Storage garage	1,236,506	43,215	-	1,279,721
Maintenance shop and office	2,359,712	242,429	-	2,602,141
Garage equipment	765,706	65,276	(5,115)	825,867
Office funiture and fixtures	143,770	-	(27,896)	115,874
Two-way radio equipment	261,483	-	(5,425)	256,058
Other assets	1,470,573	177,449	(53,412)	1,594,610
Telephone system	83,844	4,823	-	88,667
Stockroom and machine shop	175,052	1,323	-	176,375
CNG fueling station	879,625	118,601	-	998,226
Total tangible capital assets	23,712,550	3,190,293	(111,923)	26,790,920
Intangible capital assets, being amortized				
Subscription-based software licenses	35,803	96,739	-	132,542
Total intangible capital assets	35,803	96,739	-	132,542
Total accumulated depreciation/amortization	23,748,353	3,287,032	(111,923)	26,923,462
Total capital/intangible assets being depreciated/amortized, net	23,664,748	(2,828,777)	-	20,835,971
TOTAL CAPITAL/INTANGIBLE ASSETS, NET	$ 25,335,652	$ (1,336,490)	$ (391,870)	$ 23,607,292

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 with $110,164 of accumulated amortization.

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 $44,662 of accumulated amortization and $73,071 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 $840 of accumulated amortization.

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 $44,747 of accumulated amortization and $39,775 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 $11,367 of accumulated amortization and $47,200 in payable obligations.

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

Fiscal Year Ending June 30,	SBITA Principal	SBITA Interest
2025	$ 55,356	$ -
2026	62,188	-
2027	18,691	-
2028	23,811	-
TOTAL	$ 160,046	$ -

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 $1,100,000 as of June 30, 2024.

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.

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.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

As of December 31, 2023 and 2022, the following employees were covered by the benefit terms:

	2023	2022
Retirees and beneficiaries crrently receiving benefits	113	107
Inactive plan members entitled to but not yet receiving benefits	140	136
Active plan members	166	156
TOTAL	419	399

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2024 and 2023 was 4.73% and 4.41%, respectively. For the calendar year 2024 and 2023, the District contributed $513,628 and $479,161, respectively, to the plan. The District's contribution rate for fiscal year ended June 30, 2024 and 2023 was 4.58% and 5.51%, respectively. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The District's net pension liability for fiscal year 2024 was measured as of December 31, 2022. The District's net pension asset for fiscal year 2023 was measured as of December 31, 2021. 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, 2023 and 2022:

- 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 2.75% to 13.75% (2023) and 2.85% to 13.75% (2022) including inflation.
- The investment rate of return was assumed to be 7.25%.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

- 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 (2023) 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 (2022).
- 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.

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension asset for plan years ended December 31, 2023 and 2022. 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 3.77%, and the resulting single discount rate is 7.25%.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (Asset) (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
BALANCES AT DECEMBER 31, 2021	$ 39,087,672	$ 47,200,831	$ (8,113,159)
Changes for the year			
Service cost	924,908	-	924,908
Interest on the total pension liability	2,787,466	-	2,787,466
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	184,539	-	184,539
Changes of assumptions	-	-	-
Contributions - employer	-	583,558	(583,558)
Contributions - employees	-	650,449	(650,449)
Net investment income	-	(6,940,331)	6,940,331
Benefit payments, including refunds of employee contributions	(2,204,647)	(2,309,825)	105,178
Other (net transfer)	-	(31,769)	31,769
Net changes	1,692,266	(8,047,918)	9,740,184
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)

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, 2022 and 2023, 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, 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)

December 31, 2022	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	$ 6,762,865	$ 1,627,025	$ (2,517,538)

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

For the years ended June 30, 2024 and 2023, the District recognized pension expense of $(827,919) and $1,911,853, respectively. At June 30, 2024 and 2023, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
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	$ 385,038	$ 7,662	$ 646,039	$ 27,069
Changes of assumptions	-	112,719	-	114,246
Net differences between projected and actual earnings on plan investments	2,237,346	-	3,177,058	-
Total deferred amounts to be recognized in pension expense future periods	2,622,384	120,381	3,823,097	141,315
Pension contributions made subsequent to the measurement date	270,378	-	235,960	-
TOTAL DEFERRED AMOUNTS RELATED TO PENSIONS	$ 2,892,762	$ 120,381	$ 4,059,057	$ 141,315

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, 2025. 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
2025	$ 399,904
2026	834,400
2027	1,574,738
2028	(307,039)
2029	-
Thereafter	-
TOTAL	$ 2,502,003

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, 2024 and 2023, the Retiree Health Insurance Program membership consisted of the following:

	2024	2023
Retirees and beneficiaries currently receiving benefits	62	62
Terminated employees entitled to benefits but not yet receiving them	13	13
Active plan members	161	161
TOTAL	236	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, 2024 and 2023, the District contributed $686,461 and $1,286,552, 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, 2024 and 2023 was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022 and 2021.

Actuarial Assumptions

The net OPEB liability was determined by an actuarial valuation as of July 1, 2022 and July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2022 and June 30, 2021
Inflation rate	2.50%
Salary increase rate	Varies by service
Discount rate	4.49% (2022), 4.49% (2021)
Initial trend rate	7.50% (2022), 7.50% (2021)
Ultimate trend rate	4.00%
Years to ultimate	52
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, 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 actuarial assumptions used in the July 1, 2021 valuation were:

> Mortality rates were based on the PubG-2010 amount-weighted, below-median income with scale MP-2020. Healthy Inactive Lives: PubG-2010 amount-weighted, below-median income, Male (adjusted 106%) and Female (adjusted 105%) with scale MP-2020. Disabled Lives: PubG-2010 amount-weighted, with scale MP-2020.

The 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, 2024 or 2023.

Rate of Return

For the years ended June 30, 2024 and 2023, the annual money-weighted rate of return on investments, net of investment expenses, was 4.24% and 3.14%, 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 4.49 percent for June 30, 2024 and 2023. 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, 4.21% for June 30, 2024 and 4.09% for June 30, 2023, 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, 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

June 30, 2023	1% Decrease (3.49%)	Discount Rate (4.49%)	1% Increase (5.49%)
Net OPEB liability	$ 8,529,773	$ 6,467,501	$ 4,786,450

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, 2024	1% Decrease (3.0%-6.5%)	Healthcare Cost Trend Rate (4.0%-7.5%)	1% Increase (5.0%-8.5%)
Net OPEB liability	$ 3,185,682	$ 4,930,271	$ 7,076,770

June 30, 2023	1% Decrease (3.0%-6.5%)	Healthcare Cost Trend Rate (4.0%-7.5%)	1% Increase (5.0%-8.5%)
Net OPEB liability	$ 4,496,552	$ 6,467,501	$ 8,915,617

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A - B)
BALANCES AT JUNE 30, 2022	$ 13,657,548	$ 7,939,026	$ 5,718,522
Changes for the year			
Service cost	166,189	-	166,189
Interest	593,942	-	593,942
Differences between expected and actual experience	213,609	-	213,609
Changes in assumptions	-	-	-
Contributions - employer	(225,498)	-	(225,498)
Contriburtions - employees	-	469,802	(469,802)
Net investment income	-	(454,867)	454,867
Benefit payments	-	(469,802)	469,802
Administrative expense	(469,802)	(15,672)	(454,130)
Net changes	278,440	(470,539)	748,979
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
Change 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

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

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

There were changes in assumptions in 2023 related to the discount rate and medical premium rates.

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

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of $246,298 and $435,536, respectively. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 61,464	$ 538,859	$ 122,928	$ 274,538
Changes of assumptions	57,006	1,048,006	71,257	841,976
Net difference between projected and actual earnings on OPEB plan investments	657,131	-	608,041	-
Employer contributions made subsequent to the measurement date	686,461	-	1,286,552	-
TOTAL	$ 1,462,062	$ 1,586,865	$ 2,088,778	$ 1,116,514

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, 2024.

10. OTHER POSTEMPLOYMENT BENEFITS - EMPLOYER DISCLOSURES (Continued)

<u>Net OPEB Liability</u> (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,		
2025	$	(247,025)
2026		(13,063)
2027		6,717
2028		(155,638)
2029		(155,561)
Thereafter		(246,694)
TOTAL	$	(811,264)

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, 2024. They will be reported for the District’s fiscal year ending June 30, 2025.

Total OPEB liability	$	13,481,852
Plan fiduciary net position		8,816,868
Net OPEB liability		4,664,984
Percent funded ratio		65.40%

11. OTHER POSTEMPLOYMENT BENEFITS - PLAN DISCLOSURES

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, 2024	1% Decrease (3.49%)	Discount Rate (4.49%)	1% Increase (5.49%)
Net OPEB liability	$ 6,572,578	$ 4,664,984	$ 3,096,866

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, 2024	1% Decrease (3.0% - 6.0%)	Healthcare Cost Trend Rate (4.0% - 7.0%)	1% Increase (5.0% - 8.0%)
Net OPEB liability	$ 2,811,697	$ 4,664,984	$ 6,947,023

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, 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 four unsettled claims outstanding at the end of the year.

12. CONTINGENT LIABILITIES AND SELF-INSURANCE

For the year ended June 30, 2023, the District paid $45,598 in full or partial settlement of various claims and paid an additional $32,832 for claims adjustment and related legal services. In addition, $583,304 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:

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

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 $576,916 from the line of credit during the fiscal year 2024. The principal balance as of June 30, 2024 was $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,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	$ 975,141	$ 924,908	$ 846,610	$ 901,614	$ 835,409	$ 721,365	$ 810,388	$ 808,680	$ 778,118	$ 783,068
Interest on the total pension liability	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	1,938,489
Changes of benefit terms	-		-	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	26,225	184,539	913,211	(85,290)	173,874	1,340,294	(253,099)	(220,505)	(372,237)	392,191
Changes of assumptions	(107,088)	-	-	(359,976)	-	997,411	(1,045,383)	(38,987)	38,180	1,000,791
Benefit payments, including refunds of employee contributions	(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)	(1,335,128)
Net change in total pension liability	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	2,779,411
Total pension liability - beginning	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	26,122,545
TOTAL PENSION LIABILITY - ENDING (A)	$ 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
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 498,010	$ 583,558	$ 735,936	$ 687,847	$ 464,646	$ 663,813	$ 981,897	$ 1,169,058	$ 658,258	$ 670,876
Contributions - employee	703,060	650,449	576,964	479,013	459,437	354,443	321,987	328,613	333,546	310,710
Net investment income	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	1,674,448
Benefit payments, including refunds of employee contributions	(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)	(1,335,128)
Other (net transfer)	(28,372)	(31,769)	(23,807)	(26,828)	(65,570)	693,528	(750,726)	207,864	(715,970)	(84,827)
Net change in plan fiduciary net position	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)	1,236,079
Plan fiduciary net position - beginning	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	27,626,737
Change in plan fiduciary net position due to IMRF auditors	-	-	-	-	81,285	-	-	-	-	-
PLAN FIDUCIARY NET POSITION - ENDING (B)	$ 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
NET PENSION LIABILITY (ASSET) - ENDING (A) - (B)	$ (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	$ 39,140

CALENDAR YEAR ENDED DECEMBER 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	102.17%	96.01%	120.76%	111.29%	101.28%	91.28%	108.81%	95.62%	92.65%	99.86%
Covered valuation payroll	$ 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	$ 6,910,358
Net pension liability (asset) as a percentage of covered valuation payroll	(8.45%)	15.36%	(85.00%)	(48.57%)	(5.30%)	38.42%	(38.51%)	18.68%	30.18%	0.57%

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

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

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 CONTRIBUTION RATE*

*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 the 2023 and 2022 Contribution Rates

Actuarial Cost Method: Aggregate entry-age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 20-year closed period (21-year closed period in 2022)

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

Wage Growth: 2.75% (3.25% in 2022)

Price Inflation: 2.25% (2.50% in 2022)

Salary Increases: 2.75% to 13.75%, including inflation (3.35% to 14.25% in 2022)

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).

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2023 and 2022 Contribution Rates (Continued)

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

Other Information:

Notes: There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2021 actuarial valuation.

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
2015	$ 685,651	$ 685,651	$ -	$ 6,809,007	10.07%
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	498,010	498,010	-	10,866,073	4.58%

Notes to Schedule

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 20 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually (7.25% in FY23), projected salary increases assumption of 2.75% to 13.75% (2.85%-13.75% in FY23) compounded annually and postretirement benefit increases of 3.00% compounded annually.

SANGAMON MASS TRANSIT DISTRICT

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

Last Nine Fiscal Years**

MEASUREMENT DATE JUNE 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL OPEB LIABILITY									
Service cost	$ 165,775	$ 153,529	$ 166,189	$ 188,157	$ 248,074	$ 232,515	$ 250,351	$ 239,570	$ 779,778
Interest	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	-	(364,833)	-	(384,352)	-	368,781	-	-	-
Changes of assumptions	-	(621,945)	(225,498)	99,759	(220,678)	(1,615,062)	-	-	-
Benefit payments, including refunds of employee contributions	(516,532)	(466,552)	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Net change in total OPEB liability	239,786	(693,922)	278,440	21,988	143,562	(737,769)	525,490	513,819	876,309
Total OPEB liability - beginning	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)	$ 13,481,852	$ 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	$ 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)	351,732	148,806	(454,867)	254,017	434,772	454,448	182,896	(7,449)	229,864
Administrative expenses	(16,589)	(125,498)	(15,672)	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(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	505,072	843,308	(470,539)	557,070	838,419	1,296,246	591,668	1,062,018	813,053
Trust net position - beginning	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)	$ 8,816,867	$ 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)	$ 4,664,985	$ 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,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Trust fiduciary net position as a percentage of the total OPEB liability	65.40%	62.77%	53.59%	58.13%	54.14%	48.50%	36.88%	33.97%	27.24%
Covered-employee payroll	$ 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	40.43%	45.32%	90.97%	86.30%	109.20%	125.86%	162.40%	171.88%	139.19%

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

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

ACTUARIAL VALUATION INFORMATION RELATIVE TO THE DETERMINATION OF CONTRIBUTIONS

Valuation Date: July 1, 2023 and July 1, 2022

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry-age normal

Asset Valuation Method: Market value

Price Inflation: 2.50%

Healthcare Cost Trend Rates: 7.0% initial, decreasing to an ultimate rate of 4.0%

Salary Increases: 2.50% annually

Investment Rate of Return: 4.50%

Mortality: Actives: RP-2014 Total Dataset Mortality Tables with fully generational improvement using Scale MP-2020

Healthy Retirees, Beneficiaries and Covered Spouses: RP-2014 Mortality Tables with Blue Collar adjustment and fully generational improvement using Scale MP-2020

Disabled Members: RP-2014 Disabled Annuitant Mortality Tables with fully generational improvement using Scale MP-2020

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Last Eight Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 686,928	$ 779,949	$ 731,505	$ 831,308	$ 981,120	$ 957,242	$ 829,047	$ 860,074
Contributions in relation to the actuarially determined contribution	686,461	1,286,552	469,802	778,812	878,998	1,224,679	753,911	1,392,384
CONTRIBUTION DEFICIENCY (EXESS)	$ 467	$ (506,603)	$ 261,703	$ 52,496	$ 102,122	$ (267,437)	$ 75,136	$ (532,310)
Covered-employee payroll	$ 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	5.95%	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.

SUPPLEMENTAL FINANCIAL INFORMATION

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FIXED ROUTE OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2024
(With Comparative Actual Totals for June 30, 2023)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2024	Total 2023
LABOR						
Operator's salaries and wages	$ 5,169,224	$ -	$ -	$ -	$ 5,169,224	$ 5,023,449
Operator's paid absences	592,680	-	-	-	592,680	557,040
Other salaries and wages	1,056,600	1,439,366	191,825	535,450	3,223,241	3,024,910
Other paid absences	186,399	254,079	18,290	89,821	548,589	531,687
FRINGE BENEFITS	1,442,170	636,601	-	265,649	2,344,420	4,323,751
SERVICES						
Advertising fees	-	-	-	181,506	181,506	166,928
Professional technical services	-	-	-	163,207	163,207	135,351
Contract maintenance service	-	-	56,018	-	56,018	113,839
Custodial services	-	-	9,114	-	9,114	8,304
Security services	-	-	-	291,879	291,879	90,031
Other services	-	-	-	208,760	208,760	94,850
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	768,195	20,545	-	-	788,740	973,520
Tires and tubes	143,374	-	-	-	143,374	128,435
Other materials and supplies	-	947,972	247,903	232,166	1,428,041	1,088,592
UTILITIES	-	-	-	287,634	287,634	292,068

(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, 2024
(With Comparative Actual Totals for June 30, 2023)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2024	Total 2023
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	$ -	$ -	$ -	$ 338,646	$ 338,646	$ 306,698
Premiums for physical damage insurance	-	-	-	111,474	111,474	104,631
Recoveries of physical damage losses	-	-	-	(1,296)	(1,296)	(1,307)
Premiums for other corporate insurance	-	-	-	35,858	35,858	37,205
Uninsured losses, net of recoveries	-	-	-	40,546	40,546	(17,788)
LICENSES AND TAXES						
Vehicle licensing and registration fees	2,123	-	-	-	2,123	-
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	26,695	26,695	23,331
Dues and subscriptions	-	-	-	57,239	57,239	59,150
Other	-	-	-	114,301	114,301	2,323,931
LEASE EXPENSE	-	-	-	6,906	6,906	155,767
TOTALS	$ 9,360,765	$ 3,298,563	$ 523,150	$ 2,986,441	$ 16,168,919	$ 19,544,373

(See independent auditor's report.)

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF PARATRANSIT OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2024
(With Comparative Actual Totals for June 30, 2023)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2024	Total 2023
LABOR						
Operator's salaries and wages	$ 1,151,158	$ -	$ -	$ -	$ 1,151,158	$ 1,002,465
Operator's paid absences	76,428	-	-	-	76,428	65,543
Other salaries and wages	293,701	57,708	-	85,460	436,869	423,646
Other paid absences	32,770	-	-	14,286	47,056	50,775
FRINGE BENEFITS	217,522	15,538	-	26,291	259,351	657,586
SERVICES						
Advertising fees	-	-	-	-	-	-
Professional technical services	-	-	-	9,829	9,829	8,901
Contract maintenance service	-	-	23,445	-	23,445	19,821
Custodial services	-	-	971	-	971	923
Security services	-	-	-	-	-	-
Other services	-	-	-	19,437	19,437	10,412
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	314,058	2,101	-	-	316,159	320,337
Tires and tubes	29,798				29,798	23,967
Other materials and supplies	-	102,596	-	5,651	108,247	95,920
UTILITIES	-	-	-	39,281	39,281	32,092

(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, 2024
(With Comparative Actual Totals for June 30, 2023)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2024	Total 2023
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	$ -	$ -	$ -	$ 37,627	$ 37,627	$ 34,078
Premiums for physical damage insurance	-	-	-	12,386	12,386	11,626
Recoveries of physical damage losses	-	-	-	-	-	-
Uninsured losses, net of recoveries	-	-	-	50,932	50,932	69,536
LICENSES AND TAXES						
Vehicle licensing and registration fees	-	-	-	-	-	-
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	4,182	4,182	8,531
Dues and subscriptions	-	-	-	6,393	6,393	5,629
Other	-	-	-	9,030	9,030	8,033
LEASE EXPENSE	-	-	-	921	921	1,002
TOTALS	$ 2,115,435	$ 177,943	$ 24,416	$ 321,706	$ 2,639,500	$ 2,850,823

(See independent auditor's report.)

SANGAMON MASS TRANSIT DISTRICT

COMPUTATION OF FEDERAL OPERATING ASSISTANCE

For the Year Ended June 30, 2024

	Actual Project Cost
PROJECTS IL-2020-021-01/IL-2022-003-01/IL-2024-002-01	
Total operating expenses (excluding depreciation)	
Salaries and labor	$ 11,245,498
Benefits	4,443,562
Services	975,091
Materials and supplies	2,799,502
Utilities	323,816
Casualty and liability insurance and losses	626,175
Taxes and licenses	2,123
Leases and rentals	7,828
Miscellaneous	1,393,600
Total operating expenses (excluding depreciation)	21,817,195
Contra-expense/earned interest	1,020,764
Eligible operating expenses	20,796,431
Less offsetting revenues	958,254
Net project cost	19,838,177
Local share	
Local share	1,041,137
State operating assistance	13,556,977
Advertising expenses	155,000
Total local share	14,753,114
NET EXPENSE BEFORE APPLYING FTA FUNDS	$ 5,085,063
FEDERAL ASSISTANCE LIMITATION (LESSER OF)	
100% of net project cost	$ 19,838,177
Net Project Cost after use of local share	$ 5,085,063
Grant Awards	
Grant award IL-2020-021-01	$ 1,069,258
Grant award IL-2022-003-01	515,805
Grant award IL-2024-002-01	3,500,000
Total grant awards	5,085,063
FY24 Federal operating assistance received	4,068,587
BALANCE DUE FROM (TO) FEDERAL TRANSIT ADMINISTRATION	$ 1,016,476

(See independent auditor's report.)

REPORT ON FEDERAL AWARDS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sangamon Mass Transit District (the District) as of and for the year ended June 30, 2024, 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 16, 2024. 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 16, 2024

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

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

Report on Compliance for Each Major Federal Program

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, 2024. 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, 2024.

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 16, 2024, 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 16, 2024

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Name of Grant - Grant ID No.	Federal Expenditures($)
U.S. Department of Transportation			
Federal Transit Cluster:			
Direct Program:			
Federal Transit Capital Investment Grants			
Federal Transit Capital Investment Grants	20.500	IL-2016-004	$ 474,153
Federal Transit Capital Investment Grants	20.500	IL-2018-026	526
Federal Transit Capital Investment Grants	20.500	IL-2021-031	-
Federal Transit Capital Investment Grants	20.500	IL-2024-002	34,729
Federal Transit Capital Investment Grants	20.500	IL-2023-001	5,927,788
Federal Transit Capital Investment Grants	20.500	IL-2022-003	1,601,744
Federal Transit Capital Investment Grants	20.500	IL-2022-013	242,710
Federal Transit Capital Investment Grants	20.500	IL-90-X744	-
Total Federal Transit Capital Investment Grants			8,281,650
Federal Transit Formula Grants			
Federal Transit Formula Grants	20.507	IL-2022-003	515,805
Federal Transit Formula Grants	20.507	IL-2024-002	3,500,000
Federal Transit Formula Grants	20.507	IL-2020-021	1,069,258
Total Federal Transit Formula Grants			5,085,063
Total U.S. Department of Transportation			13,366,713
Total Federal Transit Cluster			13,366,713
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 13,366,713

See notes to the schedule of expenditures of federal awards

SANGAMON MASS TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

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, 2024. 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, 2024, 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	$ 5,085,063
Capital assistance	8,281,650
	$ 13,366,713

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, 2024, 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, 2024

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

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, 2024

Prior Finding	Condition	Status
	None noted	

ILLINOIS DEPARTMENT OF TRANSPORTATION

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS APPLICABLE TO THE FINANCIAL ASSISTANCE RECEIVED UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-24-54-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, 2024.

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, 2024.

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 16, 2024

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-24-54-IL

For the Year Ended June 30, 2024

OPERATING REVENUES AND INCOME		
4111	Passenger fares for transit services	$ 958,254
4112	Special transit fares	128,858
4130	Non-transportation revenue	15,945
4140	Auxiliary revenue	156,200
4190	Total recoveries	477,795
4500	Federal cash grants and reimbursement	4,465,805
	Total Operating Revenues	6,202,857
OPERATING EXPENSES		
5010	Labor	11,245,498
5015	Fringe benefits	4,443,562
5020	Professional services	975,091
5030	Materials and supplies consumed	2,799,502
5040	Utilities	323,816
5050	Casualty and liability	626,175
5060	Taxes	2,123
5090	Miscellaneous expense	399,346
5220	Leases, rentals, and purchase-lease payments	7,828
517	Debt service projects	576,916
	Total Operating Expenses	21,399,857
	Ineligible Expenses:	
	APTA and IPTA dues	3,558
	Other (Single Audit)	-
	Other (Federally Funded Projects)	279,439
	Other (Q5, misc. ineligible)	259,972
	Less: Total ineligible expenses	542,969
	Total Eligible Operating Expenses	20,856,888
	Total Operating Revenue and Income	6,202,857
	Deficit	14,654,031
	65% of Eligible Expenses	13,556,977
	Maximum Contract Amount	27,241,500
	Eligible FY24 Downstate Operating Assistance (Deficit, 65% of eligible expenses, or maximum contract amount, whichever is less)	13,556,977
	FY24 Downstate Operating Assistance Received (prior to close of fiscal year)	11,222,740
	FY24 Downstate Operating Assistance (Over) Under Paid	$ 2,334,237

None noted.