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SANGAMON MASS TRANSIT DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2022 and 2021

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February 17, 2023

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, 2022 and 2021 is submitted herewith. This report provides a broad view of SMTD's financial activities for the 2022 and 2021 fiscal years and its financial position at June 30, 2022 and 2021. 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, 2022 and 2021 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, 2022 and 2021 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 2022 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 2022 included:

- Implementing Real Time Data through software licensing.
- Agreeing to work with vendor to improve and maintain backup server(s).
- Awarding a contract for Vending Machines at the new Transportation Center SMTD Transfer Center and in 9th St. offices.
- Extending a contract to CMT (Architect of Record) for renovation of South Storage Building into Paint/Body Shop.
- Purchase and implementation of IT Storage Array.
- Purchase and implementation of Wi-Fi Expansion.

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

- Purchase of maintenance replacement vehicle.
- Award of contract to renovate South Storage Building into Paint/Body Shop.
- Purchase administrative staff vehicle and Road Supervisor vans.
- Purchase CVP vehicles to replace paratransit vehicles.
- Purchase 4 CNG buses to replace 4 diesel buses at end of useful life.
- Purchase 8 Diesel/Electric Hybrid buses to replace 8 diesel buses at end of useful life.
- Purchase Digital Displays, FFE, Sheriff’s Dept. Security, Door Locks, and Alarm and Security systems for multi-modal transportation center.

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, 2022 and June 30, 2021, 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, 2022 and June 30, 2021, 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 opinions.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

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, Schedule of Expenditures of Federal Awards and Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-22-54-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. In addition, the accompanying financial information listed as "Schedule of Expenditures of Federal Awards" in the table of contents is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards* (Uniform Guidance) and is not a required part of the basic financial statements. The Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-22-54-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, Schedule of Expenditures of Federal Awards, and Schedule of Revenues and Expenses Under Downstate Operating Assistance Grant OP-22-54-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 Schedule of Fixed Route Operating Expenses Before Depreciation and the Schedule of Paratransit Operating Expenses Before Depreciation for the year ended June 30, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 Schedule of Fixed Route Operating Expenses Before Depreciation and the Schedule of Paratransit Operating Expenses Before Depreciation are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Restatement

As part of our audit of the 2022 financial statements, we also audited the adjustments described in Note 11 that were applied to restate the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2023 on our consideration of the Sangamon Mass Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sangamon Mass Transit District's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
February 17, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

SPRINGFIELD MASS TRANSIT DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2022 and 2021

DISTRICT FINANCIAL AND OPERATIONAL HIGHLIGHTS

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

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

The District ended FY 2022 with a total mainline ridership of 954,930 revenue trips. This is a decline from FY 2021 of 18,858 trips, or a decline of 1.94%. The five-year rolling year over year change has been an average annual reduction in ridership of 9.92% annually, or a 49.62% loss of ridership since Fiscal Year 2018. While the COVID public health emergency certainly played a role in reduced ridership, the District has 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. Chart 1 shows yearly mainline ridership for FY22 and the past eight years.

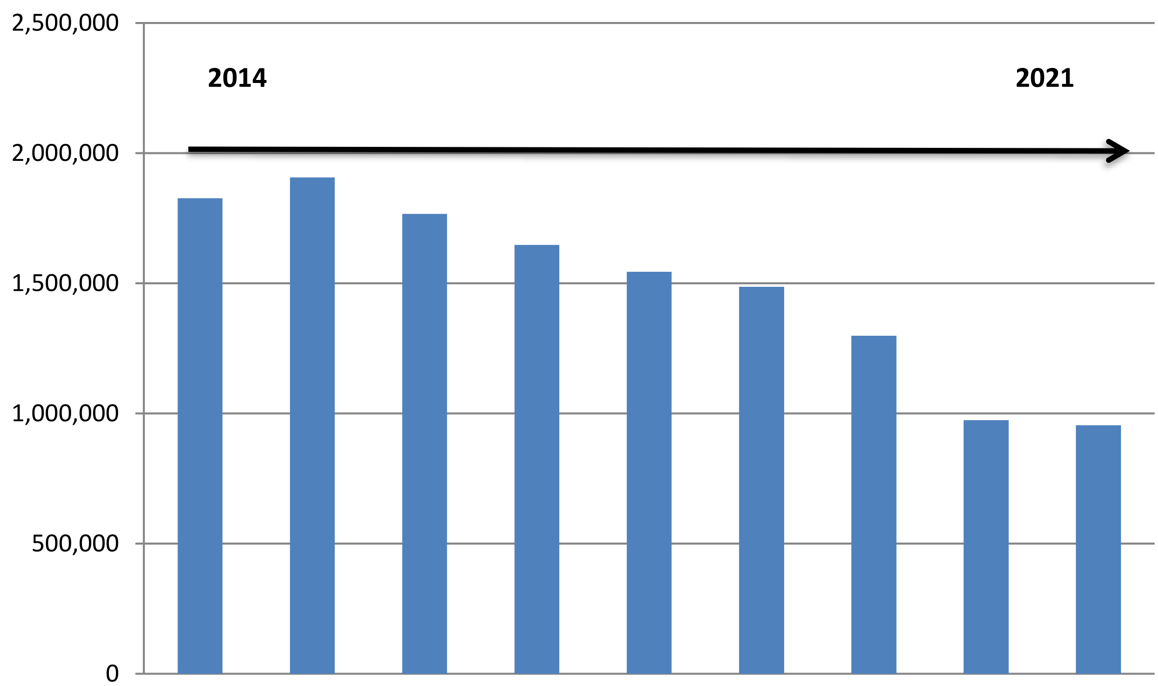

Chart 1

Paratransit service has also been negatively impacted by the COVID-19 pandemic with declining ridership during 2020 and 2021. However, during FY2022, SMTD noted an 18.58% increase from FY 21. The District has various contracts with local non-profit agencies to provide services to impacted communities, many of which saw reduced traffic due to the public health emergency.

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

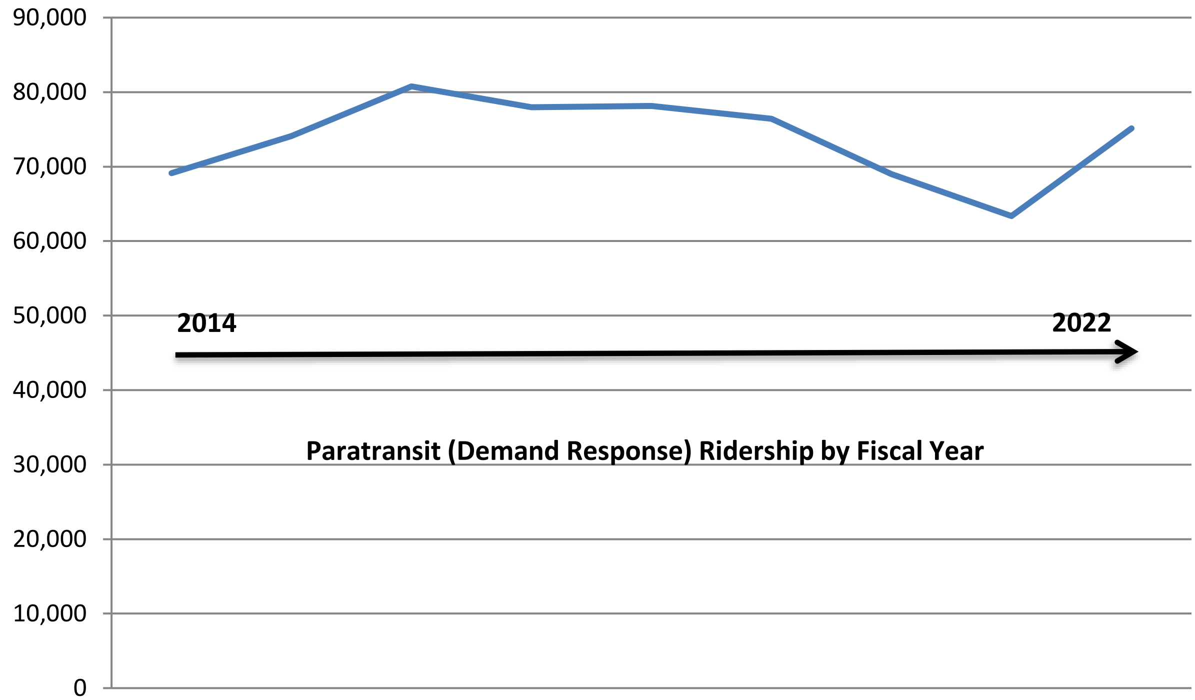

Chart 2

FINANCIAL ANALYSIS OF THE DISTRICT OPERATING FUND

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

Condensed Statements of Net Position

	FY2022	FY2021[1]	FY2020
Current and other assets	13,565,971	11,249,958	6,542,302
Non-Current assets	8,428,862	4,423,580	1,121,464
Capital assets	25,080,163	28,075,598	32,103,600
Total assets	47,074,996	43,749,136	39,767,366
Deferred outflows of resources	2,172,891	2,342,662	3,014,762
Current and other liabilities	2,250,222	3,146,111	1,492,520
Noncurrent liabilities	5,718,522	6,253,604	6,948,461
Total liabilities	7,968,744	9,399,715	8,440,981
Deferred inflows of resources	7,256,467	5,401,809	3,596,627
Net Position			
Net Investment in capital assets	25,080,163	28,075,598	32,103,600
Restricted for Pensions		-	-
Unrestricted	8,942,513	3,214,676	(1,359,080)
Total Net Position	34,022,676	31,290,274	30,744,520

Table 1

[1] Restated

<u>For the year ending June 30, 2022</u>:

- Capital assets decreased $5.5 million (-5.5%) from $30.6 million to $25.1 million. Table 3 provides details of this change.
- Unrestricted Net Position used to finance the District's operations increased $5.7 million (178.2%) from $3.2 million to $8.9 million.
- The District's Net Position increased by $2,732,402 or 8.7% from $31.2 million to $34.0 million.
- FY2021 figures for Capital Assets and Net Investment in capital assets have been restated.

<u>For the year ending June 30, 2021</u>:

- Capital assets decreased $1.4 million (-4.3%) from $32.0 million to $30.6 million. Table 3 provides details of this change.
- Unrestricted Net Position used to finance the District's operations increased $4.5 million (336.5%) from ($1.36) million to $3.2 million.
- The District's Net Position increased $0.54 million or 1.8% from $30.7 million to $31.2 million.

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

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

	FY2022	FY2021[1]	FY2020
Operating Revenues	$ 863,622	$ 258,462	$ 846,934
Non-Operating Revenues	20,568,964	17,011,693	15,091,170
Total Revenues	21,432,586	17,270,155	15,938,104
Operation and Maintenance Expenses	16,170,859	15,274,278	15,322,361
Depreciation	3,275,400	3,307,236	3,218,817
Total Expenses	19,446,259	18,581,514	18,541,178
Net Income (Loss) Before Contributions	1,986,327	(1,311,359)	(2,603,074)
Capital Contributions	746,075	1,857,113	2,625,657
Change in Net Position	2,732,402	545,754	311,212
Net Position – Beginning of Year	31,290,274	30,744,520	30,433,308
Net Position - End of Year	$ 34,022,676	$ 31,290,274	$ 30,744,520

Table 2A

[1] Restated

<u>For the year ending June 30, 2022</u>:

- Operating Revenue increased $605 thousand (234%) from $0.26 million to $0.86 million.
- Non-Operating Revenue increased $3.5 million (20.9%) from $17.01 million to $20.56 million.
- Capital Contributions decreased $1.1 million (59.8%) from $1.8 in FY2021 million to $0.74 million in FY 2022.
- An increase to net position of $2.73 million (8.73%) is the result of operations.
- FY2021 figures for Non-Operating Revenues, Capital Contributions, and Change in Net Position have been restated.

<u>For the year ending June 30, 2021</u>:

- Operating Revenue decreased $588 thousand (69%) from $0.85 million to $0.26 million.
- Non-Operating Revenue increased from $1.6 million (11.0%) from $15.38 million to $17.01 million.
- Capital Contributions decreased $.77 million (29%) from $2.6 million to $1.8 million in FY2021.
- An increase to net position of $0.54 million is the result of operations.

Capital Assets at Year-end
(In Thousands)

	FY2022	FY2021	FY20
Land	$ 1,671	$ 5,427	$ 3,
Parking lot	1,782	1,782	1,
Passenger shelters	566	566	
Administration building	1,233	1,233	1,
Transfer Center Buildings	488	896	
Buses and Paratransit vans	27,479	26,062	27,
Cars and trucks	340	340	
Storage garage	1,788	1,788	1,
Maintenance shop and office	7,964	7,932	7,
Garage Equipment	919	895	
Office furniture and fixtures	144	144	
Two-way radio equipment	261	261	
Other assets & construction wip	2,087	1,873	1,
Telephone system	115	115	
Stockroom and machine shop	176	176	
CNG fueling station	1,779	1,779	1,
Total	48,792	51,270	51,
Less accumulated depreciation	(23,713)	(20,661)	(19,
Capital assets – net	$ 25,079	$ 30,608	$ 32,

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Revenues:
Full Price Fares increased $485 thousand (243.1%) and Discounted Fares increased $24 thousand (670.4%) in FY 2022. FY2021 saw the return of fare collection after the pandemic, and FY2022 reflects a full year of fare collection since the pandemic.

Advertising Revenue increased $95 thousand in FY 2022. During the pandemic, the revenue sharing contract had been amended to reflect the current economic environment and challenges posed by the pandemic. However, SMTD has returned to the terms of the original contract, which is reflected in the increase from FY21 to FY22.

Local taxes increased $302 thousand (10.13%) in FY 2022. The tax receipts grow based on the CPI from the previous year and additions to the economic value of all property of the community.

State and federal non-transportation revenue sources (operating grants) increased $843 thousand (5.03%) in FY 2022. For FY2021, the increase is directly tied to federal operating assistance made available at a 100% reimbursement rate in response to the pandemic, versus the traditional 50/50% share. For FY2022, SMTD continued to use stimulus grants to provide local match for operating expenses.

Expenses:

Salary/wage expenses increased to 64% of the District's total expenses in FY 2022, compared to 59% in FY 2021. Salaries increased $1.4 million (15.5%) in FY 2022 compared to $0.4 million (4.9%) in FY 2021. Wage increases have stabilized since expanded route selections in FY 2018 were implemented. Overall, salary increased by 10% in FY2022, but overtime increased significantly due to worker shortage of drivers and coverage for employees on workmen's comp. This rise in overtime was a factor in suspending the urbanized area routes, which will be reflected in FY23.

Fringe Benefits decreased $0.4 million (22.5%) and decreased $1.6 million (47.3%) in FY 2022 and 2021, respectively. The decrease is largely related to adjustments to the OPEB accounts. Health insurance increased 17% in FY 2022.

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 decreased $21 thousand (4.57%) in FY 2022, and decreased $119 thousand (20.2%) in FY 2021. 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 FY2022, Materials and Supplies decreased $90 thousand (3.5%). In FY2021, Materials and Supplies increased $0.45 million (21.2%), a combination of increased sanitizing supplies and other mitigations of the public health emergency. In FY2022, Casualty and Liability decreased $0.47 million (40.1%). In FY2021, casualty and liability coverage increased significantly due to self-insured claims and insurance settlements. Underlying coverage premiums across all forms of lines increased slightly (3.7%) due to cyber security and large loss premium costs.

CAPITAL ASSET ANALYSIS

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

Capital Assets at Year-end
(In Thousands)

	FY2022	FY2021	FY2020
Land	$ 1,671	$ 5,427	$ 3,990
Parking lot	1,782	1,782	1,779
Passenger shelters	566	566	587
Administration building	1,233	1,233	1,233
Transfer Center Buildings	488	896	896
Buses and Paratransit vans	27,479	26,062	27,936
Cars and trucks	340	340	340
Storage garage	1,788	1,788	1,788
Maintenance shop and office	7,964	7,932	7,887
Garage Equipment	919	895	845
Office furniture and fixtures	144	144	144
Two-way radio equipment	261	261	261
Other assets & construction wip	2,087	1,873	1,854
Telephone system	115	115	115
Stockroom and machine shop	176	176	176
CNG fueling station	1,779	1,779	1,779
Total	48,792	51,270	51,610
Less accumulated depreciation	(23,713)	(20,661)	(19,507)
Capital assets – net	$ 25,079	$ 30,608	$ 32,104

Table 3

For the year ending June 30, 2022:

- 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, and fiber installation.
- Replacement of LED lighting in the Maintenance building.

For the year ending June 30, 2021:

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

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

	FY2022	FY2021	FY2020
Cash and cash equivalents	$ 250,399	$ 464,810	$ 527,774
Interest receivable	76,189	70,839	148,979
Current Investments	210,141	328,084	-
Municipal Bonds and Treasury	6,931,758	7,075,292	6,705,203
TOTAL ASSETS	$ 7,468,487	$ 7,939,025	$ 7,381,956
Net Position Restricted for OPEB	$ 7,468,487	$ 7,939,025	$ 7,381,956

Table 4

The District's offers health insurance options to qualified members with a total of 184 members eligible for future benefits. The Net OPEB liability stands at $6.25 million, with $7.46 million in assets against a FY 2022 Total OPEB liability of $13,635,560 for a funded ratio of 54.77%. A summary of the Changes to Net Position of the District's OPEB Trust Fund is presented in Table 5.

SANGAMON MASS TRANSIT DISTRICT

OPEB Statement of Changes in Fiduciary Net Position

	FY2022	FY2021	FY2020
Employer contributions	469,802	778,812	878,998
Investment Income	(470,538)	254,017	434,772
Benefits paid out	(469,802)	(475,760)	(475,351)
Net gain (loss)	(470,538)	557,069	838,419
Net Increase (Decrease) in Net Position	**(470,538)**	**557,069**	**838,419**
Net Position – Beginning of Year	7,939,025	7,381,956	6,543,537
Net Position – End of Year	7,468,487	7,939,025	7,381,956

Table 5

YEAR IN REVIEW

- SMTD converted fare collection systems on both mainline and demand response routes, improving fare collection accuracy, decreasing cash handling risk, and ultimately providing SMTD ridership with more options on fare purchasing. The new system is expected to be fully implemented during FY2023.
- An ITS project began in FY-2017 and is consider fully implemented in FY 2021. The project includes the launch of Computer Aided Dispatching and Automatic Vehicle Location (CAD/AVL) software, Automatic Passenger Counter system (APC), Automatic Voice Annunciator system (AVA) as well as Real Time Passenger Information system (RTIS) and an Interactive Voice Response telephone system (IVR). In FY2022 and FY2023, with the implementation to the District's Fare Collection system, real-time bus location and Single Sign-On are in implementation stage to complete the project.
- Through a state capital grant, SMTD updated Lighting in the Bus Bay, Parts Room, and Maintenance Administration area with energy efficient LED lights, as well as purchase a new support vehicle that will replace a 1995 Chevy Truck. The new truck is a 2022 Dodge Ram with Snowplow capabilities that arrived at the beginning of FY2023.
- With an increased reliance on a secure, network storage system, as well as a need for expanded storage capabilities, SMTD updated the Storage Array, thus preparing SMTD for current and future needs of planned projects.
- IT identified areas of the SMTD campus that are not covered by WIFI, including the yard and South Storage building. When revenue vehicles return to the yard, WIFI is needed to download fare and ridership data. SMTD is completing an update to the WIFI network to include full coverage of the yard and coverage to the South Storage building in preparation for the planned renovations.
- SMTD contracted with multiple vendors to complete design and construction management services for Bus Storage Garage Renovations and for the Admin Office Remodel.

Future Projects – 2023-2026

- Procurement was slowed by the pandemic and the resulting supply-chain issues were felt across the nation. SMTD has not been immune to the supply-chain issues. SMTD placed an order of four support vehicle replacement vans and that order was canceled after waiting eight months for delivery. SMTD expects to re-order these replacement vehicles when a state contract is available in FY2023.
- The District will begin policy review and stakeholder input to revamp SMTD's fare structure to allow for multiple payment options and emerging Multi-Modal transportation options.
- The District entered into an Intergovernmental Agreement with the City of Springfield and Sangamon County to construct a new multi-modal transportation/municipal complex facility. Groundbreaking occurred in FY2022, with substantial completion expected in FY2023.
- SMTD expects to begin construction projects related to the Bus Storage Garage Renovations and Admin Office Remodel in FY2023, as well as carpet replacement in the adjacent administration offices.
- SMTD expects to award numerous contracts related to new Springfield Sangamon County Transportation Center, including Security Locks and Cameras, Alarm System, Computer and Phone installation, Digital Displays Systems, Furniture, Fixtures, and Equipment, and Ticket Vending Machines.
- SMTD expects to purchase up to twelve replacement buses by 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.

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

As of June 30, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	$ 6,111,865	$ 5,044,594
Investments	383,877	465,772
Accounts receivable		
Taxes	1,453,119	1,416,008
Operating assistance grants - net	4,019,910	1,644,047
Capital assistance grants - net	130,909	1,567,238
Other receivables	484,132	293,873
Materials and supplies inventories	883,082	677,696
Prepaid expenses	133,426	140,730
Total current assets	13,600,320	11,249,958
NONCURRENT ASSETS		
Investments	281,354	253,015
Net pension asset	8,113,159	4,170,565
Capital Assets		
Capital assets, not being depreciated	1,670,904	2,893,687
Property and equipment	47,121,809	45,843,003
Less: accumulated depreciation	(23,712,550)	(20,661,092)
Total noncurrent assets	33,474,676	32,499,178
Total assets	47,074,996	43,749,136
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	1,433,189	1,317,993
OPEB deferred outflows	739,702	1,024,669
Total deferred outflows of resources	2,172,891	2,342,662
Total assets and deferred outflows of resources	$ 49,247,887	$ 46,091,798

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION (Continued)
PROPRIETARY FUND

As of June 30, 2022 and 2021

	2022	2021
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 1,022,375	$ 2,163,786
Accrued payroll	360,260	275,650
Accrued payroll taxes and retirement	293,657	197,547
Accrued compensated absences	573,930	509,128
Total current liabilities	2,250,222	3,146,111
NONCURRENT LIABILITIES		
Net OPEB Liability	5,718,522	6,253,604
Total noncurrent liabilities	5,718,522	6,253,604
Total liabilities	7,968,744	9,399,715
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	5,889,034	3,969,555
OPEB deferred inflows	1,367,433	1,432,254
Total deferred outflows of resources	7,256,467	5,401,809
NET POSITION		
Net Invested in capital assets	25,080,163	28,075,598
Unrestricted	8,942,513	3,214,676
TOTAL NET POSITION	$ 34,022,676	$ 31,290,274

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, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Full adult fares	$ 685,430	$ 199,776
Senior citizen, student, and handicapped fees	6,780	2,976
Local student fare assistance	21,253	663
Advertising revenue	150,159	55,047
Total operating revenues	863,622	258,462
OPERATING AND MAINTENANCE EXPENSES	16,170,859	15,274,278
Operating loss before depreciation	(15,307,237)	(15,015,816)
DEPRECIATION	3,275,400	3,307,236
Loss from operations	(18,582,637)	(18,323,052)
NONOPERATING REVENUES (EXPENSES)		
Local taxes	3,286,078	2,983,766
Grants		
State of Illinois - Downstate Public Transportation Assistance		
Assistance program		
Operating assistance	12,021,146	10,953,149
Federal Transit Administration		
Operating assistance	5,578,831	5,803,606
Investment income	3,232	14,350
Interest on property taxes	47	28
Other income	27,192	50,933
Net gain/(loss) on disposal of capital assets	(347,562)	(2,794,139)
Total non-operating revenues	20,568,964	17,011,693
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	1,986,327	(1,311,359)
CAPITAL CONTRIBUTIONS		
Capital assistance - federal	626,775	230,308
Capital assistance - state	119,300	1,390,819
Capital assistance - other	-	235,986
Total capital contributions	746,075	1,857,113
CHANGE IN NET POSITION	2,732,402	545,754
NET POSITION - BEGINNING OF YEAR, RESTATED	31,290,274	30,744,520
NET POSITION - END OF YEAR	$ 34,022,676	$ 31,290,274

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares	$ 523,204	$ 225,385
Cash received from sales of charters, advertising and rental income	177,357	105,978
Wages and benefits paid to employees	(14,489,913)	(13,017,609)
Payments to suppliers for goods and services	(5,281,370)	(3,861,219)
Net cash flows from operating activities	(19,070,724)	(16,547,465)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies received from		
State of Illinois	11,574,039	10,278,048
Federal Transit Administration	3,650,067	5,803,606
Property and income taxes received	3,249,015	3,133,197
Net cash flow from noncapital financing activities	18,473,121	19,214,851
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received from		
Federal Transit Administration and State of Illinois	2,182,404	32,540
Purchase and construction of capital assets	(574,320)	(265,825)
Proceeds from sale of capital assets	-	-
Net cash flows from capital and related financing activities	1,608,084	(233,285)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold	53,556	-
Investments purchased	-	(59,761)
Investment income	3,232	14,350
Net cash flows from investing activities	56,788	(45,411)
Net change in cash and cash equivalents	1,067,269	2,388,690
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	5,044,594	2,655,904
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 6,111,865	$ 5,044,594
NONCASH TRANSACTIONS		
Contributed assets	$ -	$ 180,741

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUND
For the Years Ended June 30, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	$ (18,582,637)	$ (18,323,052)
Nonoperating revenue		
Rental income	27,192	50,933
Noncash items included in operating loss		
Depreciation expense	3,275,400	3,307,236
Change in assets and liabilities		
Accounts receivable	(190,259)	21,967
Prepaid expenses	7,304	19,795
Materials and supplies	(205,381)	38,589
Pension liability, deferrals, and asset	(1,918,165)	(1,230,844)
Accounts payable	(1,194,617)	161,549
Net OPEB liability/obligation and deferrals	(535,082)	(694,857)
Accrued wages and benefits	245,521	101,219
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (19,070,724)	$ (16,547,465)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS		
Cash and Investments - current	$ 6,495,742	$ 5,510,366
Investments - noncurrent	281,354	253,015
Total Cash and Investments	6,777,096	5,763,381
Less: Noncash equivalents	665,231	718,787
CASH AND CASH EQUIVALENTS	$ 6,111,865	$ 5,044,594

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION
OPEB TRUST FUND

As of June 30, 2022 and 2021

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 250,399	$ 464,810
Interest receivable	76,189	70,839
Current investments		
Corporate Bonds	126,466	307,388
Municipal Bonds	83,675	20,696
Total current assets	536,729	863,733
NONCURRENT ASSETS		
Non-current investments		
Municipal Bonds	4,943,001	5,097,871
Mutual Funds	67,936	-
U.S. Treasuries	1,920,821	1,977,421
Total noncurrent assets	6,931,758	7,075,292
TOTAL ASSETS	7,468,487	7,939,025
RESTRICTED NET POSITION		
Restricted Net Position for OPEB	7,468,487	7,939,025
TOTAL RESTRICTED NET POSITION	$ 7,468,487	$ 7,939,025

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST

For the Years Ended June 30, 2022 and 2021

	2022	2021
ADDITIONS		
Employer contributions	$ 469,802	$ 778,812
Investment income (loss)	(454,866)	268,703
Less investment expense	(15,672)	(14,686)
Net Investment Income	(470,538)	254,017
Total additions	(736)	1,032,829
DEDUCTIONS		
Benefits	469,802	475,760
Total deductions	469,802	475,760
CHANGE IN NET POSITION	(470,538)	557,069
RESTRICTED NET POSITION - BEGINNING OF YEAR	7,939,025	7,381,956
RESTRICTED NET POSITION - END OF YEAR	$ 7,468,487	$ 7,939,025

See accompanying notes to financial statements.

1. SUMMARY OF ACCOUNTING POLICIES

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

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

In addition, the District reports the OPEB trust fund as a fiduciary component unit. This fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of the District's other post-employment benefit plan. The OPEB trust fund was established on June 1, 2015. The OPEB is governed by a five-member Board of Trustees all of whom are appointed by the City. 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.

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

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

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

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

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

C. Cash and Investments

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

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

D. Accounts Receivable

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

E. Materials and Supplies Inventories

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

F. Prepaid Expenses

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

G. Net Pension Liability (Asset)

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

H. Capital Assets and Depreciation

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

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

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

I. Deferred Outflows of Resources

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

J. Accrued Compensated Absences

Employees earn varying amounts of vacation depending on the number of years of service and employment position. Vacation pay will be paid at the time vacation is taken and does not accumulate from one year to another. When an employee separates from the District, earned and unused vacation time will be computed and paid out to the employee at their regular rate of pay. 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 twenty-five (25) days. Retiring Employees who buy one year service credit with sick time may cash out up to fifty (50) day of sick leave. This sub-section does not apply to Employees who terminate or otherwise leave their employment. Administrative employees; Upon the death or retirement, employees will be paid up to 25 days of unused sick time. Employees may forgo payment of entitled sick days in order to obtain additional service credit from IMRF. Any unused, unpaid sick time will be reported to the 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.

The sick time will be paid out to the employee at their regular rate of pay. Employees may forgo payment of entitled sick days in order to obtain additional service credit from IMRF. Any unused, unpaid sick time will be reported to the Illinois Municipal Retirement Fund (IMRF) to be used for additional service credit up to one year.

K. Other Postemployment Benefit Liability (Net OPEB Liability)

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

L. Provision for Uninsured Claims

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

L. Provision for Uninsured Claims (Continued)

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

M. Deferred Inflows of Resources

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

N. Net Position

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

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The District has no outstanding debt as of June 30, 2022 and 2021.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislations. Certain unexpended property tax revenues are restricted by state statutes and may only be used for the purposes for which they were originally levied. In both fiscal years 2022 and 2021, the District expended all of its property tax revenues; therefore, no restricted net position related to unexpended property tax revenue is reported.

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

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

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 nonoperating revenues and expenses.

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

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

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

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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. Sangamon Mass Transit District received a 5307 Cares Act grant agreement in the amount of $7,630,374. The amount of reimbursement submitted by the District was $903,560 and $1,591,488 for June 30, 2022 and 2021, 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 percent of the corporation's outstanding obligations.

5. Money market mutual funds registered under the Investment Company Act of 1940.

6. Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district. The bonds must be rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise.

7. Public Treasurers' Investment Pool.

8. Repurchase agreements of government securities purchased through banks or trust companies.

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

2. DEPOSITS AND INVESTMENTS (Continued)

The District's Board, by resolution, periodically prescribes minimum acceptable interest rates for such investments and minimum collateral requirements for uninsured deposits and investments.

Deposits and investments held by the District at June 30 consist of the following:

	2022		2021	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Checking and Savings	1,933,906	1,939,120	3,275,406	3,230,553
Corporate Bonds	126,466	126,466		
Money Market	250,399	250,399	464,810	464,810
Certificates of Deposit	242,429	242,429	546,802	546,210
Illinois Funds	4,138,397	4,138,396	1,814,040	1,814,040
Mutual Funds	102,285	102,284	115,166	115,166
Municipal Bonds	5,239,648	5,239,648	5,459,965	5,459,965
U.S. Agencies	17,048	17,048	2,000,823	2,000,823
U.S. Treasuries	2,113,602	2,113,602		
Totals	14,164,181	14,169,393	13,677,012	13,631,567

	2022	2021
Reconciliation to financial statements		
Per statement of net position		
Current cash	6,077,516	5,044,594
Current investments	286,611	465,772
Noncurrent investments	412,969	253,015
Per statement of net position - Fiduciary Fund		
Current cash and cash equivalents	250,399	464,810
Current investments		
Corporate Bonds	126,466	307,388
Municipal Bonds	83,675	20,696
Noncurrent investments		
U.S. Agencies	-	1,977,421
U.S. Treasuries	1,920,821	-
Mutual Funds	67,936	-
Municipal Bonds	4,943,001	5,097,871
Total Deposits and Investments	$ 14,169,394	$ 13,631,567

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. To guard against custodial credit risk for deposits with financial institutions, the District investment policy requires that deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) coverage amounts be collateralized with collateral in an amount of 100% of the uninsured deposits. No collateral agreement was required to cover investments as of June 30, 2022 and June 30, 2021. In addition, at June 30, 2022 and 2021, the District had an irrevocable, unconditional and nontransferable letter of credit in the amount of $2,500,000 and $3,000,000, respectively, to secure their operating account. This letter of credit is not in compliance with the District's policy as it is not backed by the full faith and credit of the US government. At June 30, 2022 and 2021, the District had uncollateralized deposits with a carrying value of $0.

B. Investments

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

As of June 30, 2022, and 2021, no investments were exposed to custodial credit risk.

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

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

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

At June 30, 2022, the District's investments were rated as follows:

Investment Type	Standard & Poors	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
Illinois Funds	AAAm	Not Rate

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

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

At June 30, 2022 and 2021, the District's investments subject to interest rate risk were as follows:

Investment Type	2022 - Maturity in Years			
	Fair Value	<1 Year	1-5 Years	5> Years
Corporate Bonds	$ 126,466	126,466	$ -	$ -
Municipal Bonds	5,239,648	93,508	1,004,477	4,141,663
Mutual Funds	102,285	34,349	67,936	-
U.S. Agencies	17,048	-	-	17,048
U.S Treasuries	2,113,602	97,266	1,248,843	767,493
Total	$ 7,599,050	$351,589	$2,321,257	$4,926,205

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

	2021 - Maturity in Years			
	Fair Value	<1 Year	1-5 Years	5> Years
Corporate Bonds	$ 307,388		$ 307,388	
Municipal Bonds	5,459,964	132,480	1,059,199	4,268,285
Mutual Funds	115,166	115,166	-	-
U.S. Agencies	23,402	-	-	23,402
U.S Treasuries	1,977,421		407,331	1,570,090
Total	$ 7,883,341	$ 247,646	$ 1,773,918	$ 5,861,777

Fair Value Measurements

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

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

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

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

The District recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended June 30, 2022 and 2021.

2. DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)
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, 2022 and June 30, 2021.

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.

Investment Type	Fair Value	Level 1	Level 2	Level 3
Corporate Bonds	$ 126,466	$ -	$ 126,466	$ -
Municipal Bonds	5,239,648	-	5,239,648	-
Mutual Funds	102,285	102,285	-	-
U.S. Agencies	17,048	-	17,048	-
U.S. Treasuries	2,113,602	-	2,113,602	-
Total	$7,599,050	$ 102,285	$7,496,765	$ -

Investment Type	Fair Value	Level 1	Level 2	Level 3
Corporate Bonds	307,388	$ -	$ 307,388	$ -
Municipal Bonds	5,459,964	-	5,459,964	-
Mutual Funds	115,166	115,166	-	-
U.S. Agencies	23,402	-	23,402	-
U.S Treasuries	1,977,421		1,977,421	-
Total	$7,883,341	$ 115,166	$7,768,175	$ -

3. LOCAL TAXES

Property taxes attach as an enforceable lien on real property as of January 1 in the year in which the taxes are levied. The District generally files its tax levy ordinance with Sangamon County in July of each year. Sangamon County bills, collects, and disburses the taxes of the District. The taxes are generally payable in two installments on June 1 and September 1. The taxes levied in July of 2020 became a lien on January 1, 2020, were payable in June and September of 2021 and recognized as revenue in fiscal year 2021. The taxes levied in July of 2021 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 will be received and recognized as revenue in fiscal year 2023. Amounts not received in September are written off in the current fiscal year and have historically been insignificant.

3. LOCAL TAXES (Continued)

The District is permitted, without referendum, to levy taxes up to .25% per $100 of assessed valuation ($2,089,235,965 in 2022 and ($2,095,372,353 in 2021) for general corporate purposes, .005% for auditing purposes, and in unlimited amounts for retirement and certain liability insurance and other costs, subject to annual statutory limitations on increases of the lesser of 5% or the increase in the consumer price index for the year. Taxes revenue and receivable at June 30 consist of the following:

	2022		2021	
	Revenue	Receivable	Revenue	Receivable
General Corporate Levy	$ 1,462,826	$ 709,315	$ 1,443,018	$ 711,700
Illinois Municipal Retirement Fund Levy	419,079	206,627	411,599	206,487
Liability Insurance Levy	473,294	233,354	463,828	232,691
Social Security Levy	429,514	211,767	419,955	210,680
Auditing Levy	29,561	14,756	27,159	13,626
Replacement Tax	471,804	77,300	218,207	40,824
Totals	$ 3,286,078	$ 1,453,119	$ 2,983,766	$ 1,416,008

4. CAPITAL ASSISTANCE GRANTS

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

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

	2022	2021
Federal Capital Assistance IL-2018-026-02	$ -	$ 17,027
Federal Capital Assistance IL-90-X744	75,990	280,990
Federal Capital Assistance IL-04-0086	-	61,775
Federal Capital Assistance IL-90-X744-00	-	(183,373)
State Capital Assistance CAP-14-1030-ILL	54,919	1,390,819
Total Capital Receivable	$ 130,909	$ 1,567,238

5. OPERATING ASSISTANCE GRANTS

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

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

	2022	2021
IDOT FY 22 Operating Assistance OP-22-54-IL	$ 1,032,076	$ -
IDOT FY 21 Operating Assistance OP-21-54-IL	118,433	703,403
IDOT FY 20 Operating Assistance OP-20-05-IL	(63,510)	(63,510)
IDOT FY 19 Operating Assistance OP-19-05-IL	(319,811)	(319,811)
IDOT FY 18 Operating Assistance OP-18-05-IL	(39,026)	(39,026)
IDOT FY 17 Operating Assistance OP-17-05-IL	(1,058)	(1,058)
IDOT FY 16 Operating Assistance OP-16-05-IL	46,061	46,061
IDOT FY 15 Operating Assistance OP-15-05-IL	(134,710)	(134,710)
IDOT FY 14 Operating Assistance OP-14-05-IL	(17,152)	(17,152)
IDOT FY 13 Operating Assistance OP-13-05-IL	(1,833)	(1,833)
IDOT FY 12 Operating Assistance OP-12-05-IL	(66,300)	(66,300)
IDOT FY 11 Operating Assistance OP-11-05-IL	22,733	22,733
IDOT FY 97 Operating Assistance OP-97-05-IL	(34,259)	(34,259)
IDOT FY 96 Operating Assistance OP-96-05-IL	27,945	27,945
IDOT FY 95 Operating Assistance OP-95-05-IL	20,670	20,670
IDOT FY 94 Operating Assistance OP-94-05-IL	22,737	22,737
Less: Allowance for Doubtful Accounts	(37,093)	(37,093)
Total State Operating Assistance Receivable	575,903	128,797
Federal Operating Assistance Receivable*	3,444,007	1,515,250
Total Operating Assistance Receivable	$ 4,019,910	$ 1,644,047

*This includes receivables for Projects IL-2021-031-00 operating assistance.

6. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2022 consists of the following:

	Balances July 1, 2021	Additions	Retirements	Balances June 30, 2022
Capital Assets, Not Being Depreciated				
Land	$ 1,456,970	$ -	$ -	$ 1,456,970
Construction in Progress	1,436,717	868,543	(2,091,326)	213,934
Total Capital Assets Not Being Depreciated	2,893,687	868,543	(2,091,326)	1,670,904
Capital Assets, Being Depreciated				
Parking Lot	1,782,460	-	-	1,782,460
Passenger Shelters	566,262	-	-	566,262
Administration Building	1,233,055	-	-	1,233,055
Transfer Center Building	895,523	-	(407,123)	488,400
Buses and Paratransit Vans	26,061,899	1,525,512	(108,870)	27,478,541
Cars and Trucks	339,887	-	-	339,887
Storage Garage	1,788,270	-	-	1,788,270
Maintenance Shop and Office	7,932,171	32,100	-	7,964,271
Garage Equipment	895,138	24,460	(1,102)	918,496
Office Funiture and Fixtures	143,768	-	-	143,768
Two-Way Radio Equipment	261,482	-	-	261,482
Other Assets	1,872,906	268,239	(54,410)	2,086,735
Telephone System	114,788	-	-	114,788
Stockroom and Machine Shop	176,377	-	-	176,377
CNG Fueling Station	1,779,017	-	-	1,779,017
Total Capital Assets Being Depreciated	45,843,003	1,850,311	(571,505)	47,121,809
Total Capital Assets	$48,736,690	$2,718,854	$(2,662,831)	$48,792,713

6. CHANGES IN CAPITAL ASSETS (Continued)

Accumulated depreciation activity for the year ending June 30, 2022 consists of the following:

	Balances July 1, 2021	Additions	Retirements	Balances June 30, 2022
Capital Assets, Being Depreciated				
Parking Lot	$ 357,328	$ 83,438	$ -	$ 440,766
Passenger Shelters	338,450	43,294	-	381,744
Administration Building	733,322	39,597	-	772,919
Transfer Center Building	132,564	20,712	(60,857)	92,419
Buses and Paratransit Vans	12,127,234	2,335,958	(107,574)	14,355,618
Cars and Trucks	264,852	27,961	-	292,813
Storage Garage	1,193,291	43,215	-	1,236,506
Maintenance Shop and Office	2,121,128	238,584	-	2,359,712
Garage Equipment	704,160	62,648	(1,102)	765,706
Office Funiture and Fixtures	143,770	-	-	143,770
Two-Way Radio Equipment	227,834	33,649	-	261,483
Other Assets	1,316,277	208,706	(54,410)	1,470,573
Telephone System	70,098	13,746	-	83,844
Stockroom and Machine Shop	169,761	5,291	-	175,052
CNG Fueling Station	761,023	118,601	-	879,624
Total Accumulated Depreciation	20,661,093	3,275,400	(223,943)	23,712,550
Total Capital Assets Being Depreciated, Net	25,181,910	(1,425,089)	(347,562)	23,409,259
Total Capital Assets, Net of Accumulated Depreciation	$ 28,075,597	$ (556,546)	$ (2,438,888)	$ 25,080,163

6. CHANGES IN CAPITAL ASSETS (Continued)

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

	Balances July 1, 2020	Additions	Retirements	Balances June 30, 2021
Capital Assets, Not Being Depreciated				
Land *	$ 3,989,847	$ -	$ (2,532,877)	$ 1,456,970
Construction in Progress	-	1,583,126	(146,409)	1,436,717
Total Capital Assets Not Being Depreciated	3,989,847	1,583,126	(2,679,286)	2,893,687
Capital Assets, Being Depreciated				
Parking Lot	1,779,488	2,972	-	1,782,460
Passenger Shelters	587,427	-	(21,165)	566,262
Administration Building	1,233,055	-	-	1,233,055
Transfer Center Building	895,523	-	-	895,523
Buses and Paratransit Vans	27,935,921	180,741	(2,054,763)	26,061,899
Cars and Trucks	339,887	-	-	339,887
Storage Garage	1,788,270	-	-	1,788,270
Maintenance Shop and Office	7,886,864	45,307	-	7,932,171
Garage Equipment	844,741	50,397	-	895,138
Office Funiture and Fixtures	143,768	-	-	143,768
Two-Way Radio Equipment	261,482	-	-	261,482
Other Assets	1,853,709	121,253	(102,056)	1,872,906
Telephone System	114,788	-	-	114,788
Stockroom and Machine Shop	176,377	-	-	176,377
CNG Fueling Station	1,779,017	-	-	1,779,017
Total Capital Assets Being Depreciated	47,620,317	400,670	(2,177,984)	45,843,003
Total Capital Assets	$51,610,164	$1,983,796	$(4,857,270)	$48,736,690

* Land was restated for prior period adjustment, See Note 10

6. CHANGES IN CAPITAL ASSETS (Continued)

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

	Balances July 1, 2020	Additions	Retirements	Balances June 30, 2021
Capital Assets, Being Depreciated				
Parking Lot	$ 272,608	$ 84,720	$ -	$ 357,328
Passenger Shelters	316,322	43,293	(21,165)	338,450
Administration Building	693,725	39,597	-	733,322
Transfer Center Building	103,709	28,855	-	132,564
Buses and Paratransit Vans	11,938,249	2,218,472	(2,029,487)	12,127,234
Cars and Trucks	230,900	33,952	-	264,852
Storage Garage	1,150,076	43,215	-	1,193,291
Maintenance Shop and Office	1,882,950	238,178	-	2,121,128
Garage Equipment	656,037	48,123	-	704,160
Office Funiture and Fixtures	143,770	-	-	143,770
Two-Way Radio Equipment	147,075	80,759	-	227,834
Other Assets	1,120,393	297,940	(102,056)	1,316,277
Telephone System	43,858	26,240	-	70,098
Stockroom and Machine Shop	164,470	5,291	-	169,761
CNG Fueling Station	642,422	118,601	-	761,023
Total Accumulated Depreciation	19,506,564	3,307,236	(2,152,708)	20,661,093
Total Capital Assets Being Depreciated, Net	28,113,753	(2,906,566)	(25,276)	25,181,911
Total Capital Assets, Net of Accumulated Depreciation	$ 32,103,600	$ (1,323,440)	$ (2,704,562)	$ 28,075,598

7. DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

7. DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2021, and 2020, the following employees were covered by the benefit terms:

	2021	2020
Retirees and Beneficiaries crrently receiving benefits	111	106
Inactive Plan Members entitled to but not yet receiving benefits	121	117
Active Plan Members	159	156
Totals	391	379

7. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2021 and 2020 was 7.71% and 8.01%, respectively. For the calendar year 2021 and 2020, the District contributed $735,936 and $687,848, respectively to the plan. The District's contribution rate for fiscal year ended June 30, 2022 and 2021 was 6.61% and 7.86%. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The District's net pension asset for fiscal year 2022 was measured as of December 31, 2021. The District's net pension asset for fiscal year 2021 was measured as of December 31, 2020. 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, 2021 and 2020:

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension asset for plan years ended December 31, 2021 and 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (Asset) (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset)
Balances at December 31, 2019	$ 36,188,775	$ 36,651,214	$ (462,439)
Changes for the Year:			
Service Cost	$ 901,614	$ -	901,614
Interest on the Total Pension Liability	2,573,343	-	2,573,343
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual		-	-
Experience of the Total Pension Liability	(85,290)	-	(85,290)
Changes of Assumptions	(359,976)	-	(359,976)
Contributions - Employer	-	687,847	(687,847)
Contributions - Employees	-	479,013	(479,013)
Net Investment Income	-	5,639,561	(5,639,561)
Benefit Payments, Including Refunds of			-
Employee Contributions	(2,290,389)	(2,290,389)	-
Other (Net Transfer)	-	(68,604)	68,604
Adjustment to Plan Fiduciary Net Position			
Due to the Audited Net Position by the IMRF Auditors		-	-
Net Changes	739,302	4,447,428	(3,708,126)
Balances at December 31, 2020	$ 36,928,077	$ 41,098,642	$ (4,170,565)
Changes for the Year:			
Service Cost	846,610		$ 846,610
Interest on the Total Pension Liability	2,627,230		2,627,230
Changes of Benefit Terms	-		-
Differences Between Expected and Actual	913,211		913,211
Experience of the Total Pension Liability	-		-
Changes of Assumptions	-	-	-
Contributions - Employer	-	735,936	(735,936)
Contributions - Employees	-	576,964	(576,964)
Net Investment Income	-	7,097,565	(7,097,565)
Benefit Payments, Including Refunds of	-	-	-
Employee Contributions	(2,227,456)	(2,284,469)	57,013
Other (Net Transfer)	-	(23,807)	23,807
Net Changes	2,159,595	6,102,189	(3,942,594)
Balances at December 31, 2021	$ 39,087,672	$ 47,200,831	$ (8,113,159)

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Net Pension Liability (Asset)	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
December 31, 2021	$ (3,239,768)	$ (8,113,159)	$ (12,057,978)

Net Pension Liability (Asset)	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
December 31, 2020	$ 412,359	$ (4,170,565)	$ (7,876,864)

Outstanding Payables

At June 30, 2022 and 2021, the District had outstanding payables to IMRF of $89,475 and $95,365, respectively, related to June 2022 and 2021 employer, employee, and voluntary contributions, which are payable in the following month. These amounts are included in accounts payable on the Statements of Net Position.

7. DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2022 and 2021, the District recognized pension expense of $1,461,745 and $1,475,943, respectively. At June 30, 2022 and 2021, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
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	$ 978,965	$ 46,476	$ 598,328	$ 120,598
Changes of Assumptions	164,135	196,156	372,454	477,405
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	5,646,402	-	3,371,552
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	1,143,100	5,889,034	970,782	3,969,555
Pension Contributions Made Subsequent to the Measurement Date	290,089	-	347,211	-
Total Deferred Amounts Related to Pensions	$ 1,433,189	$ 5,889,034	$ 1,317,993	$ 3,969,555

7. DEFINED BENEFIT PENSION PLAN (Continued)

Deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022. 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
2023	$	(710,374)
2024		(2,046,800)
2025		(1,211,628)
2026		(777,132)
Total	$	(4,745,934)

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES

General Information About the Plan

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

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

Employees covered by benefit terms. At June 30, 2022 and 2021, the Retiree Health Insurance Program membership consisted of the following:

	2022	2021
Retirees and Beneficiaries Currently Receiving Benefits	67	67
Terminated Employees Entitled to Benefits but not yet Receiving Them	15	15
Active Plan Members	102	102
	184	184

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

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

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

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

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.

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

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

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

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

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

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

Contributions. The District negotiates the contribution percentage between the District and employees through the union contracts and personnel policy. Retirees are required to contribute applicable premiums as defined in the Union Agreement and the District contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal years ended June 30, 2022 and 2021, the District contributed $469,802 and $778,812, 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, 2022 and 2021 was measured as of June 30, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021 and 2020.

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

NET OPEB LIABILITY

Actuarial assumptions. The net OPEB liability was determined by an actuarial valuation as of July 1, 2021 and June 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2021 and June 1, 2020
Inflation Rate	2.50%
Salary Increase Rate	Varies by Service (2021), Varies by Service (2020)
Discount Rate	4.49% (2021), 4.37% (2020)
Initial Trend Rate	7.00% (2021), 7.00% (2020)
Ultimate Trend Rate	4.00%
Years to Ultimate	54
Investment Rate of Return	4.50%

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

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

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

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

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. Equity	-	-
International Equity	-	-
Real Estate	-	-
U.S. Fixed Income	95%	2.99%
Total	100%	

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, 2022 or 2021.

Rate of return. For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on investments, net of investment expenses, was -5.68% and 3.92%, 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 and 4.37 percent for June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. The expected rate of return on trust investments is 4.50%. This rate was used to discount projected benefit payments for 50 years at which point the trust is projected to become insolvent. The remaining projected benefit payments were discounted at a municipal bond rate. The high-quality municipal bond rate, 4.09% for June 30, 2022 and 2.16% for June 30, 2021, 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.

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

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

Net OPEB Liability (Asset)	1% Decrease (3.49%)	Discount Rate (4.49%)	1% Increase (5.49%)
June 30, 2022	$ 7,814,630	$ 5,718,522	$ 4,016,249

Net OPEB Liability (Asset)	1% Decrease (3.50%)	Discount Rate (4.50%)	1% Increase (5.50%)
June 30, 2021	$ 8,277,236	$ 6,253,604	$ 4,612,626

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:

Net OPEB Liability (Asset)	1% Decrease (3.0% - 6.0%)	Healthcare Cost Trend Rate (4.0% - 7.0%)	1% Increase (5.0% - 8.0%)
June 30, 2022	$ 3,819,376	$ 5,718,522	$ 8,708,883

Net OPEB Liability (Asset)	1% Decrease (3.0% - 7.0%)	Healthcare Cost Trend Rate (4.0% - 8.0%)	1% Increase (5.0% - 9.0%)
June 30, 2021	$ 4,287,966	$ 6,253,604	$ 8,708,883

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A - B)
Balances at June 30, 2020	$ 13,491,998	$ 6,543,537	$ 6,948,461
Changes for the Year:			
Service Cost	$ 248,074	$ -	248,074
Interest	591,517	-	591,517
Differences Between Expected and Actual		-	-
Experience	-	-	-
Changes in Assumptions	(220,678)	-	(220,678)
Contirbutions - Employer	-	878,998	(878,998)
Contriburtions - Employees	-	-	-
Net Investment Income	-	434,772	(434,772)
Benefit Payments	(475,351)	(475,351)	-
Administrative Expense	-	-	-
Net Changes	143,562	838,419	(694,857)
Balances at June 30, 2021	$ 13,635,560	$ 7,381,956	$ 6,253,604
Changes for the Year:			
Service Cost	$ 188,157	$ -	$ 188,157
Interest	594,184	-	594,184
Differences Between Expected and Actual		-	-
Experience	(384,352)	-	(384,352)
Changes in Assumptions	99,759	-	99,759
Contirbutions - Employer	-	778,813	(778,813)
Contriburtions - Employees	-	-	-
Net Investment Income	-	254,017	(254,017)
Benefit Payments	(475,760)	(475,760)	-
Administrative Expense	-	-	-
Net Changes	21,988	557,070	(535,082)
Balances at June 30, 2022	$ 13,657,548	$ 7,939,026	$ 5,718,522

8. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

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

For the year ended June 30, 2022 and 2021, the District recognized OPEB expense of $154,866 and $271,241 respectively. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Differences between expected and actual experience	$ 184,392	$ 329,445	$ 245,856	$ -
Changes of assumptions	85,508	954,649	-	1,260,606
Net difference between projected and actual earnings on OPEB plan investments	-	83,339	-	171,648
Employer contributions made subsequent to the measurement date	469,802	-	778,813	-
Total	$ 739,702	$ 1,367,433	$ 1,024,669	$ 1,432,254

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, 2022. 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:	
2023	$ (327,113)
2024	(334,273)
2025	(294,398)
2026	(60,436)
2027	(40,656)
Thereafter	(40,657)
Totals	$ (1,097,533)

9. 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, 2022. They will be reported for the District's fiscal year ended June 30, 2023.

Total OPEB Liability	$ 13,935,988
Plan Fiduciary Net Position	7,468,487
Net OPEB Liability	6,467,501
Percent funded Ratio	46.41%

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

Net OPEB Liability (Asset)	1% Decrease (3.49%)	Discount Rate (4.49%)	1% Increase (5.49%)
June 30, 2022 Measurement	$ 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:

Net OPEB Liability (Asset)	1% Decrease (3.0% - 6.0%)	Healthcare Cost Trend Rate (4.0% - 7.0%)	1% Increase (5.0% - 8.0%)
June 30, 2022 Measurement	$ 4,496,552	$ 6,467,501	$ 8,915,617

10. 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.

10. CONTINGENT LIABILITIES AND SELF-INSURANCE (Continued)

For the year ended June 30, 2022, the District paid $55,926 in full or partial settlement of various claims and paid an additional $46,318 for claims adjustment and related legal services. In addition, $609,986 had been provided, net of estimated subrogation rights, for estimated losses on 9 unsettled claims outstanding at the end of the year.

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

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:

	2022	2021	2020
Amount of Claims Liabilities, at the Beginning of the Year	$ 468,852	$ 380,039	$ 501,194
Incurred Claims for the Current Year and Changes in the Provision for Events of Prior Years	243,378	811,043	15,080
Payments of Claims Attributable to the Current and Prior Years	(102,244)	(722,230)	(136,235)
Amount of Claims Liabilities, at the End of the Year	$ 609,986	$ 468,852	$ 380,039

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.

11. RESTATEMENT OF JUNE 30, 2021 FINANCIAL STATEMENTS

During the June 30, 2022 audit, it was noted the District transferred land through warranty deed in December 2020 to the City of Springfield and Sangamon County and received land transferred from Sangamon County as a result of the intergovernmental agreement related to the Springfield Sangamon County Transportation Center (Intermodal Facility). As a result, the following balances were adjusted as of and for the period ending June 30, 2021.

	Capital Assets, Not Being Depreciated	Net Position	Capital Assistance, Other	Net gain/(loss) on disposal of Capital Assets
June 30, 2021, (as previously reported)	$ 5,426,564	$ 33,823,151	$ -	$ (25,276)
Restated for:				
Land transfers	(2,532,877)	(2,532,877)	235,986	(2,768,863)
June 30, 2021, (as restated)	$ 2,893,687	$ 31,290,274	$ 235,986	$ (2,794,139)

REQUIRED SUPPLEMENTARY INFORMATION

SANGAMON MASS TRANSIT DISTRICT

DEFINED BENEFIT PENSION PLAN - REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED

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

Last Eight Calendar Years

Calendar Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 846,610	$ 901,614	$ 835,409	$ 721,365	$ 810,388	$ 808,680	$ 778,118	$ 783,068
Interest on the total pension liability	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	913,211	(85,290)	173,874	1,340,294	(253,099)	(220,505)	(372,237)	392,191
Changes of Assumptions	-	(359,976)	-	997,411	(1,045,383)	(38,987)	38,180	1,000,791
Benefit payments, including refunds of employee contributions	(2,227,456)	(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	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	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)	$ 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	$ 735,936	$ 687,847	$ 464,646	$ 663,813	$ 981,897	$ 1,169,058	$ 658,258	$ 670,876
Contributions - employee	576,964	479,013	459,437	354,443	321,987	328,613	333,546	310,710
Net investment income	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	(2,284,469)	(2,332,165)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)	(1,335,128)
Other (Net Transfer)	(23,807)	(26,828)	(65,570)	693,528	(750,726)	207,864	(715,970)	(84,827)
Net change in plan fiduciary net position	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	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)	$ 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)	$ (8,113,159)	$ (4,170,565)	$ (462,439)	$ 3,025,811	$ (2,755,247)	$ 1,364,309	$ 2,204,878	$ 39,140
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	120.76%	111.29%	101.28%	91.28%	108.81%	95.62%	92.65%	99.86%
Covered Valuation Payroll	$ 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	-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.

See accompanying Notes to Required Supplementary Information.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2021 and 2020 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 22-year closed period (23-year closed period in 2020)

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

Wage Growth: 3.25%

Price Inflation: 2.50%

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.25%

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

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

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, 2019 actuarial valuation.

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

SANGAMON MASS TRANSIT DISTRICT

DEFINED BENEFIT PENSION PLAN - REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Nine Fiscal Years

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	$ 664,085	$ 670,876	$ -	$ 6,910,358	10%
2015	685,651	685,651	-	6,809,007	10%
2016	1,137,580	1,137,580	-	6,626,856	17%
2017	999,568	999,568	-	6,894,788	14%
2018	637,808	637,808	-	6,989,415	9%
2019	663,813	663,813	-	7,672,953	9%
2020	565,614	565,614	-	8,602,850	7%
2021	704,063	704,063	-	8,958,473	8%
2022	735,936	735,936	-	9,545,211	8%

Notes to Schedule:

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

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 22 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually (7.25% in FY21), projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.00% compounded annually.

See accompanying Notes to Required Supplementary Information.

SANGAMON MASS TRANSIT DISTRICT

OTHER POSTEMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Six Fiscal Years**

MEASUREMENT DATE JUNE 30,	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability							
Service cost	$ 166,189	$ 188,157	$ 248,074	$ 232,515	$ 250,351	$ 239,570	$ 779,778
Interest	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	-	(384,352)	-	368,781	-	-	-
Changes of assumptions	(225,498)	99,759	(220,678)	(1,615,062)	-	-	-
Benefit payments, including refunds of employee contributions	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Net change in total OPEB liability	278,440	21,988	143,562	(737,769)	525,490	513,819	876,309
Total OPEB Liability - Beginning	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)	$ 13,935,988	$ 13,657,548	$ 13,635,560	$ 13,491,998	$ 14,229,767	$ 13,704,277	$ 13,190,458
Trust Net Position							
Contributions - employer	$ 469,802	$ 778,813	$ 878,998	$ 1,224,679	$ 753,911	$ 1,392,384	$ 903,684
Contributions - employee	-	-	-	-	-	-	-
Net investment income (loss)	(454,867)	254,017	434,772	454,448	182,896	(7,449)	229,864
Administrative expenses	(15,672)	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Other	-	-	-	-	-	-	-
Net Change in Net Position Held in Trust	(470,539)	557,070	838,419	1,296,246	591,668	1,062,018	813,053
Trust Net Position - Beginning	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)	$ 7,468,487	$ 7,939,026	$ 7,381,956	$ 6,543,537	$ 5,247,291	$ 4,655,623	$ 3,593,605
Net OPEB Liability (Asset) - Ending (A) - (B)	$ 6,467,501	$ 5,718,522	$ 6,253,604	$ 6,948,461	$ 8,982,476	$ 9,048,654	$ 9,596,853
Trust Fiduciary Net Position as a Percentage of the Total OPEB Liability	53.59%	58.13%	54.14%	48.50%	36.88%	33.97%	27.24%
Covered Employee Payroll	$ 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	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, 2021 and June 1, 2020

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-2017

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

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

SANGAMON MASS TRANSIT DISTRICT

OTHER POSTEMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Six Fiscal Years

	2022	**2021**	**2020**	**2019**	**2018**	**2017**
Actuarially determined contribution	$ 731,505	$ 831,308	$ 981,120	$ 957,242	$ 829,047	$ 860,074
Contributions in relation to the actuarially determined contribution	469,802	778,812	878,998	1,224,679	753,911	1,392,384
Contribution deficiency (excess)	$ 261,703	$ 52,496	$ 102,122	$ (267,437)	$ 75,136	$ (532,310)
Covered-employee payroll	$ 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	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.

See accompanying Notes to Required Supplementary Information.

SUPPLEMENTAL FINANCIAL INFORMATION

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FIXED ROUTE OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2022
(With Comparative Actual Totals for June 30, 2021)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2022	Total 2021
LABOR						
Operator's salaries and wages	$ 5,142,104	$ -	$ -	$ -	$ 5,142,104	$ 4,441,331
Operator's paid absences	645,500	-	-	-	645,500	536,565
Other salaries and wages	773,697	1,342,522	122,060	661,233	2,899,512	2,547,163
Other paid absences	100,328	238,834	23,693	101,663	464,518	468,824
FRINGE BENEFITS	780,445	380,806	50	160,639	1,321,940	1,611,513
SERVICES						
Advertising fees	-	-	-	176,319	176,319	128,032
Professional technical services	1,357	-	-	176,071	177,428	142,945
Contract maintenance service	-	-	97,488	221	97,709	68,793
Custodial services	-	-	4,645	-	4,645	6,362
Security services	-	-	-	2,491	2,491	2,548
Other services	-	-	-	85,172	85,172	54,478
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	883,327	20,807	-	-	904,134	485,650
Tires and tubes	130,773	-	-	-	130,773	117,763
Other materials and supplies	-	766,613	157,052	103,655	1,027,320	1,350,814
UTILITIES	-	-	-	301,185	301,185	288,007
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	-	-	-	294,955	294,955	255,991
Premiums for physical damage insurance	-	-	-	90,197	90,197	85,073
Recoveries of physical damage losses	-	-	-	(846)	(846)	(15,264)
Premiums for other corporate insurance	-	-	-	31,380	31,380	38,289
Uninsured losses, net of recoveries	-	-	-	241,355	241,355	145,799
LICENSES AND TAXES						
Vehicle licensing and registration fees	-	-	(2,271)	-	(2,271)	2,352
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	25,786	25,786	10,280
Dues and subscriptions	-	-	-	54,267	54,267	66,301
Other	9,270	-	-	61,633	70,903	78,148
LEASE EXPENSE	-	-	-	38,296	38,296	37,290
TOTALS	$ 8,466,801	$ 2,749,582	$ 402,717	$ 2,605,672	$ 14,224,772	$ 12,955,047

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF PARATRANSIT OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2022
(With Comparative Actual Totals for June 30, 2021)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2022	Total 2021
LABOR						
Operator's salaries and wages	$ 795,260	$ -	$ -	$ -	$ 795,260	$ 576,711
Operator's paid absences	49,572	-	-	-	49,572	47,354
Other salaries and wages	233,369	47,704	-	83,985	365,058	349,236
Other paid absences	29,087	-	-	14,809	43,896	38,858
FRINGE BENEFITS	87,069	5,880	-	12,693	105,642	232,886
SERVICES						
Advertising fees	-	-	-	-	-	-
Professional technical services	151	-	-	9,577	9,728	6,592
Contract maintenance service	-	-	47,367	-	47,367	43,063
Custodial services	-	-	516	-	516	707
Security services	-	-	-	-	-	-
Other services	-	-	-	18,738	18,738	17,198
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	295,415	2,194	-	-	297,609	177,091
Tires and tubes	22,968				22,968	14,008
Other materials and supplies	-	86,241	-	3,963	90,204	112,472
UTILITIES	-	-	-	31,582	31,582	27,554
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	-	-	-	32,679	32,679	28,443
Premiums for physical damage insurance	-	-	-	10,092	10,092	9,453
Recoveries of physical damage losses	-	-	-	-	-	-
Uninsured losses, net of recoveries	-	-	-	2,023	2,023	625,005
LICENSES AND TAXES						
Vehicle licensing and registration fees	-	-	-	-	-	624
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	929	929	3,476
Dues and subscriptions	-	-	-	5,392	5,392	5,027
Other	1,030	-	-	5,869	6,899	2,787
LEASE EXPENSE	-	-	-	9,933	9,933	686
TOTALS	$ 1,513,921	$ 142,019	$ 47,883	$ 242,264	$ 1,946,087	$ 2,319,231

SANGAMON MASS TRANSIT DISTRICT

COMPUTATION OF FEDERAL OPERATING ASSISTANCE

For the Year Ended June 30, 2022

Projects IL-2020-021-00/IL-2020-029-00/IL-2021-031-00		Actual Project Cost
Total Operating Expenses (excluding depreciation)		
Salaries and labor	$	10,405,420
Benefits		3,882,336
Services		449,186
Materials and supplies		2,483,307
Utilities		332,767
Casualty and liability insurance and losses		701,835
Taxes and licenses		42,125
Leases and rentals		323,296
Miscellaneous		3,833
Total Operating Expenses (excluding depreciation)		18,624,105
Contra-Expense/Earned Interest		133,308
Eligible Operating Expenses		18,490,797
Less Offsetting Revenues		507,015
Net Project Cost		17,983,782
Local Share		
Local Share		233,646
State operating assistance		12,021,146
Advertising Expenses		150,159
Total Local Share		12,404,951
Net Expenses Before Applying FTA Funds	$	5,578,831
Federal Assistance Limitation (lesser of)		
100% of net project cost	$	17,983,782
Net project cost after use of Local Share	$	5,578,831
Grant award IL-2020-021-00		684,377
Grant award IL-2020-029-00		2,045,044
Grant award IL-2020-031-00		2,849,405
Total Grant Awards	$	5,578,826
FY22 Federal Operating Assistance Received		2,134,824
BALANCE DUE FROM (TO) FEDERAL TRANSIT ADMINISTRATION	$	3,444,007

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 17, 2023. 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.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Sangamon Mass Transit District's Repsonse to Findings

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

Purpose of this Report

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

Sikich LLP

Springfield, Illinois
February 17, 2023

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Springfield, IL 62704
217.793.3363

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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, 2022. 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, 2022.

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 17, 2023, 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 LLP

Springfield, Illinois
February 17, 2023

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

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	$	75,600
Federal Transit Capital Investment Grants	20.500	IL-04-0086		168,032
Federal Transit Capital Investment Grants	20.500	IL-90-X744		163,966
Total Federal Transit Capital Investment Grants				407,598
Federal Transit Formula Grants				
Federal Transit Formula Grants (CARES Act)	20.507	IL-2020-021-00		903,560
Federal Transit Formula Grants	20.507	IL-2020-031-00		2,849,405
Federal Transit Formula Grants	20.507	IL-2020-029-00		2,134,817
Total Federal Transit Formula Grants				5,887,782
Total Department of Transportation				6,295,380
Total Federal Transit Cluster-Cluster				6,295,380
Total Expenditures of Federal Awards			$	6,295,380

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the Sangamon Mass Transit District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the district, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 3 – DESCRIPTION OF MAJOR PROGRAM

There was one major program for the year ended June 30, 2022, the Federal Transit Cluster. This grant was awarded by the Federal Transit Administration – U.S. Department of Transportation to the Sangamon Mass Transit District for the purposes of financing capital projects and supporting public transportation services in urbanized areas.

NOTE 4 – RECONCILIATION OF THE FINANCIAL STATEMENTS

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

Operating assistance	$ 5,668,605
Capital assistance	626,775
	$ 6,295,380

NOTE 5 – INDIRECT COST RATE

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

NOTE 6 – ADDITIONAL INFORMATION

As of and during the year ended June 30, 2022, 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, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*unmodified*			
Internal control over financial reporting:				
• Material weakness(es) identified?	X	Yes		No
• Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major federal programs:	*unmodified*			
Internal control over major federal programs:				
• Material weakness(es) identified?		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?	X	Yes		No

Identification of major federal programs:

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

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

Section II – Financial Statement Findings

2022-001 – Financial Reporting

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

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

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

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

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

SANGAMON MASS TRANSIT DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2022

Prior Finding	Condition	Status
2021-001	Financial Reporting	Repeated – 2022-001
2012-002	Cash Management	Not repeated

CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS

For the Year Ended June 30, 2022

2022-001 – Financial Reporting

***Condition**:* During our testing of IMRF pension expense and liability, we noted that the deferred outflows and deferred inflows for IMRF were not properly calculated. As a result, we noted that deferred outflows for IMRF were understated by $115,196 and deferred inflows for IMRF were understated by $1,919,479. An adjustment was made to correct the understatement.

***Corrective Action*:** Staff will develop a reconciliation schedule timed to reflect the release of IMRF actuary information and use the instructions contained in the GRS vs IMRF Reconciliation Adjustments Schedule effective with the year beginning July 1, 2022 and ending June 30, 2023.

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

Implementation Date for Corrective Action Plan: June 30, 2023

ILLINOIS DEPARTMENT OF TRANSPORTATION

SIKICH.

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
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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-22-54-IL

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

Report on Compliance

We have audited Sangamon Mass Transit District's (the District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2022. The District's financial assistance is identified in the Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-22-54-IL. We also tested the calculation of the State's participation in the District's operating deficit and that State assistance claimed and paid are recorded and reported in accordance with the contract with the State of Illinois.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on the downstate operating assistance grant for the year ended June 30, 2022.

Other Matters

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

Sikich LLP

Springfield, Illinois
February 17, 2023

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-22-54-IL

For the Year Ended June 30, 2022

OPERATING REVENUES AND INCOME		
401	Passenger fares for transit services	$ 507,015
402	Special transit fares	206,448
405	Total charter service revenues	-
406	Auxiliary revenue	150,159
407	Non-transportation revenue	30,477
408	Sec. 5307 force accounting and administration cost reimbursement	-
413	Federal cash grants and reimbursement	5,578,825
	Total Operating Revenues	6,472,924
OPERATING EXPENSES		
501	Labor	10,405,420
502	Fringe benefits	3,882,336
503	Professional services	449,186
504	Materials and supplies consumed	2,483,307
505	Utilities	332,767
506	Casualty and liability	701,835
507	Taxes	42,125
508	Net purchased transportation	-
509	Miscellaneous expense	323,296
512	Leases, rentals, and purchase-lease payments	3,833
517	Debt service projects	-
	Total Operating Expenses	18,624,105
	Ineligible Expenses:	
	APTA and IPTA dues	3,700
	Other (Single Audit)	-
	Other (Federally Funded Projects)	83,142
	Other (Q5, misc. ineligible)	43,193
	CARES Act Expenditures	-
	Unfunded portion of GASB 68 Expense	-
	Less: Total ineligible expenses	130,035
	Total Eligible Operating Expenses	18,494,070
	Total Operating Revenue and Income	6,472,924
	Deficit	12,021,146
	65% of Eligible Expenses	12,021,146
	Maximum Contract Amount	13,129,371
	Eligible FY22 Downstate Operating Assistance (Deficit, 65% of eligible expenses, or maximum contract amount, whichever is less)	12,021,146
	FY22 Downstate Operating Assistance Received (prior to close of fiscal year)	10,989,070
	FY22 Downstate Operating Assistance (Over) Under Paid	$ 1,032,076

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

None noted