SANGAMON MASS TRANSIT DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years ended June 30, 2023 and 2022

SIKICH.COM

SANGAMON MASS TRANSIT DISTRICT
TABLE OF CONTENTS

November 22, 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, 2023 and 2022 is submitted herewith. This report provides a broad view of SMTD's financial activities for the 2023 and 2022 fiscal years and its financial position at June 30, 2023 and 2022. 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, 2023 and 2022 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, 2023 and 2022 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 2023 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 2023 included:

- Contracting with various vendors for design and construction management services for renovations to the Bus Storage Garage and Admin Office Remodel.
- Contracting with various vendors to complete construction work for the Bus Storage Garage renovations and Admin Office remodel.
- Continuing work on the new multi-modal transportation complex and SMTD transfer center.
- Contracting with Sangamon County IT to provide IT Management Services.
- Purchasing Replacement Tablets for Access System.
- Entering into an agreement with Sangamon County Sheriff's Department for additional security at the SMTD transfer center.

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

- Purchase of replacement buses, including 4 CNG buses to replace 4 diesel buses at end of useful life, and 8 Diesel/Electric Hybrid buses to replace 8 diesel buses at end of useful life.
- Purchase administrative staff vehicle and Road Supervisor vans.
- Purchase CVP vehicles to replace paratransit vehicles.
- Purchase Digital Displays, FFE, Sheriff's Dept. Security, Door Locks, and Alarm and Security systems for multi-modal transportation center.
- Admin Carpet Replacement.
- Complete Land Acquisition.
- Purchase a new on-board video surveillance system.
- Complete yard repairs and facility updates.

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.

SIKICH®

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Sangamon Mass Transit District (the District), as of and for the years ended June 30, 2023 and June 30, 2022, 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, 2023 and June 30, 2022, 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.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the years ended June 30, 2023 and 2022. The implementation of this guidance resulted in changes to the reporting of right-to-use intangible subscription assets, subscription liability, and the related notes to the financial statements. Our opinion is not modified with respect to this matter.

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 Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sangamon Mass Transit District's basic financial statements. The accompanying supplemental financial information, Schedule of Expenditures of Federal Awards and Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-23-54-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 Awards* (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-23-54-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-23-54-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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 22, 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
November 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPRINGFIELD MASS TRANSIT DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2023 and 2022

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 2023 with a total mainline ridership of 1,232,183 revenue trips. This is an increase from FY 2022 of 277,253 trips, or an increase of 29.03%. Although ridership has increased since the end of the pandemic, the five-year rolling year over year change has been an average annual reduction in ridership of 2.86% annually, or a 17.14% loss of ridership since Fiscal Year 2019. While the COVID public health emergency certainly played a role in reduced ridership, the District had seen a steady decline in the years pre-pandemic. With the route system redesign in 2019, SMTD had started to notice an increase at the beginning of 2020, before the COVID public health emergency that started in March 2020. SMTD is currently in an upward trend towards pre-covid ridership amounts. Chart 1 shows yearly mainline ridership for FY23 and the past nine years.

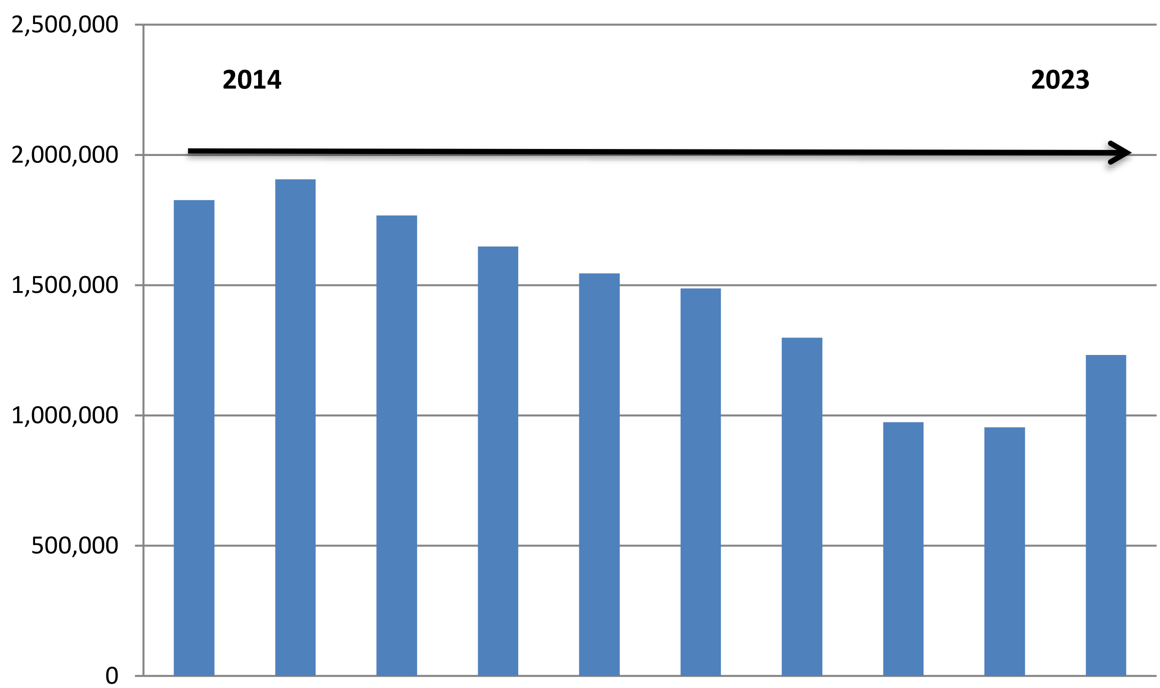

Chart 1

Paratransit service was also negatively impacted by the COVID-19 pandemic with declining ridership during 2020 and 2021. However, during FY2022, SMTD noted an 18.58% increase from FY 21, and in FY23, SMTD noted an 16.83% increase from FY22. The District has various contracts with local non-profit agencies to provide services to impacted communities. These contracts provide a benefit to the organizations for the transportation needs of disabled participants. Access ridership is summarized in Chart 2.

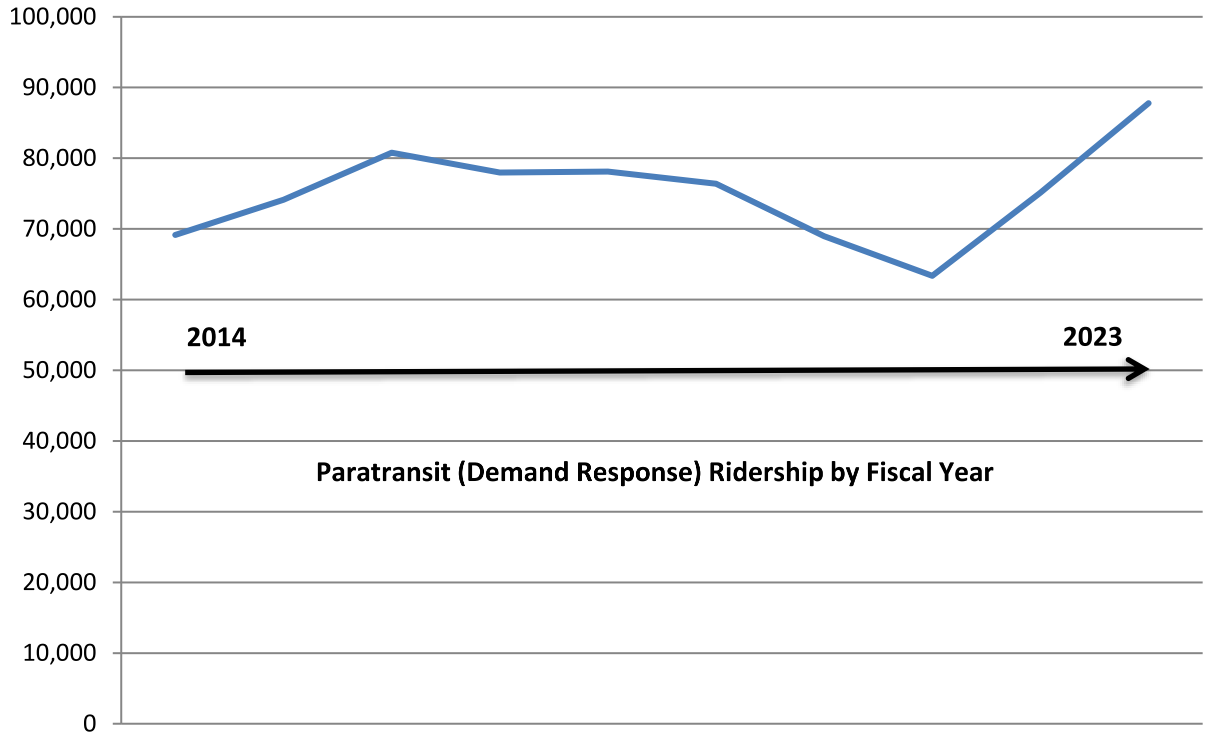

Chart 2

FINANCIAL ANALYSIS OF THE DISTRICT OPERATING FUND

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

Table 1

Condensed Statements of Net Position

	FY2023	FY2022[1]	FY2021
Current and other assets	14,682,746	13,600,320	11,249,958
Non-Current assets	739,415	8,394,513	4,423,580
Capital assets	23,607,292	25,325,652	28,075,598
Total assets	39,029,453	47,320,485	43,749,136
Deferred outflows of resources	6,147,835	2,172,891	2,342,662
Current and other liabilities	2,896,360	2,270,108	3,146,111
Noncurrent liabilities	9,234,302	5,913,628	6,253,604
Total liabilities	12,130,662	8,183,736	9,399,715
Deferred inflows of resources	1,257,829	7,256,467	5,401,809
Net Position			
Net Investment in capital assets	23,498,390	25,110,659	28,075,598
Restricted for Pensions		8,113,159	-
Unrestricted	8,290,407	829,355	3,214,676
Total Net Position	31,788,797	34,053,173	31,290,274

Table 1

[1] Restated

For the year ending June 30, 2023:

- Capital assets decreased $1.71 million (-6.8%) from $25.3 million to $23.6 million. Table 3 provides details of this change.
- Unrestricted Net Position used to finance the District's operations increased (899.6%) from $830 thousand to $8.2 million due to the change from a net pension asset to a net pension liability in 2023.
- The District's Net Position decreased by $2,264,376 (-6.6%) from $34.1 million to $31.8 million.

For the year ending June 30, 2022:

- Capital assets decreased $2.75 (-9.8%) from $28.1 million to $25.3 million. Table 3 provides details of this change.
- Unrestricted Net Position used to finance the District's operations decreased $2.39 million (-74.2%) from $3.2 million to $830 thousand.
- The District's Net Position increased by $2,762,899 or 8.8% from $31.2 million to $34.1 million.

A summary of the District's Statements of Revenue, Expenses and Changes in Net Position is presented in Table 2A. A more detailed review of Revenue and Expenses is presented in Table 2B, with FY22 restated.

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

	FY2023	FY2022[1]	FY2021
Operating Revenues	$ 1,103,471	$ 863,622	$ 258,462
Non-Operating Revenues	20,730,892	20,568,964	17,011,693
Total Revenues	21,834,363	21,432,586	17,270,155
Operation and Maintenance Expenses	22,312,884	16,104,559	15,274,278
Depreciation and Amortization	3,272,605	3,311,203	3,307,236
Total Expenses	25,585,489	19,415,762	18,581,514
Net Income (Loss) Before Contributions	(3,751,126)	2,016,824	(1,311,359)
Capital Contributions	1,486,750	746,075	1,857,113
Change in Net Position	(2,264,376)	2,762,899	545,754
Net Position – Beginning of Year	34,053,173	31,290,274	30,744,520
Net Position - End of Year	$ 31,788,797	$ 34,053,173	$ 31,290,274

Table 2A

[1] Restated

For the year ending June 30, 2023:

- Operating Revenue increased $239 thousand (27.77%) from $0.86 million to $1.1 million.
- Non-Operating Revenue increased $161 thousand (.79%) from $20.56 million to $20.73 million.
- Capital Contributions increased $740 thousand (99.28%) from $0.74 million to $1.49 million in FY 2023.
- An decrease to net position of $2.26 million (-6.65%) is the result of operations expenses and depreciation.

For the year ending June 30, 2022:

- 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 $2.76 million (8.83%) is the result of operations.
- FY2022 figures have been restated.

Detailed Revenue and Expenses

	FY2023	FY2022[1]	FY2021
Full Price Fares	905,693	685,430	199,776
Discounted Fares	42,780	28,033	3,639
Advertising	154,998	150,159	55,047
Total Operating Revenues	1,103,471	863,622	258,462
Local Taxes	3,448,376	3,286,078	2,983,766
State/Federal Operating Assistance	17,035,461	17,599,977	16,756,755
Investment Income	218,506	3,232	14,350
Other	28,549	(320,323)	(2,743,178)
Total Non-Operating Revenues	20,730,892	20,568,964	17,011,693
Total Revenues	21,834,363	21,432,586	17,270,155
Salaries	10,679,515	10,405,420	9,006,042
Fringe Benefits	4,981,337	1,429,089	1,844,399
Professional Services	482,432	449,186	470,718
Materials and Supplies	2,746,966	2,483,307	2,573,359
Casualty and Liability Insurance	544,679	701,835	1,172,789
Other	2,863,528	635,722	206,971
Total Operation and Maintenance Expenses	22,298,457	16,104,559	15,274,278

Table 2-B

[1] Restated

Revenues:
Full Price Fares increased $220 thousand (32.14%) and Discounted Fares increased $14 thousand (52.61%) in FY 2023. Advertising Revenue increased $4 thousand in FY 2023.

Local taxes increased $162 thousand (4.94%) in FY 2023. The tax receipts grew 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) decreased $564 thousand (-3.21%) in FY 2023.

Expenses:
Salary and wage expenses increased to 48% of the District’s total expenses in FY 2023, compared to 64% in FY 2022. Salaries increased $274 thousand (2.63%) in FY 2023.

Fringe Benefits increased $3.55 million (248.6%), because the net adjustment includes fluctuations in IMRF and OPEB in year-end adjustments. There was a $3.5M net IMRF adjustment from FY22 to FY23. Without these year-end adjustments, the increase would have been only 5.45%.

Professional Services expenses are driven by environmental and project factors at the time, and fluctuations are common from year to year due to claim activity, service needs, and service additions. Services increased $33 thousand (7.40%) in FY 2023. 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 FY2023, Materials and Supplies increased $263 thousand (10.62%). In FY2023, Casualty and Liability decreased $157 thousand (-22.39%).

CAPITAL ASSET ANALYSIS

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

Capital Assets at Year-end
(In Thousands)

	FY2023	FY2022[1]
Land	$ 2,771	$ 1,671
Parking lot	1,783	1,782
Passenger shelters	566	566
Administration building	1,406	1,233
Transfer Center Buildings	489	489
Buses and Paratransit vans	27,460	27,479
Cars and trucks	388	340
Storage garage	1,788	1,788
Maintenance shop and office	7,972	7,964
Garage Equipment	919	919
Office furniture and fixtures	115	144
Two-way radio equipment	256	261
Other assets & construction wip	2,198	2,087
Telephone system	115	115
Stockroom and machine shop	176	176
CNG fueling station	1,779	1,779
Subscription-based software licenses	349	291
Total	50,530	49,084
Less accumulated depreciation/amortization	(26,923)	(23,748)
Capital assets – net	$ 23,607	$ 25,336

[1] Restated

For the year ending June 30, 2023:

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

For the year ending June 30, 2022:

- 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.
- Replacement of LED lighting in the Maintenance building.
- Professional services for the design and construction management services for the Bus Storage Garage Renovations project.
- SMTD implemented GASB S-96, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This statement defines a SBITA, establishes that SBITA results in a right-to-use subscription asset- an intangible asset- and a corresponding subscription liability, provides capitalization criteria, and requires note disclosures regarding a SBITA. The implementation of GASB 96 resulted in some figures being restated in FY2022.

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

	FY2023	FY2022	FY2021
Cash and cash equivalents	$ 113,602	$ 250,399	$ 464,810
Interest receivable	92,451	76,189	70,839
Current Investments	985,604	210,141	328,084
Municipal Bonds and Treasury	7,120,138	6,931,758	7,075,292
TOTAL ASSETS	$ 8,311,795	$ 7,468,487	$ 7,939,025
Net Position Restricted for OPEB	$ 8,311,795	$ 7,468,487	$ 7,939,025

Table 4

The District offers health insurance options to qualified members with a total of 236 members eligible for future benefits. The Net OPEB liability stands at $4.93 million, with $8.31 million in assets against a FY 2023 Total OPEB liability of $13,242,066 for a percent funded ratio of 62.77%. A summary of the Changes to Net Position of the District's OPEB Trust Fund is presented in Table 5.

OPEB Statement of Changes in Fiduciary Net Position

	FY2023	FY2022	FY2021
Employer contributions	1,286,552	469,802	778,812
Investment Income	23,308	(470,538)	254,017
Benefits paid out	(466,552)	(469,802)	(475,760)
Net gain (loss)	843,308	(470,538)	557,069
Net Increase (Decrease) in Net Position	**843,308**	**(470,538)**	**557,069**
Net Position – Beginning of Year	7,468,487	7,939,025	7,381,956
Net Position – End of Year	8,311,795	7,468,487	7,939,025

Table 5

YEAR IN REVIEW

- The new farebox system, beginning in FY22, was fully implemented in FY23. 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. SMTD plans to add Ticket Vending Machines once the new transfer center is complete.
- SMTD contracted with multiple vendors to complete design and construction management services for Bus Storage Garage Renovations and for the Admin Office Remodel.
- SMTD substantially completed work to remodel the Admin Boardroom into five, individual offices by contracting with Vollintine Construction Company.
- SMTD started work on the Bus Storage Garage renovations that turns the storage building into an autobody repair workshop. SMTD has contracted with Limbaugh Construction Company to complete this project, which will include adding solar panels to the roof.
- 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 FY2024.
- SMTD awarded 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 contracted Sangamon County for IT Management Services, which include 24-hour help desk services and cybersecurity monitoring.
- SMTD contracted with Avail Technologies to continue services through the end of 2024.
- SMTD purchased replacement tablets for the Access System.
- SMTD contracted with the Sangamon County Sheriff's Department to provide additional security services at the SMTD Transfer Center.

Future Projects – 2024-2027

- 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 FY2024.
- SMTD expects to begin a project for carpet replacement in most of the Admin offices and some hallway areas.
- SMTD expects to convert current ERP software system into a cloud-based, ETMS system with the current vendor, Avail Technologies.
- 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.
- SMTD expects to contract for actuarial services.
- SMTD expects to complete a competitive bid process for Health Insurance, third-party brokerage.

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, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 8,056,559	$ 6,111,865
Investments	637,176	383,877
Accounts receivable		
Taxes	1,543,353	1,453,119
Operating assistance grants - net	2,169,731	4,019,910
Capital assistance grants - net	985,996	130,909
Other receivables	289,634	484,132
Materials and supplies inventories	946,882	883,082
Prepaid expenses	53,415	133,426
Total current assets	14,682,746	13,600,320
NONCURRENT ASSETS		
Investments	739,415	281,354
Net pension asset	-	8,113,159
Capital Assets		
Capital assets, not being depreciated	2,771,321	1,670,904
Property and equipment	47,410,493	47,121,809
Less: accumulated depreciation	(26,790,920)	(23,712,550)
Right-to-use subscription based IT	348,940	281,292
Less: Accumulated Amortization	(132,542)	(35,803)
Total noncurrent assets	24,346,707	33,720,165
Total assets	39,029,453	47,320,485
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	4,059,057	1,433,189
OPEB deferred outflows	2,088,778	739,702
Total deferred outflows of resources	6,147,835	2,172,891
Total assets and deferred outflows of resources	$ 45,177,288	$ 49,493,376

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION (Continued)
PROPRIETARY FUND

As of June 30, 2023 and 2022

	2023	2022
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 1,087,539	$ 1,022,374
Accrued payroll	405,072	360,260
Accrued payroll taxes and retirement	165,836	293,657
Accrued compensated absences	618,787	573,930
Commitment payable, current	550,000	-
SBITA liability, current	69,126	19,887
Total current liabilities	2,896,360	2,270,108
NONCURRENT LIABILITIES		
SBITA liability	39,776	195,106
Commitment payable	1,100,000	-
Net OPEB Liability	6,467,501	5,718,522
Net pension liability	1,627,025	-
Total noncurrent liabilities	9,234,302	5,913,628
Total liabilities	12,130,662	8,183,736
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	141,315	5,889,034
OPEB deferred inflows	1,116,514	1,367,433
Total deferred outflows of resources	1,257,829	7,256,467
NET POSITION		
Net Invested in capital assets	23,498,390	25,110,659
Restricted - net pension asset	-	8,113,159
Unrestricted	8,290,407	829,355
TOTAL NET POSITION	$ 31,788,797	$ 34,053,173

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, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Full adult fares	$ 905,693	$ 685,430
Senior citizen, student, and handicapped fees	8,742	6,780
Local student fare assistance	34,038	21,253
Advertising revenue	154,998	150,159
Total operating revenues	1,103,471	863,622
OPERATING AND MAINTENANCE EXPENSES	22,298,457	16,104,559
Operating loss before depreciation and amortization	(21,194,986)	(15,240,937)
DEPRECIATION AND AMORTIZATION	3,287,032	3,311,203
Loss from operations	(24,482,018)	(18,552,140)
NONOPERATING REVENUES (EXPENSES)		
Local taxes	3,448,376	3,286,078
Grants		
State of Illinois - Downstate Public Transportation Assistance		
Assistance program		
Operating assistance	12,412,059	12,021,146
Federal Transit Administration		
Operating assistance	4,623,402	5,578,831
Investment income	218,506	3,232
Interest on property taxes	1,213	47
Other income	27,336	27,192
Net gain/(loss) on disposal of capital assets	-	(347,562)
Total non-operating revenues	20,730,892	20,568,964
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(3,751,126)	2,016,824
CAPITAL CONTRIBUTIONS		
Capital assistance - federal	999,543	626,775
Capital assistance - state	487,207	119,300
Total capital contributions	1,486,750	746,075
CHANGE IN NET POSITION	(2,264,376)	2,762,899
NET POSITION - BEGINNING OF YEAR, RESTATED	34,053,173	31,290,274
NET POSITION - END OF YEAR	$ 31,788,797	$ 34,053,173

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

For the Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares	$ 1,142,971	$ 523,204
Cash received from sales of charters, advertising and rental income	182,334	177,357
Wages and benefits paid to employees	(15,659,293)	(14,489,913)
Payments to suppliers for goods and services	(4,687,612)	(5,215,070)
Net cash flows from operating activities	(19,021,602)	(19,004,424)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies received from		
State of Illinois	11,301,672	11,574,039
Federal Transit Administration	7,583,970	3,650,067
Property and income taxes received	3,359,354	3,249,015
Net cash flow from noncapital financing activities	22,244,996	18,473,121
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received from		
Federal Transit Administration and State of Illinois	631,662	2,182,404
Purchase and construction of capital assets	(1,311,417)	(574,320)
SBITA payments	(106,091)	(66,298)
Net cash flows from capital and related financing activities	(785,846)	1,541,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold	(711,360)	53,556
Investment income	218,506	3,232
Net cash flows from investing activities	(492,854)	56,788
Net change in cash and cash equivalents	1,944,694	1,067,271
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,111,865	5,044,594
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,056,559	$ 6,111,865

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUND
For the Years Ended June 30, 2023 and 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	$ (24,482,018)	$ (18,552,140)
Nonoperating revenue		
Rental income	27,336	27,192
Noncash items included in operating loss		
Depreciation and amortization expense	3,287,032	3,311,203
Change in assets and liabilities		
Accounts receivable	194,498	(190,259)
Prepaid expenses	80,011	7,304
Materials and supplies	(63,799)	(205,381)
Pension liability, deferrals, and asset	(233,399)	(1,918,165)
Accounts payable	(192,090)	(1,194,617)
Commitment payable	1,650,000	-
Net OPEB liability/obligation and deferrals	748,979	(535,082)
Accrued wages and benefits	(38,152)	245,521
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (19,021,602)	$ (19,004,424)
NONCASH TRANSACTIONS		
Capital assets acquired through retainage and accounts payable	$ 257,255	$ -

See accompanying notes to financial statements.

SANGAMON MASS TRANSIT DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION
OPEB TRUST FUND

As of June 30, 2023 and 2022

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	$ 113,602	$ 250,399
Interest receivable	92,451	76,189
Current investments		
Corporate Bonds	-	126,466
Municipal Bonds	-	83,675
U.S. Treasuries	825,157	-
U.S. Agency Bonds	160,447	-
Total current assets	1,191,657	536,729
NONCURRENT ASSETS		
Non-current investments		
Municipal Bonds	4,837,952	4,943,001
Mutual Funds	-	67,936
U.S. Treasuries	410,186	1,920,821
U.S. Agency Bonds	1,872,000	-
Total noncurrent assets	7,120,138	6,931,758
TOTAL ASSETS	8,311,795	7,468,487
RESTRICTED NET POSITION		
Restricted Net Position for OPEB	8,311,795	7,468,487
TOTAL RESTRICTED NET POSITION	$ 8,311,795	$ 7,468,487

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, 2023 and 2022

	2023	2022
ADDITIONS		
Employer contributions	$ 1,286,552	$ 469,802
Investment income (loss)	148,806	(454,866)
Less investment expense	(125,498)	(15,672)
Net Investment Income	23,308	(470,538)
Total additions	1,309,860	(736)
DEDUCTIONS		
Benefits	466,552	469,802
Total deductions	466,552	469,802
CHANGE IN NET POSITION	843,308	(470,538)
RESTRICTED NET POSITION - BEGINNING OF YEAR	7,468,487	7,939,025
RESTRICTED NET POSITION - END OF YEAR	$ 8,311,795	$ 7,468,487

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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

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

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

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

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

C. Cash and Investments

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

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

D. Accounts Receivable

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

E. Materials and Supplies Inventories

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

F. Prepaid Expenses

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

G. Net Pension Liability (Asset)

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

H. Capital Assets and Depreciation/Amortization

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation (Continued)

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

I. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time. Deferred outflows relate to the GASB Statement No. 68 pension liability and the GASB Statement No. 75 OPEB liability. Details of the accounts are included in Note 9 and 10.

J. Accrued Compensated Absences

Employees earn varying amounts of vacation depending on the number of years of service and employment position. Vacation pay will be paid at the time vacation is taken. Accumulated vacation time more than the employees' accrual rate may be carried over to the following year in an amount not to exceed 2 years' worth of time, or employees may be paid out for a maximum of 2 weeks in a 12 month period. When an employee separates from the District, earned and unused vacation time will be computed and paid out to the employee at their regular rate of pay. 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, whether ATU or administrative employees, who buy one year service credit with sick time may cash out up to fifty (50) days 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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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. 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 11.

M. Deferred Inflows of Resources

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

N. Net Position

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

Net investment in capital assets – This component of net position consists of capital and intangible assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The District has no outstanding debt as of June 30, 2023 and 2022, except for SBITA liabilities.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislations. Certain unexpended property tax revenues are restricted by state statutes and may only be used for the purposes for which they were originally levied. In both fiscal years 2023 and 2022, 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.

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.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

O. Revenue Recognition

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, 2022 financial statements; however, there is no impact on the District’s financial statements.

GASB Issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). This Statement is effective for the fiscal years ending June 30, 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; however, there is no impact to the 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. 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 District adopted Statement No. 96 for its June 30, 2023 and 2022 financial statements.

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 June 30, 2022; however, the District does not have a Section 457 Deferred Compensation Plan, therefore there is no impact to the financial statements.

GASB issued Statement No. 99, *Omnibus 2022*. The statement addresses a variety of topics, including: Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and terminology used in Statement 53 to refer to resource flows statements.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

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

This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The statement is effective for the fiscal year end June 30, 2024.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The statement enhances accounting and financial reporting requirement for accounting changes and error corrections. The statement is effective for the fiscal year end June 30, 2025.

GASB issued Statement No. 101, *Compensated Absences*. The statement provides guidance on the accounting and financial reporting for compensated absences for governments. This statement is effective for the fiscal year end June 30, 2025.

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 $0 and $903,560 for June 30, 2023 and 2022, 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. DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities.

3. Interest-bearing savings accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.

4. Short-term obligations of corporations organized in the United States with assets exceeding $500 million. The obligation must be rated with one of the three highest classifications by two standard ratings services, must mature within 270 days of purchase, and such purchases cannot exceed 10 percent of the corporation's outstanding obligations.

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

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

7. Public Treasurers' Investment Pool.

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

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Funds is authorized by the Illinois General Assembly and is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poor's upon the request of the Fund's management.

The most recent money market rating issued by Standard and Poor's was AAAm. The fair value of the position in the Illinois Funds Investment Pool is the same as the value of the pool shares. Illinois State Statue provides the Illinois State Treasurer with regulatory oversight over the Pool. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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:

	2023		2022	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Checking and savings	$ 1,408,568	$ 1,458,483	$ 1,933,906	$ 1,939,120
Corporate bonds	-	-	126,466	126,466
Money market	113,602	113,602	250,399	250,399
Certificates of deposit	493,675	493,675	242,429	242,429
Illinois funds	6,598,076	6,598,076	4,138,397	4,138,396
Mutual funds	512,380	512,380	102,285	102,285
Municipal bonds	4,996,491	4,996,491	5,239,648	5,239,648
U.S. agencies	2,046,468	2,046,468	17,048	17,048
U.S. treasuries	1,433,319	1,433,319	2,113,602	2,113,602
Totals	$ 17,602,579	$ 17,652,494	$ 14,164,181	$ 14,169,394

	2023	2022
Reconciliation to financial statements		
per statement of net position		
Current cash	$ 8,056,559	$ 6,111,865
Current investments	637,176	383,877
Noncurrent investments	739,415	281,354
Per statement of net position -		
Fiduciary fund		
Current cash and cash equivalents	113,602	250,399
Current investments		
Corporate bonds	-	126,466
Municipal bonds	-	83,675
U.S. agencies	160,447	-
U.S. treasuries	825,157	-
Noncurrent investments		
U.S. agencies	1,872,000	-
U.S. treasuries	410,186	1,920,821
Mutual funds	-	67,936
Municipal bonds	4,837,952	4,943,001
Total deposits and investments	$ 17,652,494	$ 14,169,394

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, 2023 and June 30, 2022. In addition, at June 30, 2023 and 2022, the District had an irrevocable, unconditional and nontransferable letter of credit in the amount of $2,500,000 and $2,500,000, respectively, to secure their operating account. This letter of credit is not in compliance with the District's policy as it is not backed by the full faith and credit of the US government. At June 30, 2023 and 2022, the District had uncollateralized deposits with a carrying value of $0.

B. Investments

Custodial Credit Risk

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

As of June 30, 2023, and 2022, no investments were exposed to custodial credit risk.

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

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

Credit Risk

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk (Continued)

At June 30, 2023, 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 rated

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, AA+	Not Rated
Municipal bonds	BBB+, A-, A, A+ AA	Not Rated, AA3, BAA4, A2, BAA1, A, AA
Illinois funds	AAAm	Not rated

Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. The District's investment policy doesn't specifically address interest rate risk, except to require investments with varied maturities to provide for sufficient liquidity to 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.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk (Continued)

At June 30, 2023 and 2022, the District's investments subject to interest rate risk were as follows:

	2023			
	Fair Value	<1 Year	1-5 Years	5> Years
U.S. agencies	$ 2,046,468	$ 174,468	$ 862,660	$ 1,009,340
Municipal bonds	4,996,491	94,895	1,619,764	3,281,832
Mutual funds	512,380	102,194	410,186	-
Negotiable certificates of deposit	249,665	249,665	-	-
U.S. treasuries	1,433,320	757,550	675,770	-
Total	$ 9,238,324	$ 1,378,772	$ 3,568,380	$ 4,291,172

	2022			
	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

Fair Value Measurements

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

Level 1: Quoted prices in active markets for identical assets or liabilities.

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

Level 3: Significant unobservable inputs.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements `

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, 2023 and 2022.

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, 2023 and June 30, 2022.

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.

	2023			
Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. agencies	$ 2,046,468	$ -	$ 2,046,468	$ -
Municipal bonds	4,996,491	-	4,996,491	-
Mutual funds	512,380	512,380	-	-
Negotiable certificates of deposit	249,665	249,665	-	-
U.S treasuries	1,433,320	-	1,433,320	-
Total	$ 9,238,324	$ 762,045	$ 8,476,279	$ -

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements (Continued)

	2022			
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	$ -

3. LOCAL TAXES

Property taxes attach as an enforceable lien on real property as of January 1 in the year in which the taxes are levied. The District generally files its tax levy ordinance with Sangamon County in December of each year. Sangamon County bills, collects, and disburses the taxes of the District. The taxes are generally payable in two installments on June 1 and September 1. The taxes levied in July of 2021 became a lien on January 1, 2021, were payable in June and September of 2022 and recognized as revenue in fiscal year 2022. The taxes levied in July of 2022 became a lien on January 1, 2022, were payable in June and September of 2023 and recognized as revenue in fiscal year 2023. The taxes levied in July of 2023 will be received and recognized as revenue in fiscal year 2024. Amounts not received in September are written off in the current fiscal year and have historically been insignificant.

The District is permitted, without referendum, to levy taxes up to .25% per $100 of assessed valuation ($2,198,117,098 in 2023 and $2,089,235,965 in 2022) 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:

3. LOCAL TAXES (Continued)

	2023		2022	
	Revenue	Receivable	Revenue	Receivable
General corporate levy	$ 1,534,950	$ 755,326	$ 1,462,826	$ 709,315
Illinois Municipal Retirement Fund levy	440,898	220,352	419,079	206,627
Liability insurance levy	497,926	248,852	473,294	233,354
Social security levy	451,862	225,830	429,514	211,767
Auditing levy	30,345	15,348	29,561	14,756
Replacement tax	492,394	77,645	471,804	77,300
Totals	$ 3,448,376	$ 1,543,353	$ 3,286,078	$ 1,453,119

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:

	2023	2022
Federal Capital Assistance IL-90-X744	$ 12,347	$ 75,990
Federal Capital Assistance IL-2016-004	426,663	-
Federal Capital Assistance IL-2018-026	13,439	-
Federal Capital Assistance IL-2022-003	159,554	-
State Capital Assistance CAP-14-1030-ILL	-	54,919
State Capital Assistance CAP-21-1143-ILL	(40,562)	-
State Capital Assistance CAP-22-1213-ILL	414,555	-
Total capital receivable	$ 985,996	$ 130,909

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:

	2023	2022
IDOT FY 23 Operating Assistance OP-23-54-IL	$ 2,142,464	$ -
IDOT FY 22 Operating Assistance OP-22-54-IL	-	1,032,076
IDOT FY 21 Operating Assistance OP-21-54-IL	118,433	118,433
IDOT FY 20 Operating Assistance OP-20-05-IL	(63,510)	(63,510)
IDOT FY 19 Operating Assistance OP-19-05-IL	(319,811)	(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	1,686,291	575,903
Federal operating assistance receivable*	483,440	3,444,007
Total operating assistance receivable	$ 2,169,731	$ 4,019,910

*This includes receivables for Projects IL-2022-013-00 operating assistance.

6. CHANGES IN CAPITAL ASSETS

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

	Balances July 1, 2022	Additions	Retirements	Balances June 30, 2023
Capital assets, not being depreciated				
Land	$ 1,456,970	$ -	$ -	$ 1,456,970
Construction in progress	213,934	1,492,287	(391,870)	1,314,351
Total capital assets not being depreciated	1,670,904	1,492,287	(391,870)	2,771,321
Tangible capital assets, being depreciated				
Parking lot	1,782,460	-	-	1,782,460
Passenger shelters	566,262	-	-	566,262
Administration building	1,233,055	172,942	-	1,405,997
Transfer center building	488,400	-	-	488,400
Buses and paratransit vans	27,478,541	-	(18,680)	27,459,861
Cars and trucks	339,887	67,623	(20,075)	387,435
Storage garage	1,788,270	-	-	1,788,270
Maintenance shop and office	7,964,271	7,529	-	7,971,800
Garage equipment	918,496	6,395	(5,115)	919,776
Office funiture and fixtures	143,768	-	(27,896)	115,872
Two-way radio equipment	261,482	-	(5,425)	256,057
Other assets	2,086,735	146,118	(34,732)	2,198,121
Telephone system	114,788	-	-	114,788
Stockroom and machine shop	176,377	-	-	176,377
CNG fueling station	1,779,017	-	-	1,779,017
Total tangible capital assets, being depreciated	47,121,809	400,607	(111,923)	47,410,493
Intangible capital assets, being amortized				
Subscription-based software licenses	291,292	57,648	-	348,940
Total intangible capital assets	291,292	57,648	-	348,940
Total capital/intangible assets being depreciated/amortized	47,413,101	458,255	(111,923)	47,759,433
Total capital assets	$ 49,084,005	$ 1,950,542	$ (503,793)	$ 50,530,754

6. CHANGES IN CAPITAL ASSETS (Continued)

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

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

6. CHANGES IN CAPITAL ASSETS (Continued)

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

	Balances July 1, 2021, Restated*	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
Tangible 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 tangible capital assets, being depreciated	45,843,003	1,850,311	(571,505)	47,121,809
Intangible capital assets, being amortized				
Subscription-based software licenses	191,857	99,435	-	291,292
Total intangible capital assets	191,857	99,435	-	291,292
Total capital assets	$ 48,928,547	$ 2,818,289	$ (2,662,831)	$ 49,084,005

6. CHANGES IN CAPITAL ASSETS (Continued)

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

	Balances July 1, 2021, Restated	Additions	Retirements	Balances June 30, 2022
Tangible 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	761,024	118,601	-	879,625
Total tangible capital assets	20,661,093	3,275,400	(223,943)	23,712,550
Intangible capital assets, being amortized				
Subscription-based software licenses	-	35,803	-	35,803
Total intangible capital assets	-	35,803	-	35,803
Total accumulated depreciation/amortization	20,661,093	3,311,203	(223,943)	23,748,353
Total capital/intangible assets being depreciated/amortized, net	25,373,767	(1,361,457)	(347,562)	23,664,748
Total capital/intangible assets, net of accumulated depreciation/amortization	$ 28,267,454	$ (492,914)	$ (2,438,888)	$ 25,335,652

7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

The District entered into a SBITA for the right to use a garage data system and network manager software in March 2022. The SBITA is payable in annual principal and interest installments ranging from $46,413 to $49,239. The total intangible right-to-use asset acquired under this SBITA was $143,457 with $63,342 of accumulated amortization.

7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

The District entered into a SBITA for the right to use ERP software in February 2023. The SBITA is payable in annual principal and interest installments ranging from $32,176 to $33,790. The total intangible right-to-use asset acquired under this SBITA was $65,966 with $14,340 of accumulated amortization.

The District entered into a SBITA for the right to use email gateway protection software in January 2023. The SBITA is payable in a one time installment of $1,679. The total intangible right-to-use asset acquired under this SBITA was $1,679 with $280 of accumulated amortization.

The District entered into a SBITA for the right to use transit planning software in January 2021. The SBITA is payable in annual installments of $19,200. The total intangible right-to-use asset acquired under this SBITA was $38,400 with $30,720 of accumulated amortization.

The District entered into a SBITA for the right to use dispatch software in April 2022. The SBITA is payable in annual principal and interest installments of $19,887. The total intangible right-to-use asset acquired under this SBITA was $99,438 with $24,859 of accumulated amortization.

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

Fiscal Year Ending June 30,	SBITA Principal	SBITA Interest
2024	$ 69,126	$ -
2025	19,887	-
2026	19,889	-
TOTAL	$ 108,902	$ -

8. COMMITMENT PAYABLE

The District has committed to pay the County of Sangamon $2,200,000 in installments of $550,000 per year for four years, beginning in fiscal year 2023 through fiscal year 2026, for the construction of the Pedestrian Plaza, Public Square, Race Riot Museum, and public engagement. The balance of the commitment was $1,650,000 as of June 30, 2023.

9. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Benefits Provided

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 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.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

As of December 31, 2022, and 2021, the following employees were covered by the benefit terms:

	2022	2021
Retirees and beneficiaries crrently receiving benefits	107	111
Inactive plan members entitled to but not yet receiving benefits	136	121
Active plan members	156	159
Totals	399	391

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 2022 and 2023 was 7.71% and 8.01%, respectively. For the calendar year 2023 and 2022, the District contributed $583,559 and $735,936, respectively to the plan. The District's contribution rate for fiscal year ended June 30, 2023 and 2022 was 5.51% and 7.71%. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The District's net pension liability for fiscal year 2023 was measured as of December 31, 2022. The District's net pension asset for fiscal year 2022 was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2022 and 2021:

- The **Actuarial Cost Method** used was Aggregate Entry Age Normal.
- The **Asset Valuation Method** used was Fair Value of Assets.
- The **Inflation Rate** was assumed to be 2.25% (2022) and 2.50% (2021).
- **Salary Increases** were expected to be 2.85% to 13.75% (2022) and 3.35% to 14.25$ (2021) including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.

9. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019 (2022) and the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016 (2021).
- 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.
- 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, 2023 and 2022. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

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

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

9. DEFINED BENEFIT PENSION PLAN (Continued)

<u>Changes in the Net Pension Liability (Asset)</u>

	Total Pension Liability (Asset) (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
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 experience of the total pension liability	913,211	-	913,211
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 for the year:			
Service cost	924,908	-	924,908
Interest on the total pension liability	2,787,466	-	2,787,466
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	184,539	-	184,539
Changes of assumptions	-	-	-
Contributions - employer	-	583,558	(583,558)
Contributions - employees	-	650,449	(650,449)
Net investment income	-	(6,940,331)	6,940,331
Benefit Payments, including refunds of employee contributions	(2,204,647)	(2,309,825)	105,178
Other (net transfer)	-	(31,769)	31,769
Net changes	1,692,266	(8,047,918)	9,740,184
Balances at December 31, 2022	$ 40,779,938	$ 39,152,913	$ 1,627,025

9. DEFINED BENEFIT PENSION PLAN (Continued)

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

The following presents the plan's net pension liability (assets), calculated using a Single Discount Rate of 7.25% for plan years ended December 31, 2021 and 2022, 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, 2022	$ 6,762,865	$ 1,627,025	$ (2,517,538)

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)

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

For the year ended June 30, 2023 and 2022, the District recognized pension expense of $1,911,853 and $1,461,745, respectively. At June 30, 2023 and 2022, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
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	$ 646,039	$ 27,069	$ 978,965	$ 46,476
Changes of assumptions	-	114,246	164,135	196,156
Net differences between projected and actual earnings on plan investments	3,177,058	-	-	5,646,402
Total deferred amounts to be recognized in pension expense future periods	3,823,097	141,315	1,143,100	5,889,034
Pension contributions made subsequent to the measurement date	235,960	-	290,089	-
Total deferred amounts related to pensions	$ 4,059,057	$ 141,315	$ 1,433,189	$ 5,889,034

9. DEFINED BENEFIT PENSION PLAN (Continued)

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

Deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2024. 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
2024	$ (108,266)
2025	726,906
2026	1,161,402
2027	1,901,740
2028	-
Thereafter	-
Total	$ 3,681,782

10. 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.

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

General Information About the Plan (Continued)

Employees covered by benefit terms. At June 30, 2023 and 2022, the Retiree Health Insurance Program membership consisted of the following:

	2023	2022
Retirees and beneficiaries currently receiving benefits	62	67
Terminated employees entitled to benefits but not yet receiving them	13	15
Active plan members	161	102
	236	184

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

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

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

General Information About the Plan (Continued)

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.

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

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

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

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

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

General Information About the Plan (Continued)

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, 2023 and 2022, the District contributed $1,286,552 and $469,802, 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, 2023 and 2022 was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022 and 2021.

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

Valuation Date	July 1, 2022 and June 30, 2021
Inflation Rate	2.50%
Salary Increase Rate	Varies by Service
Discount Rate	4.49% (2022), 4.49% (2021)
Initial Trend Rate	7.50% (2022), 7.00% (2021)
Ultimate Trend Rate	4.00%
Years to Ultimate	52
Investment Rate of Return	4.50%

The actuarial assumptions used in the July 1, 2022 valuation were: Mortality rates were based on the PubG-2010 amount-weighted, below-median income with scale MP-2020. Healthy Inactive Lives: PubG-2010 amount-weighted, below-median income, Male (adjusted 106%) and Female (adjusted 105%) with scale MP-2020. Disabled Lives: PubG-2010 amount-weighted, with scale MP-2020.

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

The actuarial assumptions used in the July 1, 2021 valuation were: Mortality rates were based on the PubG-2010 amount-weighted, below-median income with scale MP-2020. Healthy Inactive Lives: PubG-2010 amount-weighted, below-median income, Male (adjusted 106%) and Female (adjusted 105%) with scale MP-2020. Disabled Lives: PubG-2010 amount-weighted, with scale MP-2020.

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

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

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

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, 2023 or 2022.

Rate of return. For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on investments, net of investment expenses, was 3.14% and -5.68%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

Net OPEB Liability (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 4.49 percent for June 30, 2023 and 2022. 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, 4.13% for June 30, 2023 and 4.09% for June 30, 2022, 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.

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

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

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

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

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

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

10. OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES (Continued)

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A - B)
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
Contributions - 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
Changes for the year:			
Service cost	$ 166,189	$ -	$ 166,189
Interest	593,942	-	593,942
Change in benefit terms	213,609	-	213,609
Differences between expected and actual		-	-
experience	-	-	-
Changes in assumptions	(225,498)	-	(225,498)
Contributions - employer		469,802	(469,802)
Contriburtions - employees	-	-	-
Net investment income	-	(454,867)	454,867
Benefit payments	(469,802)	(469,802)	-
Administrative expense	-	(15,672)	15,672
Net Changes	278,440	(470,539)	748,979
Balances at June 30, 2023	$ 13,935,988	$ 7,468,487	$ 6,467,501

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

10. 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, 2023 and 2022, the District recognized OPEB expense of $154,866 and $271,241 respectively. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023 Deferred Outflows of Resources	2023 Deferred Inflows of Resources	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences between expected and actual experience	$ 122,928	$ 274,538	$ 184,392	$ 329,445
Changes of assumptions	71,257	841,976	85,508	954,649
Net difference between projected and actual earnings on OPEB plan investments	608,041	-	-	83,339
Employer contributions made subsequent to the measurement date	1,286,552	-	469,802	-
Total	$ 2,088,778	$ 1,116,514	$ 739,702	$ 1,367,433

Deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year ended June 30, 2024. 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:	
2024	
2025	(204,133)
2026	(164,258)
2027	69,704
2028	89,484
2029	(72,871)
Thereafter	(32,214)
Totals	$ (314,288)

11. OTHER POSTEMPLOYMENT BENEFITS – PLAN DISCLOSURES

The following plan disclosures are required to be made in accordance with GASB Statement No. 74. These amounts are for the measurement date June 30, 2023. They will be reported for the District's fiscal year ended June 30, 2024.

Total OPEB liability	$ 13,242,066
Plan fiduciary net position	8,311,795
Net OPEB liability	4,930,271
Percent funded ratio	62.77%

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, 2023 measurement	$ 6,848,150	$ 4,930,271	$ 3,357,689

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

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, 2023 measurement	$ 3,185,682	$ 4,930,271	$ 7,076,770

12. CONTINGENT LIABILITIES AND SELF-INSURANCE

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

12. CONTINGENT LIABILITIES AND SELF-INSURANCE (Continued)

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

For the year ended June 30, 2023, the District paid $45,598 in full or partial settlement of various claims and paid an additional $32,832 for claims adjustment and related legal services. In addition, $583,304 had been provided, net of estimated subrogation rights, for estimated losses on 9 unsettled claims outstanding at the end of the year.

For the year ended June 30, 2022, the District paid $55,926 in full or partial settlement of various claims and paid an additional $46,279 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.

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:

	2023	2022	2021
Amount of claims liabilities, beginning of the year	$ 609,986	$ 468,852	$ 380,039
Incurred claims for the current year and changes in the provision for events of prior years	51,748	243,378	811,043
Payments of claims attributable to the current and prior years	(78,430)	(102,244)	(722,230)
Amount of claims liabilities, end of the year	$ 583,304	$ 609,986	$ 468,852

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

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

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

13. CHANGE IN ACCOUNTING PRINCIPLE

During the fiscal year ended June 30, 2023, the District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). With the implementation, the District is required to record the beginning net position associated with the intangible right-to-use assets and SBITA liability as of July 1, 2021.

The beginning net position of the has been restated as follows:

Business-Type Activities

BEGINNING NET POSITION, JULY 1, 2021	$ 31,290,274
Recording initial balance of intangible right-to-use SBITA assets	38,400
Recording initial balance of SBITA liability	(38,400)
Total net restatement	-
BEGINNING NET POSITION, JULY 1, 2021	$ 31,290,274

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 Nine Calendar Years

Calendar Year Ended December 31,	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total Pension Liability									
Service cost	$ 924,908	$ 846,610	$ 901,614	$ 835,409	$ 721,365	$ 810,388	$ 808,680	$ 778,118	$ 783,068
Interest on the total pension liability	2,787,466	2,627,230	2,573,343	2,474,101	2,300,767	2,304,616	2,217,364	2,140,553	1,938,489
Changes of benefit terms		-	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	184,539	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	(2,204,647)	(2,227,456)	(2,290,389)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)	(1,335,128)
Net change in total pension liability	1,692,266	2,159,595	739,302	1,478,517	3,428,259	101,450	1,194,584	1,084,009	2,779,411
Total Pension Liability - Beginning	39,087,672	36,928,077	36,188,775	34,710,258	31,281,999	31,180,549	29,985,965	28,901,956	26,122,545
Total Pension Liability - Ending (A)	$ 40,779,938	$ 39,087,672	$ 36,928,077	$ 36,188,775	$ 34,710,258	$ 31,281,999	$ 31,180,549	$ 29,985,965	$ 28,901,956
Plan Fiduciary Net Position									
Contributions - employer	$ 583,558	$ 735,936	$ 687,847	$ 464,646	$ 663,813	$ 981,897	$ 1,169,058	$ 658,258	$ 670,876
Contributions - employee	650,449	576,964	479,013	459,437	354,443	321,987	328,613	333,546	310,710
Net investment income	(6,940,331)	7,097,565	5,639,561	6,031,836	(2,133,005)	5,382,920	1,901,586	143,042	1,674,448
Benefit payments, including refunds of employee contributions	(2,309,825)	(2,284,469)	(2,332,165)	(2,004,867)	(1,931,578)	(1,715,072)	(1,571,968)	(1,500,605)	(1,335,128)
Other (Net Transfer)	(31,769)	(23,807)	(26,828)	(65,570)	693,528	(750,726)	207,864	(715,970)	(84,827)
Net change in plan fiduciary net position	(8,047,918)	6,102,189	4,447,428	4,885,482	(2,352,799)	4,221,006	2,035,153	(1,081,729)	1,236,079
Plan Fiduciary Net Position - Beginning	47,200,831	41,098,642	36,651,214	31,684,447	34,037,246	29,816,240	27,781,087	28,862,816	27,626,737
Change in Plan Fiduciary Net Position Due to IMRF Auditors	-	-	-	81,285	-	-	-	-	-
Plan Fiduciary Net Position - Ending (B)	$ 39,152,913	$ 47,200,831	$ 41,098,642	$ 36,651,214	$ 31,684,447	$ 34,037,246	$ 29,816,240	$ 27,781,087	$ 28,862,816
Net Pension Liability (Asset) - Ending (A) - (B)	$ 1,627,025	$ (8,113,159)	$ (4,170,565)	$ (462,439)	$ 3,025,811	$ (2,755,247)	$ 1,364,309	$ 2,204,878	$ 39,140
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.01%	120.76%	111.29%	101.28%	91.28%	108.81%	95.62%	92.65%	99.86%
Covered Valuation Payroll	$ 10,590,894	$ 9,545,211	$ 8,587,356	$ 8,722,889	$ 7,876,504	$ 7,155,258	$ 7,302,495	$ 7,305,587	$ 6,910,358
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	15.36%	-85.00%	-48.57%	-5.30%	38.42%	-38.51%	18.68%	30.18%	0.57%

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

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

See accompanying Notes to Required Supplementary Information.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 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 2022 and 2021 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 21-year closed period (22-year closed period in 2021)

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, 2020 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 Ten Fiscal Years

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	$ 664,085	$ 670,876	$ -	$ 6,910,358	9.71%
2015	685,651	685,651	-	6,809,007	10.07%
2016	1,137,580	1,137,580	-	6,626,856	17.17%
2017	999,568	999,568	-	6,894,788	14.50%
2018	637,808	637,808	-	6,989,415	9.13%
2019	663,813	663,813	-	7,672,953	8.65%
2020	565,614	565,614	-	8,602,850	6.57%
2021	704,063	704,063	-	8,958,473	7.86%
2022	735,936	735,936	-	9,545,211	7.71%
2023	583,559	583,559		10,590,894	5.51%

Notes to Schedule:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 21 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 FY22), projected salary increases assumption of 2.85% to 13.75% (3.25% -14.25% in FY22) compounded annually and postretirement benefit increases of 3.00% compounded annually.

SANGAMON MASS TRANSIT DISTRICT

OTHER POSTEMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Eight Fiscal Years**

MEASUREMENT DATE JUNE 30,	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability								
Service cost	$ 153,529	$ 166,189	$ 188,157	$ 248,074	$ 232,515	$ 250,351	$ 239,570	$ 779,778
Interest	605,879	593,942	594,184	591,517	658,878	620,278	597,166	417,026
Changes of benefit terms	-	213,609	-	-	-	-	-	-
Differences between expected and actual experience	(364,833)	-	(384,352)	-	368,781	-	-	-
Changes of assumptions	(621,945)	(225,498)	99,759	(220,678)	(1,615,062)	-	-	-
Benefit payments, including refunds of employee contributions	(466,552)	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Net change in total OPEB liability	(693,922)	278,440	21,988	143,562	(737,769)	525,490	513,819	876,309
Total OPEB Liability - Beginning	13,935,988	13,657,548	13,635,560	13,491,998	14,229,767	13,704,277	13,190,458	12,314,149
Total OPEB Liability - Ending (A)	$ 13,242,066	$ 13,935,988	$ 13,657,548	$ 13,635,560	$ 13,491,998	$ 14,229,767	$ 13,704,277	$ 13,190,458
Trust Net Position								
Contributions - employer	$ 1,286,552	$ 469,802	$ 778,813	$ 878,998	$ 1,224,679	$ 753,911	$ 1,392,384	$ 903,684
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income (loss)	148,806	(454,867)	254,017	434,772	454,448	182,896	(7,449)	229,864
Administrative expenses	(125,498)	(15,672)	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(466,552)	(469,802)	(475,760)	(475,351)	(382,881)	(345,139)	(322,917)	(320,495)
Other	-	-	-	-	-	-	-	-
Net Change in Net Position Held in Trust	843,308	(470,539)	557,070	838,419	1,296,246	591,668	1,062,018	813,053
Trust Net Position - Beginning	7,468,487	7,939,026	7,381,956	6,543,537	5,247,291	4,655,623	3,593,605	2,780,552
Trust Net Position - Ending (B)	$ 8,311,795	$ 7,468,487	$ 7,939,026	$ 7,381,956	$ 6,543,537	$ 5,247,291	$ 4,655,623	$ 3,593,605
Net OPEB Liability (Asset) - Ending (A) - (B)	$ 4,930,271	$ 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	62.77%	53.59%	58.13%	54.14%	48.50%	36.88%	33.97%	27.24%
Covered Employee Payroll	$ 10,878,672	$ 7,109,749	$ 6,626,676	$ 5,726,525	$ 5,520,606	$ 5,531,169	$ 5,264,646	$ 6,894,788
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	45.32%	90.97%	86.30%	109.20%	125.86%	162.40%	171.88%	139.19%

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

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

See accompanying Notes to Required Supplementary Information.

Actuarial valuation information relative to the determination of contributions:

Valuation Date: July 1, 2022 and July 1, 2021

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 Seven Fiscal Years

	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Actuarially determined contribution	$ 779,949	$ 731,505	$ 831,308	$ 981,120	$ 957,242	$ 829,047	$ 860,074
Contributions in relation to the actuarially determined contribution	1,286,552	469,802	778,812	878,998	1,224,679	753,911	1,392,384
Contribution deficiency (excess)	$ (506,603)	$ 261,703	$ 52,496	$ 102,122	$ (267,437)	$ 75,136	$ (532,310)
Covered-employee payroll	$ 10,878,672	$ 7,109,749	$ 6,626,676	$ 5,726,525	$ 5,520,606	$ 5,531,169	$ 5,264,646
Contributions as a percentage of covered-employee payroll	11.83%	6.61%	11.75%	15.35%	22.18%	13.63%	26.45%

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

SUPPLEMENTAL FINANCIAL INFORMATION

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF FIXED ROUTE OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2023
(With Comparative Actual Totals for June 30, 2022)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2023	Total 2022
LABOR						
Operator's salaries and wages	$ 5,023,449	$ -	$ -	$ -	$ 5,023,449	$ 5,142,104
Operator's paid absences	557,040	-	-	-	557,040	645,500
Other salaries and wages	843,432	1,427,769	152,877	600,832	3,024,910	2,899,512
Other paid absences	143,552	267,462	23,487	97,186	531,687	464,518
FRINGE BENEFITS	2,937,036	1,050,565	-	336,150	4,323,751	1,321,940
SERVICES						
Advertising fees	-	-	-	166,928	166,928	176,319
Professional technical services	-	-	-	135,351	135,351	177,428
Contract maintenance service	-	-	113,839	-	113,839	97,709
Custodial services	-	-	8,304	-	8,304	4,645
Security services	-	-	-	90,031	90,031	2,491
Other services	-	-	-	94,850	94,850	85,172
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	951,897	21,623	-	-	973,520	904,134
Tires and tubes	128,435	-	-	-	128,435	130,773
Other materials and supplies	-	853,768	128,796	106,028	1,088,592	1,027,320
UTILITIES	-	-	-	292,068	292,068	301,185
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	-	-	-	306,698	306,698	294,955
Premiums for physical damage insurance	-	-	-	104,631	104,631	90,197
Recoveries of physical damage losses	-	-	-	(1,307)	(1,307)	(846)
Premiums for other corporate insurance	-	-	-	37,205	37,205	31,380
Uninsured losses, net of recoveries	-	-	-	(17,788)	(17,788)	241,355
LICENSES AND TAXES						
Vehicle licensing and registration fees	-	-	-	-	-	(2,271)
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	23,331	23,331	25,786
Dues and subscriptions	-	-	-	59,150	59,150	54,267
Other	-	-	-	2,323,931	2,323,931	70,903
LEASE EXPENSE	-	-	-	155,767	155,767	7,799
TOTALS	$ 10,584,841	$ 3,621,187	$ 427,303	$ 4,911,042	$ 19,544,373	$ 14,194,275

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF PARATRANSIT OPERATING EXPENSES BEFORE DEPRECIATION

For the Year Ended June 30, 2023
(With Comparative Actual Totals for June 30, 2022)

	Vehicle Operations	Vehicle Maintenance	Facilities Maintenance	General Administration	Total 2023	Total 2022
LABOR						
Operator's salaries and wages	$ 1,002,465	$ -	$ -	$ -	$ 1,002,465	$ 795,260
Operator's paid absences	65,543	-	-	-	65,543	49,572
Other salaries and wages	280,503	53,994	-	89,149	423,646	365,058
Other paid absences	37,053	-	-	13,722	50,775	43,896
FRINGE BENEFITS	572,767	23,427	-	61,392	657,586	105,642
SERVICES						
Advertising fees	-	-	-	-	-	-
Professional technical services	-	-	-	8,901	8,901	9,728
Contract maintenance service	-	-	19,821	-	19,821	47,367
Custodial services	-	-	923	-	923	516
Security services	-	-	-	-	-	-
Other services	-	-	-	10,412	10,412	18,738
MATERIAL AND SUPPLIES CONSUMED						
Fuel and lubricants	318,094	2,243	-	-	320,337	297,609
Tires and tubes	23,967				23,967	22,968
Other materials and supplies	-	92,091	-	3,829	95,920	90,204
UTILITIES	-	-	-	32,092	32,092	31,582
CASUAL AND LIABILITY COSTS						
Premiums for excess liability coverage	-	-	-	34,078	34,078	32,679
Premiums for physical damage insurance	-	-	-	11,626	11,626	10,092
Recoveries of physical damage losses	-	-	-	-	-	-
Uninsured losses, net of recoveries	-	-	-	69,536	69,536	2,023
LICENSES AND TAXES						
Vehicle licensing and registration fees	-	-	-	-	-	-
MISCELLANEOUS EXPENSES						
Travel and meetings	-	-	-	8,531	8,531	929
Dues and subscriptions	-	-	-	5,629	5,629	5,392
Other	-	-	-	8,033	8,033	6,899
LEASE EXPENSE	-	-	-	1,002	1,002	9,933
TOTALS	$ 2,300,392	$ 171,755	$ 20,744	$ 357,932	$ 2,850,823	$ 1,946,087

SANGAMON MASS TRANSIT DISTRICT

COMPUTATION OF FEDERAL OPERATING ASSISTANCE

For the Year Ended June 30, 2023

Projects IL-2022-003-01/IL-2022-013-01	Actual Project Cost
Total Operating Expenses (excluding depreciation)	
Salaries and labor	$ 10,679,515
Benefits	4,094,041
Services	482,432
Materials and supplies	2,746,966
Utilities	324,160
Casualty and liability insurance and losses	544,679
Taxes and licenses	-
Leases and rentals	8,157
Miscellaneous	945,532
Total Operating Expenses (excluding depreciation)	19,825,482
Contra-Expense/Earned Interest	949,726
Eligible Operating Expenses	18,875,756
Less Offsetting Revenues	825,735
Net Project Cost	18,050,021
Local Share	
Local Share	859,562
State operating assistance	12,412,059
Advertising Expenses	154,998
Total Local Share	13,426,619
Net Expenses Before Applying FTA Funds	$ 4,623,402
Federal Assistance Limitation (lesser of)	
100% of net project cost	$ 18,050,021
Net project cost after use of Local Share	$ 4,623,402
Grant award IL-2022-003-01	4,050,188
Grant award IL-2022-013-01	573,214
Total Grant Awards	$ 4,623,402
FY23 Federal Operating Assistance Received	4,139,962
BALANCE DUE FROM (TO) FEDERAL TRANSIT ADMINISTRATION	$ 483,440

REPORT ON FEDERAL AWARDS

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

SIKICH.COM

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sangamon Mass Transit District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 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.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Springfield, Illinois
November 22, 2023

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

SIKICH.COM

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sangamon Mass Transit District's (the District) compliance with the types of compliance requirements identified as subject to audit in *the OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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, 2023.

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 22, 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
November 22, 2023

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

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	$ 464,463
Federal Transit Capital Investment Grants	20.500	IL-2018-026	37,718
Federal Transit Capital Investment Grants	20.500	IL-2021-031	28,782
Federal Transit Capital Investment Grants	20.500	IL-2022-013	378,236
Federal Transit Capital Investment Grants	20.500	IL-90-X744	90,344
Total Federal Transit Capital Investment Grants			999,543
Federal Transit Formula Grants			
Federal Transit Formula Grants	20.507	IL-2022-003	4,050,188
Federal Transit Formula Grants	20.507	IL-2022-013	573,214
Total Federal Transit Formula Grants			4,623,402
Total Department of Transportation			5,622,945
Total Federal Transit Cluster			5,622,945
Total Expenditures of Federal Awards			$ 5,622,945

See Notes to the Schedule of Expenditures of Federal Awards

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, 2023. 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, 2023, 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	$ 4,623,402
Capital assistance	999,543
	$ 5,622,945

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, 2023, 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, 2023

Section I – Summary of Auditor's Results

<u>Financial Statements</u>

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

<u>Federal Awards</u>

Type of auditor's report issued on compliance for major federal programs:	*unmodified*			
Internal control over major federal programs:				
• Material weakness(es) identified?	____	Yes	X	No
• Significant deficiency(ies) identified?	____	Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	____	Yes	X	No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Federal Transit Cluster
20.500	Federal Transit Capital Investment Grants
20.507	Federal Transit Formula Grants

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

SANGAMON MASS TRANSIT DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2023

Prior Finding	Condition	Status
2022-001	Financial Reporting	Not repeated

ILLINOIS DEPARTMENT OF TRANSPORTATION

SIKICH

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

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS APPLICABLE TO THE FINANCIAL ASSISTANCE RECEIVED UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-23-54-IL

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

Report on Compliance

Opinion

We have audited Sangamon Mass Transit District's (the District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2023.

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, 2023.

Basis for Opinion

We conducted our audit on compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the State of Illinois Department of Transportation. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Report of Compliance section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Report of Compliance

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

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

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

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

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

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

Purpose of this Report

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

Sikich LLP

Springfield, Illinois
November 22, 2023

SANGAMON MASS TRANSIT DISTRICT

SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-23-54-IL

For the Year Ended June 30, 2023

OPERATING REVENUES AND INCOME		
4111	Passenger fares for transit services	$ 825,735
4112	Special transit fares	122,738
4130	Non-transportation revenue	26,136
4140	Auxiliary revenue	156,198
4190	Total recoveries	219,719
4500	Federal cash grants and reimbursement	4,623,402
	Total Operating Revenues	5,973,928
OPERATING EXPENSES		
5010	Labor	10,679,515
5015	Fringe benefits	4,094,041
5020	Professional services	482,432
5030	Materials and supplies consumed	2,746,966
5040	Utilities	324,160
5050	Casualty and liability	544,679
5090	Miscellaneous expense	945,532
5220	Leases, rentals, and purchase-lease payments	8,157
	Total Operating Expenses	19,825,482
	Ineligible Expenses:	
	APTA and IPTA dues	-
	Other (Single Audit)	-
	Other (Federally Funded Projects)	730,007
	Other (Q5, misc. ineligible)	-
	CARES Act Expenditures	-
	Unfunded portion of GASB 68 Expense	-
	Less: Total ineligible expenses	730,007
	Total Eligible Operating Expenses	19,095,475
	Total Operating Revenue and Income	5,973,928
	Deficit	13,121,547
	65% of Eligible Expenses	12,412,059
	Maximum Contract Amount	27,241,500
	Eligible FY23 Downstate Operating Assistance (Deficit, 65% of eligible expenses, or maximum contract amount, whichever is less)	12,412,059
	FY23 Downstate Operating Assistance Received (prior to close of fiscal year)	10,269,595
	FY23 Downstate Operating Assistance (Over) Under Paid	$ 2,142,464

None noted