

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT

Urbana, Illinois

**Financial Statements
and Supplementary Information**

For the Years Ended

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Champaign-Urbana Mass Transit District
Urbana, Illinois

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios - IMRF, Schedule of Employer Contributions - IMRF, Notes to the Required Supplementary Information - IMRF, and Schedule of Changes in the Total OPEB Liability and Related Ratios – Other Post-Employment Benefits, listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule 1 is presented for purposes of additional analysis. The accompanying Schedule 2 is presented for purposes of additional analysis as required by the State of Illinois Grant Accountability and Transparency Act. The accompanying Schedules 3 through 10 are presented for the purpose of additional analysis as required by the Illinois Department of Transportation. Accompanying Schedules 11 through 13, including the Schedule of Expenditures of Federal

Awards, are presented for 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*. The information included in Schedules 1 through 13 is not a required part of the basic financial statements.

The schedules 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 including the information in the Schedule of Expenditures of Federal Awards, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, on our consideration of the 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 solely 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 the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
February 14, 2022



Helping our neighbors, friends,
families, and community thrive.



Management's Discussion & Analysis

Champaign-Urbana Mass Transit District

*Financial Audit
June 30, 2021 and 2020*

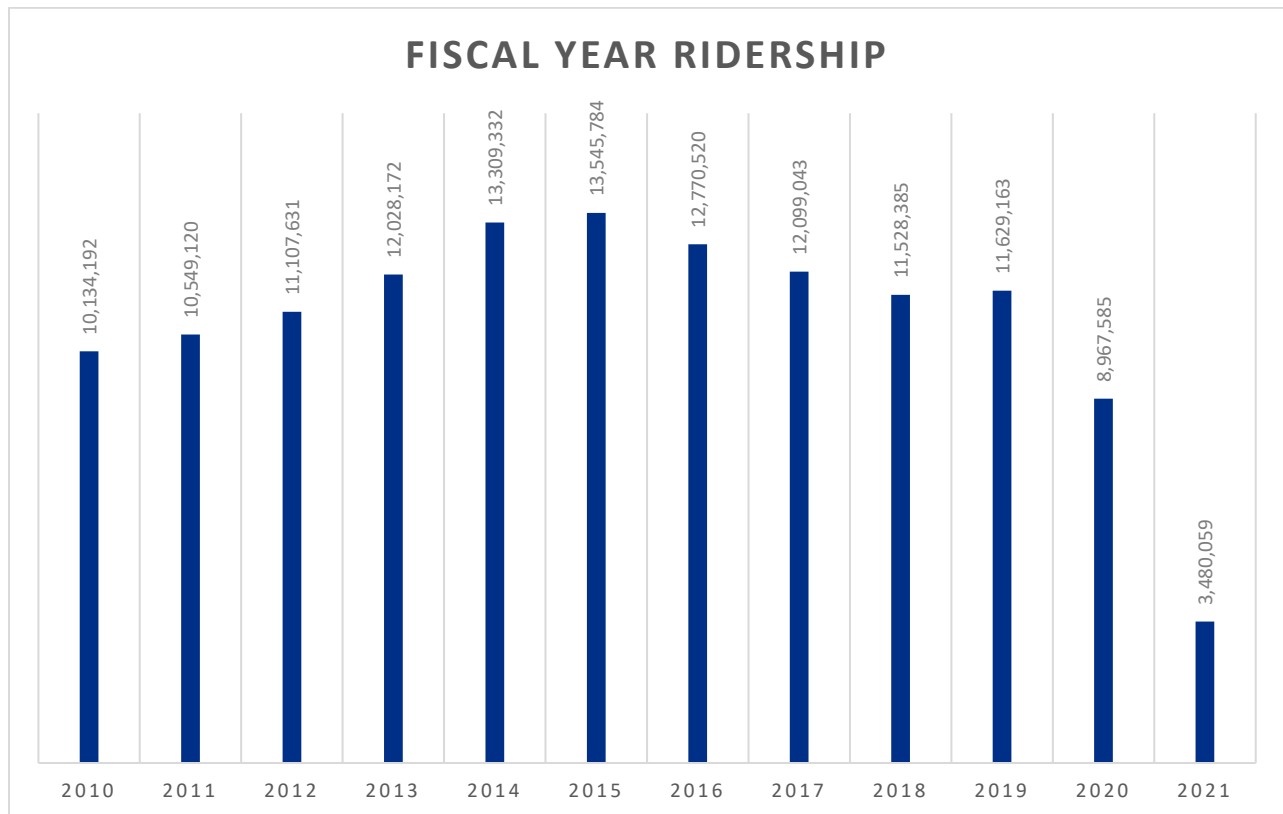


CHAMPAIGN-URBANA MASS TRANSIT DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS June 30, 2021 and 2020

As management of the Champaign-Urbana Mass Transit District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District's fiscal years ended June 30, 2021 and 2020. You are invited to read this narrative in conjunction with the District's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$112,448,357 (net position), an increase of \$ 13,465,370. The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations, was a surplus of \$38,019,369 as of June 30, 2021, and a surplus of \$31,692,664 as of June 30, 2020.
- The District's property tax and replacement tax revenue increased \$579,709 (6%) in FY2021 from the previous year.
- The COVID-19 pandemic caused a \$2,600,757 decrease in operating revenue in FY2021 from the previous year due to the suspension of fare enforcement in March 2020 and continuing through FY2021. Upon request from the University of Illinois, the District provided a discount to the contracted service for four months of FY2020 and eleven months of FY2021. The District has continually reduced campus service in response to the decreased revenue.
- The District was awarded \$12,144,666 in March 2020 from the federal Coronavirus Aid, Relief, and Economic Security Act (CARES) in response to the pandemic. CARES revenue of \$ 8,229,061 and \$2,784,568 was recorded in FY2021 and FY2020, respectively.
- The District was awarded \$ 13,051,564 in December 2020 from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) with \$0 CRRSAA revenue recorded in FY2021.
- The District was awarded \$ 20,227,511 in March 2021 from the federal American Rescue Plan Act (ARPA) with \$0 ARPA revenue recorded in FY2021.
- Non-operating revenues (expenses) increased by \$ 1,976,557 in FY2021 from the previous year.
- The District was awarded a \$17,275,000 million grant from the Federal Transit Administration (FTA) in FY2019. The grant enables the District to move forward with plans to renovate and expand Illinois Terminal, the District's intermodal facility, and partner with a private developer to construct a mixed-use structure for retail, residential, and parking accommodations. The National Environmental Policy Act (NEPA) process, a requirement of the federal grant, began in September 2020 to determine that there are no significant impacts on the environment associated with the development and operation of the proposed project.
- The District was awarded \$ 7,597,500 in November 2020 from the state Rebuild Illinois capital program. The funds will be used to purchase three 60-foot replacement hybrid diesel buses, rehabilitate kiosks, and construct a solar array to power the hydrogen generation and fueling station.



Overview of the Financial Statements

The District's fiscal year ridership was on a steady upward trajectory for fiscal years 2010 through 2015. Fiscal years 2016 through 2018 were challenged by the extensive street closures and extended construction periods caused by the Multimodal Corridor Enhancement (MCORE) Project. Funding for MCORE was provided by federal grant funds as well as the District, the cities of Champaign and Urbana, and the University of Illinois. The MCORE project was completed in FY2021. As some resulting reroutes lifted in FY2019, passengers began enjoying restored access and improved amenities as ridership was again on the rise. Unfortunately, the onset of the COVID-19 pandemic dramatically impacted ridership in the final four months of FY2020 and the entirety of FY2021.

The District employs approximately 360 employees and provides several mobility services including fixed-route buses, direct van service, ADA Paratransit service, a Half-Fare Cab program, and a late-night SafeRides service. Fixed routes are those that operate on a set timetable serving specific destinations throughout Champaign, Urbana, Savoy, and the University of Illinois Campus, and are served by 30-foot, 40-foot and 60-foot buses equipped with adjustable wheelchair ramps to aid boarding. The direct van service, called West Connect, transports passengers from a fixed boundary in west Champaign to one of two transfer points so passengers may then access fixed-route service. ADA Paratransit service is a curb-to-curb transportation service available to persons with disabilities who are unable to use fixed-route services. The Half-Fare Cab Program offers discounted cab rides taken within the District boundaries to seniors 65 and older and to riders with disabilities. SafeRides is a program that provides safe nighttime transportation to individuals who are generally traveling alone, when no other means of safe transportation are available within designated SafeRides boundaries.



The District manages the Champaign-County Area Rural Transit System (C-CARTS) under an intergovernmental agreement with Champaign County. Similar to the District, C-CARTS provides two types of transportation service, demand response and fixed route. Demand response provides safe, convenient, and reliable curb-to-curb transportation service to the general public in Champaign County within rural areas or between rural and urbanized areas, that lie outside of the Champaign-Urbana Mass Transit District. Fixed route provides services within the Village of Rantoul. C-CARTS expenses are 100% funded by state and federal operating grants, subsidies from the entities receiving the service, and fare collections resulting in a net zero cost to the District. C-CARTS was awarded \$579,840 in March 2020 from the federal Coronavirus Aid, Relief, and Economic Security Act (CARES) in response to the pandemic. CARES revenue of \$222,671 and \$357,169 was recorded in FY2021 and FY2020, respectively. C-CARTS was awarded \$466,867 in June 2021 from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the federal American Rescue Plan Act (ARPA) with \$0 revenue recorded in FY2021.

The District focuses on improving mobility in the region, with a particular emphasis on public transportation services. Partnering with city and county planners, state and federal agencies, school districts, the University of Illinois, and other organizations, the District serves as a general advocate and participates actively to promote regional mobility improvements and to support land use and developmental patterns for all modes of travel.

This discussion and analysis provided are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the *statement of net position*, *statement of revenues, expenses and changes in net position*, and *statement of cash flows*.

The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the District's net position changed during the fiscal year, which is the twelve-month period ending June 30. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The *statement of cash flows* presents the increase or decrease in cash and cash equivalents during the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities of the District.

The *notes to the financial statements* provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its obligations to provide pension and other post-employment benefits (OPEB) to its employees.

Financial Analysis

A summary of the District's Statements of Net Position is presented in Table 1.

Table 1

| <u>Net Position (In Millions)</u> | <u>FY2021</u> | <u>FY2020</u> | <u>FY2019</u> |
|---|------------------------|-----------------------|-----------------------|
| Current and other assets | \$ 61.6 | \$ 52.8 | \$ 42.0 |
| Capital assets | 76.8 | 72.9 | 65.1 |
| Deferred outflows of resources | <u>3.3</u> | <u>4.6</u> | <u>10.2</u> |
| Total assets and deferred outflows | <u>141.7</u> | <u>130.3</u> | <u>117.3</u> |
| Current and other liabilities | 13.2 | 12.5 | 7.2 |
| Long-term liabilities | 6.5 | 13.5 | 21.5 |
| Deferred inflows of resources | <u>9.6</u> | <u>5.3</u> | <u>2.8</u> |
| Total liabilities and deferred inflows | <u>29.3</u> | <u>31.3</u> | <u>31.5</u> |
| Net position | | | |
| Net investment in capital assets | 74.4 | 67.3 | 65.1 |
| Restricted by enabling legislation | - | - | - |
| Unrestricted | <u>38.0</u> | <u>31.7</u> | <u>20.7</u> |
| Total net position | <u>\$ 112.4</u> | <u>\$ 99.0</u> | <u>\$ 85.8</u> |

Fiscal Year 2021

Current and other assets increased by \$8.8 million from the prior year primarily due to increased cash and cash equivalents for collection of receivables for debt service funding from IDOT and CARES funding.

Capital assets in FY2021 were \$3.9 million higher than in the prior year due to the start of construction of the hydrogen generation and fueling station and the purchase of two (2) 60-foot hydrogen fuel cell electric buses.

Deferred outflows of resources decreased by \$1.3 million from FY2020 to FY2021 due to improvement in actual pension investment performance favorably impacting funding obligations to provide pension and OPEB benefits to the District's employees.

Current and other liabilities increased by \$0.7 million from the prior year. Accounts payable increased \$3.2 million due to invoices for capital projects. The balance of the District's revolving line of credit was \$2.4 million and \$5.6 million as of June 30, 2021, and June 30, 2020, respectively.



Long-term liabilities decreased by \$7.0 million and deferred inflows of resources increased by \$4.3 million from the prior year due to improvement in actual pension investment performance favorably impacting funding obligations to provide pension and OPEB benefits to the District's employees.

Fiscal Year 2020

Current and other assets increased by \$10.8 million from the prior year primarily due to larger receivables for debt service funding from IDOT and CARES funding.

Capital assets in FY2020 were \$ 7.8 million higher than in the prior year due to the purchase of five (5) 40-foot hybrid buses and six (6) 60-foot hybrid buses and the start of the hydrogen fuel cell project.

Deferred outflows of resources decreased by \$5.6 million from FY2019 to FY2020 due to significant improvement in actual pension investment performance favorably impacting funding obligations to provide pension and OPEB benefits to the District's employees.

The balance of the District's revolving line of credit was \$5.6 million as of June 30, 2020, causing a \$5.3 million increase in current and other liabilities from FY2019 to FY2020. No amount was owed on the revolving line of credit as of June 30, 2019.

Long-term liabilities decreased by \$8 million and deferred inflows of resources increased by \$2.5 million from the prior year due to significant improvement in actual pension investment performance favorably impacting funding obligations to provide pension and OPEB benefits to the District's employees.

Net Position

The District's overall net position in FY2021 increased by \$13.5 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections.

A summary of the District's Statements of Revenues, Expenses, and Changes in Net Position is presented in Table 2.

Table 2

| <u>Changes in Net Position (In Millions)</u> | <u>FY2021</u> | <u>FY2020</u> | <u>FY2019</u> |
|--|-----------------|----------------|----------------|
| <u>Operating revenues</u> | | | |
| Revenues from transportation | | | |
| Services | \$ 4.5 | \$ 6.9 | \$ 7.4 |
| C-CARTS | 0.1 | 0.1 | 0.2 |
| Other operating revenues | 0.8 | 1.0 | 0.9 |
| Total operating revenues | <u>5.4</u> | <u>8.0</u> | <u>8.5</u> |
| <u>Operating expenses</u> | | | |
| Operations | 22.0 | 24.0 | 23.0 |
| Maintenance | 7.2 | 7.5 | 7.1 |
| General administration and | | | |
| Illinois Terminal | 7.2 | 6.2 | 7.5 |
| C-CARTS | 0.7 | 0.8 | 0.7 |
| Depreciation | 7.4 | 6.6 | 6.9 |
| Total operating expenses | <u>44.5</u> | <u>45.1</u> | <u>45.2</u> |
| <u>Operating loss</u> | <u>(39.1)</u> | <u>(37.1)</u> | <u>(36.7)</u> |
| <u>Non-Operating Revenues</u> | | | |
| Taxes | 9.8 | 9.3 | 9.0 |
| Assistance Grants - CUMTD | 37.4 | 35.5 | 25.6 |
| Assistance Grants – C-CARTS | 0.7 | 0.7 | 0.5 |
| Other Non-Operating Revenues | 0.1 | 0.6 | 0.3 |
| Total non-operating revenues | <u>48.0</u> | <u>46.1</u> | <u>35.4</u> |
| Income (loss) before capital contributions | 8.9 | 9.0 | (1.3) |
| <u>Capital contributions</u> | | | |
| Capital grants | <u>4.5</u> | <u>4.2</u> | <u>2.2</u> |
| Change in net position | 13.4 | 13.2 | 0.9 |
| Net position, beginning of year | <u>99.0</u> | <u>85.8</u> | <u>84.9</u> |
| Net position, end of year | <u>\$ 112.4</u> | <u>\$ 99.0</u> | <u>\$ 85.8</u> |

Fiscal Year 2021

Operating revenues decreased \$2.6 million from prior year due to no fare enforcement and a discount to contracted service with the University of Illinois for the entirety of FY2021. Operating expenses and non-operating revenues (expenses) had little change from FY2020 to FY2021.

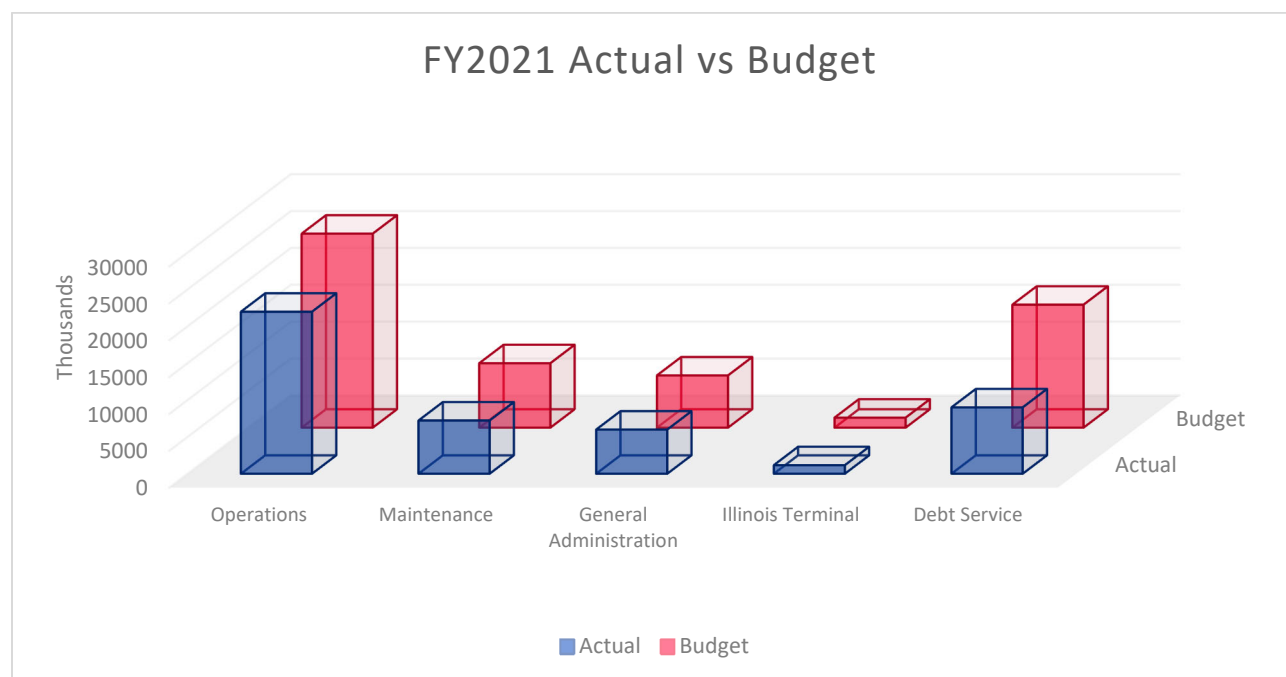
Fiscal Year 2020

Operating revenues and operating expenses had little change from FY2019 to FY2020. Non-operating revenue increased by \$10.7 million from the prior year primarily due to debt service funding from the IDOT towards the purchase of five (5) 40-foot hybrid buses and six (6) 60-foot hybrid buses and the start of the hydrogen fuel cell project.

Budgetary Highlights

Fiscal Year 2021

The Board of Trustees approved the District's budget for FY2021 on June 24, 2020. The budget included operating expenses of \$60.2 million, excluding depreciation and C-CARTS operating expenses, and including \$16.7 million of debt service.

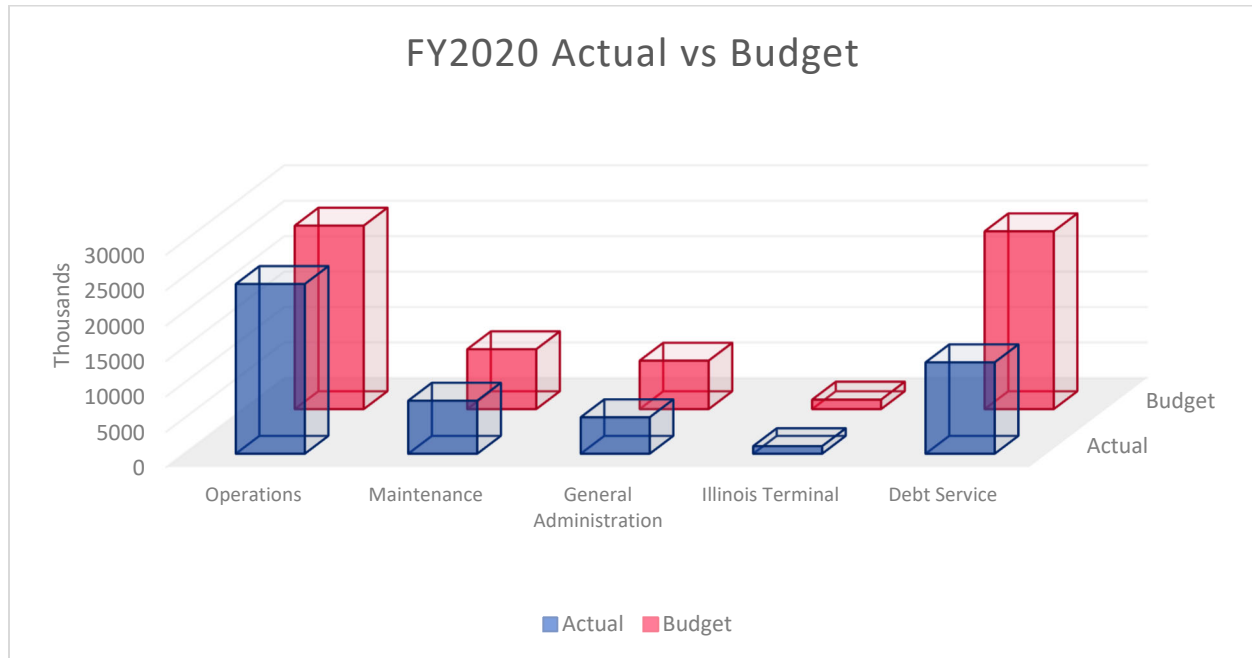


Operating expenses for Operations, Maintenance, General Administration, and Illinois Terminal were all below budget in FY2021.

Debt service of \$9.0 million was under the budget of \$16.7 million due to delayed timing of the hydrogen fuel project. Additional progress is planned for the hydrogen fuel project in FY2022.

Fiscal Year 2020

The Board of Trustees approved the District's budget for FY2020 on June 26, 2019. The budget included operating expenses of \$67.6 million, excluding depreciation and C-CARTS operating expenses, and included \$25.1 million of debt service.



Operating expenses for Operations, Maintenance, General Administration, and Illinois Terminal were all below budget in FY2020.

Debt service of \$13.1 million was under the budget of \$25.1 million due to delayed timing of the hydrogen fuel project. Additional progress is planned for the hydrogen fuel project in FY2021.

Capital Assets and Debt Administration

Capital Assets:

A summary of the District's Capital Assets is presented in Table 3.

Table 3

| <u>Capital Assets</u> | <u>FY2021</u> | <u>FY2020</u> | <u>FY2019</u> |
|--------------------------------|---------------------|---------------------|---------------------|
| Land | \$2,297,236 | \$2,297,236 | \$2,297,236 |
| Construction in Progress | 11,931,214 | 13,373,022 | 1,338,930 |
| Land Improvements | 271,445 | 271,445 | 279,445 |
| Office, Garage, and Buildings | 50,587,598 | 47,744,479 | 47,686,538 |
| Leasehold Improvements | 2,640,906 | 2,640,906 | 2,640,906 |
| Revenue Vehicles | 69,869,002 | 63,518,237 | 65,261,120 |
| Service Vehicles | 634,986 | 634,986 | 634,986 |
| Passenger Shelters | 4,680,009 | 4,163,632 | 2,958,773 |
| Intangibles | 191,582 | 191,582 | 176,200 |
| Other Equipment | <u>6,662,526</u> | <u>6,587,256</u> | <u>5,504,110</u> |
| | 149,766,504 | 141,422,781 | 128,778,244 |
| Less: Accumulated Depreciation | <u>72,974,572</u> | <u>68,524,637</u> | <u>63,652,518</u> |
| Net Capital Assets | <u>\$76,791,932</u> | <u>\$72,898,144</u> | <u>\$65,125,726</u> |

The District's investment in capital assets is \$76.8 million (net of accumulated depreciation) as of June 30, 2021, and \$72.9 million (net of accumulated depreciation) as of June 30, 2020. This investment in capital assets includes land, buildings, construction in progress, vehicles, equipment, leasehold improvements, passenger shelters, and intangibles. The total net increase in capital assets for the current fiscal year is 5%.

A summary of the District's Fiscal Year 2021 Major Additions is presented in Table 4.

Table 4

| <u>FY2021 Major Additions</u> | |
|---|----------------------|
| Procurement of 2 Hydrogen Fuel Cell Buses – 60-foot | \$ 3,135,433 |
| Hydrogen Fuel Cell Project | 6,530,242 |
| 1101 E. University Rehabilitation Project | <u>1,024,862</u> |
| Total | <u>\$ 10,690,537</u> |



A summary of the District's Fiscal Year 2021 budget for Locally Funded Capital Projects is presented in Table 5.

Table 5

| | |
|--|---------------------|
| Property Procurement | \$ 700,000 |
| Passenger Shelters, Bus Stops, and Associated Work | 300,000 |
| 1101 E. University Rehabilitation | 270,000 |
| Miscellaneous Facility Improvements | 150,000 |
| Miscellaneous Equipment Improvements | 75,000 |
| MCORE - Multimodal Corridor Enhancement | <u>106,650</u> |
| Total | <u>\$ 1,601,650</u> |

The District's FY2021 capital budget called for \$1.6 million in local dollars plus \$16.7 million of State of Illinois debt service funds.

More detailed information about the District's capital assets is presented in Notes 2 and 6 to the financial statements.

A summary of the District's Fiscal Year 2020 Major Additions is presented in Table 6.

Table 6

| | |
|---|----------------------|
| FY2020 Major Additions | |
| Procurement of 6 Hybrid Buses – 60-foot | \$ 5,874,521 |
| Procurement of 5 Hybrid Buses – 40-foot | 3,380,156 |
| Hydrogen Fuel Cell Project | <u>2,137,885</u> |
| Total | <u>\$ 11,392,562</u> |

A summary of the District's Fiscal Year 2020 budget for Locally Funded Capital Projects is presented in Table 7.

Table 7

| | |
|--|---------------------|
| Architectural & Engineering | \$ 1,500,000 |
| Passenger Shelters, Bus Stops, and Associated Work | 300,000 |
| Miscellaneous Facility Improvements | 200,000 |
| 51 E. Chester Rehabilitation | 1,000,000 |
| MCORE - Multimodal Corridor Enhancement | <u>332,000</u> |
| Total | <u>\$ 3,332,000</u> |

The District's FY2020 capital budget called for \$3.3 million in local dollars plus \$25.1 million of State of Illinois debt service funds.



Short-term Debt: At the end of the current fiscal year, the District had total short-term debt outstanding of \$2.4 million compared to \$5.6 million short-term debt outstanding in the prior fiscal year.

The District maintained two lines of credit with a local bank during FY2021. The first is a \$10 million straight line of credit secured by substantially all the District's assets. The second line of credit is a \$6 million revolving line of credit secured by substantially all the District's assets.

Long-term Debt: The District has three long-term debt obligations: an early retirement plan liability, a pension liability, and other postemployment benefits (OPEB) liability.

The early retirement plan liability decreased \$0.2 million during FY2021. Future changes in the liability accrual for the early retirement plan cannot be predicted, as participation is at the discretion of eligible employees. More detailed information about the District's early retirement plan liability is presented in Note 8 to the financial statements.

The pension liability decreased \$7 million during FY2021. Net pension liability recognition began in FY2015 due to the implementation of GASB 68. No pension liabilities had been recorded in prior fiscal years. More detailed information about the District's pension liability is presented in Note 11 to the financial statements.

The OPEB liability had little change from FY2020 to FY2021. GASB Statement 75 was adopted effective July 1, 2017 and a cumulative OPEB liability of \$1.5 million was recorded as of that date. No OPEB liabilities had been recorded prior to FY2018 under the previous accounting standard. More detailed information about the District's OPEB liability is presented in Note 12.

It is unclear whether the District will take on additional long-term debt in the coming years for the acquisition of property, construction, and equipment.

Economic Factors and Next Year's Budget

- Funding, ridership, and level of service are uncertain due to the economic and social impact of the COVID-19 pandemic.
- The District's total appropriations budget for FY2022 is \$58.3 million. This consists of \$1.8 million in locally funded projected capital expenditures as well as \$56.4 million in projected operating expenses, including \$10.6 million in debt service, excluding depreciation.
- The State of Illinois Operating Assistance budget for FY2022 has been approved. The contract was fully executed on August 25, 2021, for eligible operating expense reimbursement up to \$36.8 million, including \$10.6 million of debt service.
- The obligations of the State of Illinois to fund the Illinois Downstate Operating Assistance Program were met in FY2021.
- The District's Federal Section 5307 formula funds apportioned during Federal FY2022 (October 2021 through September 2022) will be based on FY2019 data reported to the National Transit Database (NTD) so that funding is not impacted by reduced service during the COVID-19 pandemic. Federal Section 5307 Formula funds are typically based on the prior year's NTD data.
- The Fixing America's Surface Transportation (FAST) Act was extended through December 3, 2021.
- In November 2021 the Infrastructure Investment and Jobs Act (IIJA) was passed which includes Surface Transportation Reauthorization legislation to fund transit programs for federal FY2022 – FY2026.



- The Federal government passed a Continuing Resolution (CR) to maintain funding through February 18, 2022, but Congress still needs to pass a full FY2022 budget (or another CR) for the District to receive its Federal Section 5307 appropriation in FY2022.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Managing Director or Finance Director, Champaign-Urbana Mass Transit District, 1101 East University Avenue, Urbana, IL 61802.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Statements of Net Position
June 30, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 9,676,703 | \$ 3,660,681 |
| Receivables | | |
| Property Tax, Net of Allowance of \$6,267 and \$36,400, Respectively | 4,557,682 | 6,368,355 |
| State Operating Assistance Grant - CUMTD, Net of Grant Payables | 3,972,617 | 11,236,965 |
| Other Grants | 3,871,605 | 4,812,427 |
| Other | 1,257,543 | 536,690 |
| Inventories | 1,510,603 | 1,807,420 |
| Prepaid Expenses | 1,273,535 | 1,648,811 |
| Total Current Assets | <u>26,120,288</u> | <u>30,071,349</u> |
| Capital Assets | | |
| Land and Construction in Progress, Not Being Depreciated | 14,228,450 | 15,670,258 |
| Other Property and Equipment, Net of Depreciation | 62,563,482 | 57,227,886 |
| Total Capital Assets | <u>76,791,932</u> | <u>72,898,144</u> |
| Other Assets | | |
| Capital Reserves: | | |
| Cash and Cash Equivalents | 33,280,609 | 19,098,821 |
| Investments | 2,233,374 | 3,657,155 |
| Total Other Assets | <u>35,513,983</u> | <u>22,755,976</u> |
| Total Assets | <u>138,426,203</u> | <u>125,725,469</u> |
| Deferred Outflows of Resources | | |
| Deferred Amount Related to Net Pension Liability | 3,144,816 | 4,440,895 |
| Deferred Amount Related to OPEB Liability | 196,812 | 192,033 |
| Total Deferred Outflows of Resources | <u>3,341,628</u> | <u>4,632,928</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 141,767,831</u> | <u>\$ 130,358,397</u> |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

| | | |
|---|-----------------------|-----------------------|
| Current Liabilities | | |
| Accounts Payable | \$ 4,404,593 | \$ 1,199,032 |
| Accrued Expenses | 4,454,215 | 4,218,254 |
| Unredeemed Yearly Passes and Tokens | 4,121 | 40,827 |
| Accrued Interest | 5,535 | 4,995 |
| Workers' Compensation Liability | 329,262 | 207,764 |
| Obligations Under Incentive and Early Retirement Plans | 263,617 | 349,795 |
| Notes Payable | 2,362,944 | 5,607,821 |
| Other Current Liabilities | 1,393,268 | 898,636 |
| Total Current Liabilities | <u>13,217,555</u> | <u>12,527,124</u> |
| Long-Term Liabilities | | |
| Net Pension Liability | 4,447,517 | 11,473,061 |
| OPEB Liability | 1,714,209 | 1,677,699 |
| Obligations Under Incentive and Early Retirement Plans, Net of Current | 293,550 | 362,823 |
| Total Long-Term Liabilities | <u>6,455,276</u> | <u>13,513,583</u> |
| Total Liabilities | <u>19,672,831</u> | <u>26,040,707</u> |
| Deferred Inflows of Resources | | |
| Deferred Amount Related to Net Pension Liability | 9,628,588 | 5,314,417 |
| Deferred Amount Related to OPEB Liability | 18,055 | 20,286 |
| Total Deferred Inflows of Resources | <u>9,646,643</u> | <u>5,334,703</u> |
| Net Position | | |
| Net Investment in Capital Assets | 74,428,988 | 67,290,323 |
| Unrestricted | 38,019,369 | 31,692,664 |
| Total Net Position | <u>112,448,357</u> | <u>98,982,987</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 141,767,831</u> | <u>\$ 130,358,397</u> |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|------------------------------|-----------------------------|
| Operating Revenues | | |
| Yearly Passes | \$ 3,436,345 | \$ 5,365,829 |
| Student Fares and School Bus Service | 741,889 | 732,318 |
| Full Adult Fares | - | 447,607 |
| Rental of Equipment and Buildings | 464,157 | 455,630 |
| ADA Services | 319,534 | 325,135 |
| Advertising | 225,303 | 320,048 |
| C-CARTS | 104,462 | 145,823 |
| Half-Fare Cab | 11,847 | 52,674 |
| Miscellaneous | 66,208 | 125,438 |
| Total Operating Revenues | <u>5,369,745</u> | <u>7,970,502</u> |
| Operating Expenses | | |
| Operations | 21,974,004 | 23,957,946 |
| Maintenance | 7,222,159 | 7,489,729 |
| General Administration | 5,989,132 | 5,147,864 |
| Illinois Terminal | 1,161,300 | 1,069,780 |
| C-CARTS | 709,430 | 767,739 |
| Depreciation | 7,405,215 | 6,619,835 |
| Total Operating Expenses | <u>44,461,240</u> | <u>45,052,893</u> |
| Operating Loss | <u>(39,091,495)</u> | <u>(37,082,391)</u> |
| Non-Operating Revenues (Expenses) | | |
| Property Taxes | 9,565,684 | 9,075,460 |
| State Replacement Taxes | 317,011 | 227,526 |
| Government Grants and Assistance | | |
| State Operating Assistance - CUMTD | 29,184,309 | 32,526,952 |
| Federal Operating Assistance - CUMTD | 8,236,482 | 2,936,762 |
| State Operating Assistance - C-CARTS | 313,837 | 204,462 |
| Federal Operating Assistance - C-CARTS | 376,542 | 511,040 |
| Gain on Disposal of Property and Equipment | 3,045 | 8,737 |
| Interest Expense | (64,364) | (2,479) |
| Investment Income | 105,813 | 573,342 |
| Total Non-Operating Revenues | <u>48,038,359</u> | <u>46,061,802</u> |
| Net Income Before Capital Contributions | 8,946,864 | 8,979,411 |
| Capital Contributions | | |
| Capital Grants | <u>4,518,506</u> | <u>4,234,134</u> |
| Change in Net Position | 13,465,370 | 13,213,545 |
| Net Position, Beginning of Year | <u>98,982,987</u> | <u>85,769,442</u> |
| Net Position, End of Year | <u><u>\$ 112,448,357</u></u> | <u><u>\$ 98,982,987</u></u> |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|----------------------|----------------------|
| Cash Flows From Operating Activities | | |
| Receipts from Customers | \$ 4,604,245 | \$ 7,971,815 |
| Payments to Vendors | (15,060,686) | (19,444,292) |
| Payments to Employees | (19,910,418) | (20,004,190) |
| Net Cash Used in Operating Activities | <u>(30,366,859)</u> | <u>(31,476,667)</u> |
| Cash Flows From Non-Capital and Related Financing Activities | | |
| State Operating Assistance Grants Proceeds Received | 36,762,494 | 28,957,310 |
| Federal Operating Assistance Grant Proceeds Received | 8,712,383 | 2,840,164 |
| Tax Proceeds Received | 11,693,368 | 9,675,454 |
| Net Cash Provided by Non-Capital and Related Financing Activities | <u>57,168,245</u> | <u>41,472,928</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Proceeds from Capital Grants | 5,359,969 | 29,345 |
| Proceeds from the Sale of Property and Equipment | 3,045 | 16,737 |
| Purchases of Property and Equipment | (7,797,431) | (8,519,017) |
| Payments of Accounts Payable for Capital Asset Additions Prior to Fiscal Year | - | (18,682) |
| Principal Advances on Notes Payable | 6,094,096 | 321,235 |
| Principal Paid on Notes Payable | (11,736,966) | (321,235) |
| Interest Paid on Notes Payable | (63,824) | (3,085) |
| Net Cash Used in Capital and Related Financing Activities | <u>(8,141,111)</u> | <u>(8,494,702)</u> |
| Cash Flows From Investing Activities | | |
| Proceeds from Sales and Maturities of Investments | 1,423,781 | 1,998,326 |
| Interest Received | 113,754 | 578,853 |
| Net Cash Provided by Investing Activities | <u>1,537,535</u> | <u>2,577,179</u> |
| Increase in Cash and Cash Equivalents | 20,197,810 | 4,078,738 |
| Cash and Cash Equivalents - Beginning of Year | <u>22,759,502</u> | <u>18,680,764</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 42,957,312</u> | <u>\$ 22,759,502</u> |
| Presented on the Statement of Net Position as Follows: | | |
| Cash and Cash Equivalents | \$ 9,676,703 | \$ 3,660,681 |
| Capital Reserves-Cash and Cash Equivalents | 33,280,609 | 19,098,821 |
| Total | <u>\$ 42,957,312</u> | <u>\$ 22,759,502</u> |
| Noncash Capital and Related Financing Activities | | |
| Capital Assets Acquired Through Accounts Payable | <u>\$ 721,628</u> | <u>\$ 273,415</u> |
| Capital Assets Acquired Through Other Current Liabilities | <u>\$ 417,000</u> | <u>\$ -</u> |
| Capital Assets Related Accounts Payable Converted to Debt | <u>\$ 35,049</u> | <u>\$ 71,395</u> |
| Capital Assets Acquired Through Debt Issuance | <u>\$ 2,362,944</u> | <u>\$ 5,607,821</u> |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|-----------------|-----------------|
| Reconciliation of Operating Loss to Net Cash Used in Operating Activities | | |
| Operating Loss | \$ (39,091,495) | \$ (37,082,391) |
| Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities | | |
| Depreciation | 7,405,215 | 6,619,835 |
| Changes in Assets and Liabilities: | | |
| Other Receivables | (728,794) | 38,803 |
| Inventories | 296,817 | (264,552) |
| Prepaid Expenses | 375,276 | (310,321) |
| Deferred Outflow of Resources Related to Net Pension Liability | 1,296,079 | 5,650,144 |
| Deferred Outflow of Resources Related to OPEB Liability | (4,779) | (152,406) |
| Accounts Payable and Accrued Expenses | 2,876,441 | (136,827) |
| Unredeemed Yearly Passes and Tokens | (36,706) | (37,490) |
| Net Pension Liability | (7,025,544) | (7,986,698) |
| OPEB Liability | 36,510 | 36,834 |
| Obligations Under Incentive and Early Retirement Plans | (155,451) | 99,959 |
| Other Current Liabilities | 77,632 | (507,515) |
| Deferred Inflows of Resources Related to Net Pension Liability | 4,314,171 | 2,558,589 |
| Deferred Inflows of Resources Related to OPEB Liability | (2,231) | (2,631) |
| Net Adjustments | 8,724,636 | 5,605,724 |
| Net Cash Used in Operating Activities | \$ (30,366,859) | \$ (31,476,667) |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Notes to Basic Financial Statements
June 30, 2021 and 2020

1. Nature of Operations and the Reporting Entity

The Champaign-Urbana Mass Transit District (the District) is a governmental unit that provides public transportation for the people of Champaign-Urbana, Illinois. The District operates as an enterprise fund, which accounts for operations in a manner similar to private business enterprises – where the intent of the governing body (the Board of Trustees) is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered in part through user charges.

The reporting entity of the District was determined based on the oversight responsibility and scope of the public services provided. Oversight responsibility is measured by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, there are no agencies or other units that have been or should be combined with the financial statements of the District.

The District also manages the Champaign County Area Rural Transit System (C-CARTS) under an intergovernmental agreement with Champaign County. C-CARTS provides two types of transportation service, demand response and fixed route. Demand response provides safe, convenient, and reliable curb-to-curb transportation service to the general public in Champaign County within rural areas or between rural and urbanized areas, that lie outside of the Champaign-Urbana Mass Transit District, and fixed route provides services within the Village of Rantoul. C-CARTS expenses are funded by state and federal operating grants, subsidies from the entities receiving services, and fare collections resulting in a net zero cost to the District.

2. Summary of Significant Accounting Policies

- a. The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. For the purposes of preparing the statement of cash flows, the District considers restricted and unrestricted currency, demand deposits, and money market accounts as cash and cash equivalents.
- c. State statutes authorize the District to invest in: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds

investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations of the Federal National Mortgage Association; repurchase agreements; and the investment pools managed by the State Treasurer of Illinois.

- d. The District levies property taxes each year, on all taxable real property located within the District, on or before the last Tuesday in December. The 2020 tax levy was passed by the Board of Trustees on December 9, 2020. Property taxes attach as an enforceable lien on property as of January 1 each year and are payable in two installments on June 1, and September 1. The District typically receives significant distributions of tax receipts approximately one month after these due dates. Revenue from property taxes is recognized in the period for which it was levied. Property tax revenue for the years ended June 30, 2021 and 2020 was from the 2020 and 2019 levies, respectively. Property tax receivables have been reduced to the estimated amount to be collected based on historical collection experience. Property taxes paid by constituents may be contested. The District has recorded unearned revenue of \$601,688 for the years ended June 30, 2021 and 2020, that represent property taxes collected from two constituents that have contested their property tax payments. The unearned revenue is included in other current liabilities on the statements of net position.
- e. Inventory is stated at the lower of cost or market. Cost is determined on an average cost basis.
- f. Property and equipment are recorded at cost, while contributed capital assets are valued at estimated acquisition value at the time of contribution. Major additions and those expenditures that substantially increase the useful life of an asset are capitalized. The District's capitalization threshold for property and equipment is \$10,000 per unit. Maintenance, repairs, and minor additions and expenditures are expensed when incurred. The District provides for depreciation using the straight-line method with the following useful lives:

| | <u>Years</u> |
|---------------------------|--------------|
| Structure | |
| Building | 40-50 |
| Remodeling | 10-25 |
| Carpet | 5 |
| Vans and Autos | 5-7 |
| Buses | 12 |
| Office Equipment | 5-12 |
| Bus Accessories and Parts | 10-12 |
| Bus Shelters | 3-15 |
| Radios | 5-10 |
| Shop Equipment | 7-10 |
| Tow Truck | 5-10 |

- g. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category, pension related deferred outflows and other postemployment benefits (OPEB) related deferred outflows. The pension related deferred outflow consists of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date of the net pension liability, December 31, 2020 and 2019, but before the end of the District's reporting periods of June 30, 2021 and 2020, respectively. This item will be included in the net pension liability and pension expense calculation in subsequent fiscal years. The OPEB-related deferred outflow consists of unrecognized items not yet charged to OPEB expense. This item will be included in the OPEB liability and OPEB expense calculations in subsequent fiscal years.

The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category, pension related deferred inflows and other postemployment benefits related deferred inflows. The pension-related deferred inflow consists of unrecognized items not yet charged to pension expense. This item will be included in the net pension liability and pension expense calculation in subsequent fiscal years. The OPEB-related deferred inflow consists of unrecognized items not yet charged to OPEB expense. This item will be included in the OPEB liability and OPEB expense calculations in subsequent fiscal years.

- h. The District calculates the liability for unused vacation and earned time using the vesting method. The District considers the liability for accrued compensated absences to be a current liability, and it is included with accrued expenses on the statements of net position.
- i. The District's net position is classified as follows:
- Net Investment in Capital Assets – This represents the District's capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent funds related to that debt 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.
 - Restricted Net Position – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation. There was no restricted net position at June 30, 2021.
 - Unrestricted Net Position – This includes resources 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 restricted resources first then unrestricted resources as they are needed.

- j. Revenue from the corporate personal property replacement tax is recognized in the period when the taxes have been collected by the state of Illinois.
- k. Operating revenues include all revenues from the provision of a service by the District. These services include the provision of public transportation, the rental of facilities and land, and the leasing of advertising signage on revenue vehicles. All other revenues are considered non-operating or other revenues.
- l. Operating grant revenue is recognized as it is earned. Capital grant revenue is recorded as capital grant expenditures are incurred.
- m. The proceeds from the sale of yearly passes are recorded as liabilities (unearned) when received, and the revenue is recorded evenly throughout the period for which the passes apply.
- n. Assets that are not available to finance general obligations of the District are reported as restricted on the statements of net position. The District's policy is to apply restricted resources first when an expense is incurred for a purpose for which restricted and unrestricted net position is available.
- o. 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 financial statements.
- p. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant estimates at June 30, 2021 include the allowance for uncollectible receivables, the useful lives of capital assets, the valuation of the liability for pensions, the valuation of the liability for other post-employment benefits and the allowable expenses charged to grants.

3. Deposits and Investments

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy addresses custodial credit risk by requiring the diversification of the deposits so that losses at any one institution will be minimized. At June 30, 2021, \$42,324,471 of the District's \$45,261,446 bank balance, which reconciled to a book balance of \$42,957,312 of cash and cash equivalents and \$2,233,374 of investments, was exposed to custodial credit risk. Of the amount exposed, \$42,324,471 was fully collateralized by securities and an irrevocable letter of credit pledged by the financial institutions. The pledged securities are held by a third party, but not in the name of the District.

Investments

Investments include negotiable certificates of deposit with original maturities in excess of three months. Investments are carried at fair value (which for certificates of deposit is essentially cost) and are included in other assets on the statement of net position. As of June 30, 2021 and 2020, the District held \$2,231,399 and \$3,649,619, respectively, in negotiable certificates of deposits. At June 30, 2021 and 2020, the District also held \$1,975 and \$7,536, respectively, in cash in its investment brokerage account.

Fair Value Measurements

The District categorizes its fair value measurements of investments within the fair value hierarchy established by GAAP. The three levels of the fair value hierarchy are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical investments
- Level 2 – inputs (other than quoted prices included within Level 1) that are observable for the investment, either directly or indirectly.
- Level 3 – unobservable inputs – market data are not available and are developed using the best information available about the assumptions that market participants would use when pricing an investment.

The fair value of investments measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The District has the following fair value measurements as of June 30, 2021 and 2020:

| | | June 30, 2021 | | |
|---------------------------------|---------------------|------------------------|----------------|---------|
| | | Fair Value Measurement | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| Certificates of Deposit | | | | |
| (Negotiable) | \$ 2,231,399 | \$ - | \$ 2,231,399 | \$ - |
| Cash | 1,975 | | Not Applicable | |
| Total | <u>\$ 2,233,374</u> | | | |
| | | June 30, 2020 | | |
| | | Fair Value Measurement | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| Certificates of Deposit | | | | |
| (Negotiable) | \$ 3,649,619 | \$ - | \$ 3,649,619 | \$ - |
| Cash | 7,536 | | Not Applicable | |
| Total | <u>\$ 3,657,155</u> | | | |

Debt securities classified in Level 2 of the fair value hierarchy are valued using inputs other than quoted prices that are directly observable. There have been no changes in the valuation techniques used during the years ended June 30, 2021 and 2020.

Interest Rate Risk – Investments

Interest rate risk is the risk that a change in the market rate of interest for a category of debt securities will negatively impact the fair value of a debt security. Interest rate risk is addressed by the District's investment policy by preferentially targeting investments with maturities of 180 days and limiting the percentage of investments with maturities over two years, over one year, and under sixty days.

At June 30, 2021, the District held the following investments subject to interest rate risk:

| | June 30, 2021 | |
|------------------------------------|---------------------|---------------------|
| | | Weighted Average |
| | Carrying Value | Maturity (Yrs) |
| Negotiable Certificates of Deposit | <u>\$ 2,231,399</u> | <u>0.73</u> |

Custodial Credit Risk – Investments

At June 30, 2021, the District had \$1,731,399 in excess of insurance coverage provided by the Securities Investor Protection Corporation. The District's investment policy does not address the custodial credit risk of investment.

4. Receivables

State Operating Grants Assistance

During the years ended June 30, 2021 and 2020, the Illinois Department of Transportation (IDOT) reimbursed the District for up to sixty-five percent of the District's eligible operating expenses. The amount of reimbursements is limited to the maximum amount specified in the grant agreements. The District is required to return to IDOT any unspent grant amounts. The final estimated grant amount for each fiscal year is subject to review and approval of the eligible expenses by IDOT.

As of June 30, 2021 and 2020, the estimated amounts (due to) and due from IDOT, respectively, are as follows:

| | 2021 | 2020 |
|----------------------------------|---------------------|----------------------|
| Fiscal Year 2021 Grant Agreement | \$ 2,498,250 | \$ - |
| Fiscal Year 2020 Grant Agreement | 374,764 | 10,137,362 |
| Fiscal Year 2019 Grant Agreement | 28,805 | 28,805 |
| Fiscal Year 2018 Grant Agreement | (486,652) | (486,652) |
| Fiscal Year 2017 Grant Agreement | 2,578,294 | 2,578,294 |
| Fiscal Year 2016 Grant Agreement | (340,718) | (340,718) |
| Fiscal Year 2015 Grant Agreement | (16,229) | (16,229) |
| Fiscal Year 2014 Grant Agreement | (26,530) | (26,530) |
| Fiscal Year 2013 Grant Agreement | (65,146) | (65,146) |
| Fiscal Year 2012 Grant Agreement | (572,221) | (572,221) |
| Net Amount Due from IDOT | <u>\$ 3,972,617</u> | <u>\$ 11,236,965</u> |

Subsequent to June 30, 2021, and prior to the date of the Independent Auditor's Report, the District collected \$1,935,875 of the net amount due from IDOT. The timing of the collection of the remaining \$2,036,742 due from IDOT is uncertain; however, the District's management believes these funds will be collected or offset against future amounts due from IDOT. The receivable has been presented as current to reflect IDOT's contractual right to offset the receivable with operating grant payments to be made in Fiscal Year 2022.

Other Receivables

Other receivables consist of the following at June 30, 2021 and 2020:

| | 2021 | 2020 |
|----------------------------|---------------------|-------------------|
| Due from Other Governments | \$ 752,370 | \$ 239,988 |
| Trade Receivables, Net | 406,452 | 155,548 |
| Employees | (3,877) | 25,833 |
| Replacement Tax | 59,308 | 32,443 |
| Interest Receivable | 8,919 | 16,860 |
| Miscellaneous | 34,371 | 66,018 |
| Total Other Receivables | <u>\$ 1,257,543</u> | <u>\$ 536,690</u> |

5. Inventories

Inventories consist of the following at June 30, 2021 and 2020:

| | 2021 | 2020 |
|------------------------|---------------------|---------------------|
| Materials and Supplies | \$ 1,429,005 | \$ 1,764,052 |
| Fuel and Lubricant | 81,598 | 43,368 |
| Total Inventories | <u>\$ 1,510,603</u> | <u>\$ 1,807,420</u> |

6. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

| | June 30, 2020 | Additions and Adjustments | Disposals and Adjustments | June 30, 2021 |
|--------------------------------|---------------------|------------------------------|------------------------------|---------------------|
| Not Being Depreciated: | | | | |
| Land | \$ 2,297,236 | \$ - | \$ - | \$ 2,297,236 |
| Construction in Progress | 13,373,022 | 14,665,653 | 16,107,461 | 11,931,214 |
| Being Depreciated: | | | | |
| Land Improvements | 271,445 | - | - | 271,445 |
| Office, Garage, and Buildings | 47,744,479 | 2,843,119 | - | 50,587,598 |
| Leasehold Improvements | 2,640,906 | - | - | 2,640,906 |
| Revenue Vehicles | 63,518,237 | 9,297,144 | 2,946,379 | 69,869,002 |
| Service Vehicles | 634,986 | - | - | 634,986 |
| Passenger Shelters | 4,163,632 | 516,377 | - | 4,680,009 |
| Intangibles | 191,582 | - | - | 191,582 |
| Other Equipment | 6,587,256 | 84,170 | 8,900 | 6,662,526 |
| Total Cost | 141,422,781 | 27,406,463 | 19,062,740 | 149,766,504 |
| Less: Accumulated Depreciation | 68,524,637 | 7,405,215 | 2,955,280 | 72,974,572 |
| Property and Equipment, Net | <u>\$72,898,144</u> | <u>\$20,001,248</u> | <u>\$16,107,460</u> | <u>\$76,791,932</u> |

Capital asset activity for the year ended June 30, 2020 was as follows:

| | June 30, 2019 | Additions and Adjustments | Disposals and Adjustments | June 30, 2020 |
|--------------------------------|---------------------|------------------------------|------------------------------|---------------------|
| Not Being Depreciated: | | | | |
| Land | \$ 2,297,236 | \$ - | \$ - | \$ 2,297,236 |
| Construction in Progress | 1,338,930 | 14,466,727 | 2,432,635 | 13,373,022 |
| Being Depreciated: | | | | |
| Land Improvements | 279,445 | - | 8,000 | 271,445 |
| Office, Garage, and Buildings | 47,686,538 | 57,941 | - | 47,744,479 |
| Leasehold Improvements | 2,640,906 | - | - | 2,640,906 |
| Revenue Vehicles | 65,261,120 | - | 1,742,883 | 63,518,237 |
| Service Vehicles | 634,986 | - | - | 634,986 |
| Passenger Shelters | 2,958,773 | 1,209,691 | 4,832 | 4,163,632 |
| Intangibles | 176,200 | 15,382 | - | 191,582 |
| Other Equipment | 5,504,110 | 1,083,146 | - | 6,587,256 |
| Total Cost | 128,778,244 | 16,832,887 | 4,188,350 | 141,422,781 |
| Less: Accumulated Depreciation | 63,652,518 | 6,619,835 | 1,747,716 | 68,524,637 |
| Property and Equipment, Net | <u>\$65,125,726</u> | <u>\$10,213,052</u> | <u>\$ 2,440,634</u> | <u>\$72,898,144</u> |

7. Accrued Compensated Absences Liability

The total liability accrued by the District for unpaid compensated absences, included in accrued expenses on the statements of net position, was \$3,528,433 and \$3,547,247 at June 30, 2021 and 2020, respectively.

District employees earn two types of compensated absences: vacation leave and earned time leave. The District adopted a Retirement Health Savings Plan (RHSP). By its adoption, the District amended policies relating to hours of unused vacation and earned time.

Operators and Maintenance employees are eligible to be paid for up to one week of unused vacation each calendar year. Any unused vacation earned as of January 1 each year and not used or paid out as of December 31, will be deposited into the employee's personal RHSP account, and is recorded as a benefit expense by the District. Any salaried employee's unused vacation, earned as of January 1 each year, above a 12-week accumulation limit, not used by December 31, will be deposited in the employee's RHSP account. All employees are eligible for payout of their remaining unused vacation at separation from the District.

Any salaried employee's earned time hours above 640 hours, earned as of July 1 of each year and not used by September 1 will be deposited into the employee's personal RHSP account and recorded as benefit expense by the District. Salaried employees are eligible for payout of remaining unused earned time at separation from the District. Any operator or maintenance employee earned time balances for a full-time employee cannot exceed 336 hours, and for a part-time employee, 168 hours. Earned time balances above these levels will be deposited in the employee's personal RHSP account and recorded as benefit expense by the District. Operators and maintenance employees are eligible for payout of all their remaining unused earned time at separation from the District.

8. Obligations under Incentive and Early Retirement Plans

The District maintains an early retirement plan, whereby participating employees receive lump sum or periodic payments in exchange for their early retirement from full-time employment with the District. Eligibility requirements are that employees have at least ten years of service with the District; are eligible to receive pensions from IMRF; are at the top wage rate in their category at retirement; and are between the ages of sixty and sixty-five at retirement. For the years ended June 30, 2021 and 2020, the District has recorded an expense of \$172,006 and \$308,517, respectively. The District had a liability of \$557,167 and \$712,618, respectively, related to this plan at June 30, 2021 and 2020. The liability amounts are not discounted as discounting the future payments at the District's operating borrowing rate results in an insignificantly different liability amount.

Projected future payments for the early retirement plan liability are as follows at June 30, 2021:

| | |
|-------------|-------------------|
| Fiscal Year | |
| 2022 | \$ 263,617 |
| 2023 | 177,712 |
| 2024 | 91,219 |
| 2025 | 24,619 |
| Total | <u>\$ 557,167</u> |

9. Long-Term Obligations Summary

The following is a summary of changes in long-term obligations of the District for the years ended June 30, 2021 and 2020:

| | June 30, 2020 | Issued | Retired | June 30, 2021 | Due Within One Year |
|--------------------------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| Incentive and Early Retirement Plans | \$ 712,618 | \$ 172,006 | \$ 327,457 | \$ 557,167 | \$ 263,617 |
| Accrued Compensated Absences | 3,547,247 | - | 18,814 | 3,528,433 | 3,528,433 |
| Net Pension Liability | 11,473,061 | 1,200,942 | 8,226,486 | 4,447,517 | - |
| OPEB Liability | 1,677,699 | 188,392 | 151,882 | 1,714,209 | - |
| | <u>\$ 17,410,625</u> | <u>\$ 1,561,340</u> | <u>\$ 8,724,639</u> | <u>\$ 10,247,326</u> | <u>\$ 3,792,050</u> |

| | June 30, 2019 | Issued | Retired | June 30, 2020 | Due Within One Year |
|--------------------------------------|----------------------|---------------------|----------------------|----------------------|------------------------|
| Incentive and Early Retirement Plans | \$ 612,659 | \$ 308,517 | \$ 208,558 | \$ 712,618 | \$ 349,795 |
| Accrued Compensated Absences | 2,898,924 | 648,323 | - | 3,547,247 | 3,547,247 |
| Net Pension Liability | 19,459,759 | 2,699,251 | 10,685,949 | 11,473,061 | - |
| OPEB Liability | 1,640,865 | 178,780 | 141,946 | 1,677,699 | - |
| | <u>\$ 24,612,207</u> | <u>\$ 3,834,871</u> | <u>\$ 11,036,453</u> | <u>\$ 17,410,625</u> | <u>\$ 3,897,042</u> |

10. Notes Payable

The District maintained two lines of credit with a local bank during Fiscal Year 2021. The first is a \$10,000,000 straight line of credit that bears interest at a fixed rate of 2.75 percent, and interest is paid monthly. The line of credit is secured by substantially all the District's assets. This line of credit matured July 1, 2021 and was renewed through July 1, 2022 bearing interest at a fixed rate of 2.20 percent. The second line of credit is a \$6,000,000 revolving line of credit for operations that bears interest at a fixed rate of 4.50, and interest is

paid monthly. This line of credit matures July 1, 2022 and is secured by substantially all the District's assets. Each of the following shall constitute an event of default under these agreements: payment default, failure to comply with or to perform any other term contained in the agreement, default in favor of third parties, false statements, defective collateralization, insolvency, creditor or forfeiture proceedings, events affecting guarantor, adverse change, and insecurity. If an event of default occurs under this agreement, the lender may exercise any one or more of the following rights and remedies: accelerate indebtedness, assemble collateral, sell the collateral, mortgagee in possession, collect revenues and apply accounts, obtain deficiency, other rights and remedies available at law, in equity, or otherwise, and election of remedies. There are no termination or acceleration clauses. As of June 30, 2021, there was an outstanding balance of \$2,362,944 on these two lines of credit.

The activity in the District's short-term debt during the years ended June 30, 2021 and 2020 included:

| | June 30, 2020 | Issued | Retired | June 30, 2021 |
|-----------------|---------------------|----------------------|----------------------|---------------------|
| Lines of Credit | <u>\$ 5,607,821</u> | <u>\$ 8,492,089</u> | <u>\$ 11,736,966</u> | <u>\$ 2,362,944</u> |
| | June 30, 2019 | Issued | Retired | June 30, 2020 |
| Lines of Credit | <u>\$ -</u> | <u>\$ 12,903,902</u> | <u>\$ 7,296,081</u> | <u>\$ 5,607,821</u> |

11. Pension Plan

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. IMRF is an agent multiple-employer plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. 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

IMRF has three benefit plans. The vast majority of IMRF members, including the District, participate in the Regular Plan.

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 1.67 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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 1.67 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

There have been no changes in benefits between measurement dates.

Employees Covered by Benefit Terms

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

| | |
|--|-------------------|
| Retirees and Beneficiaries currently receiving benefits | 189 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 155 |
| Active Plan Members | 332 |
| Total | <u><u>676</u></u> |

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent 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 years 2020 and 2019 was 12.49 percent and 10.73 percent, respectively. For calendar years 2020 and 2019, the District contributed \$2,639,459 and \$2,222,053, respectively, to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25 percent.
- Salary Increases were expected to be 2.85 percent to 13.75 percent, including inflation.
- The Investment Rate of Return was assumed to be 7.25 percent.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for Mortality for non-disabled retirees, the Pub-2010, 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.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percent and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

| Asset Class | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|-----------------------------------|--|
| Domestic Equity | 37% | 5.00% |
| International Equity | 18% | 6.00% |
| Fixed Income | 28% | 1.30% |
| Real Estate | 9% | 6.20% |
| Alternative Investments | 7% | 2.85-6.95% |
| Cash Equivalents | 1% | 0.70% |
| | <u>100%</u> | |

The investment rate of return assumption between the December 31, 2019 and December 31, 2020 measurement dates remained at 7.25 percent.

Single Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. 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 percent, which resulted in a single discount rate of 7.25 percent.

Changes in the Net Pension Liability

For the fiscal year ended June 30, 2021:

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2019 | <u>\$ 96,439,190</u> | <u>\$ 84,966,129</u> | <u>\$ 11,473,061</u> |
| Changes for the year: | | | |
| Service Cost | 1,966,955 | - | 1,966,955 |
| Interest on the Total Pension Liability | 6,891,172 | - | 6,891,172 |
| Changes on Benefit Terms | - | - | - |
| Differences between Expected and Actual | | | |
| Experience of the Total Pension Liability | (892,189) | - | (892,189) |
| Changes of Assumptions | (539,510) | - | (539,510) |
| Contributions - Employer | - | 2,639,459 | (2,639,459) |
| Contributions - Employees | - | 893,249 | (893,249) |
| Net Investment Income | - | 12,202,979 | (12,202,979) |
| Benefit Payments, Including Refunds of | | | |
| Employee Contributions | (4,744,027) | (4,744,027) | - |
| Other (Net Transfer) | - | (1,283,715) | 1,283,715 |
| Net Changes | <u>2,682,401</u> | <u>9,707,945</u> | <u>(7,025,544)</u> |
| Balances at December 31, 2020 | <u><u>\$ 99,121,591</u></u> | <u><u>\$ 94,674,074</u></u> | <u><u>\$ 4,447,517</u></u> |

For the fiscal year ended June 30, 2020:

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2018 | <u>\$ 91,944,096</u> | <u>\$ 72,484,337</u> | <u>\$ 19,459,759</u> |
| Changes for the year: | | | |
| Service Cost | 1,908,870 | - | 1,908,870 |
| Interest on the Total Pension Liability | 6,566,765 | - | 6,566,765 |
| Changes on Benefit Terms | - | - | - |
| Differences between Expected and Actual Experience of the Total Pension Liability | 664,386 | - | 664,386 |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 2,222,053 | (2,222,053) |
| Contributions - Employees | - | 871,363 | (871,363) |
| Net Investment Income | - | 13,686,441 | (13,686,441) |
| Benefit Payments, Including Refunds of Employee Contributions | (4,644,927) | (4,644,927) | - |
| Other (Net Transfer) | - | 346,862 | (346,862) |
| Net Changes | <u>4,495,094</u> | <u>12,481,792</u> | <u>(7,986,698)</u> |
| Balances at December 31, 2019 | <u>\$ 96,439,190</u> | <u>\$ 84,966,129</u> | <u>\$ 11,473,061</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25 percent for 2020, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

| | 1% Lower 6.25% | December 31, 2020 Current Discount 7.25% | 1% Higher 8.25% |
|-----------------------|----------------------|---|-----------------------|
| Net Pension Liability | <u>\$ 16,447,286</u> | <u>\$ 4,447,517</u> | <u>\$ (5,210,762)</u> |

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

For the year ended June 30, 2021 and 2020, the District recognized pension expense of \$1,199,704 and \$2,699,267, respectively. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | 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 | \$ 574,098 | \$ 917,922 |
| Changes of Assumptions | 1,195,171 | 1,332,985 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 7,377,681 |
| Total Deferred Amounts to be Recognized in Pension Expense in Future Periods | 1,769,269 | 9,628,588 |
| Pension Contributions made subsequent to the Measurement Date | 1,375,547 | - |
| Total Deferred Amounts Related to Pensions | <u>\$ 3,144,816</u> | <u>\$ 9,628,588</u> |

The \$1,375,547 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Plan Year Ending December 31 | Net Deferred Inflows of Resources |
|------------------------------------|---|
| 2021 | \$ (2,632,766) |
| 2022 | (852,193) |
| 2023 | (2,835,055) |
| 2024 | (1,455,598) |
| 2025 | (83,709) |
| Total | <u>\$ (7,859,321)</u> |

Payables to the Pension Plan

At June 30, 2021 and 2020, the District had \$24,884 and \$23,569, respectively, reported as accrued expenses payable to IMRF for legally required employer contributions or legally required employee contributions.

12. Post-Employment Benefits Other Than Pension (OPEB)

Retiree Medical Plan Description

The District sponsors a single-employer health benefit plan for employees and retired former employees. Retired former employees participating in the plan pay the full cost of their premiums; however, under actuarial standards, the District subsidizes the retiree premium through an implied age-related cost differential based upon the expected higher cost of coverage of retired employees versus the average cost for the entire blended group. Assets are not accumulated in a trust to fund this plan.

Life Insurance Policy Plan Description

The District sponsors a single-employer life insurance plan that provides former employees who retired prior to February 1, 2020 a \$10,000 life insurance policy for which the District pays premiums for five years after the employee retired or until the policy is paid in full, whichever comes first. Assets are not accumulated in a trust to fund this plan. This plan is closed to employees as of January 31, 2020.

Plan Membership

All eligible employees of the District that were active employees prior to retirement are eligible to participate in the plans. Survivors of a benefit recipient eligible for coverage are also eligible for coverage under the health plan.

Benefits Provided

Retirees and their dependents may continue coverage under the District's group health insurance program and the District provides a \$10,000 life insurance policy to retirees prior to February 1, 2020, as described above. The District's Board retains the authority to establish or amend the benefit terms and payment requirements of the District and participants.

Employees Covered by Benefit Terms

As of June 30, 2021, the following employees were covered by the combined benefit terms:

| | |
|---|------------|
| Inactive Employees currently receiving benefit payments | - |
| Inactive Employees entitled to but not receiving benefit payments | - |
| Active Employees | 258 |
| Retired Employees | 27 |
| Total Participants covered by OPEB Plan | <u>285</u> |

Contribution Requirements

Retirees pay their full premium for the health insurance program, which is the same premium paid by active employees. This results in the District providing an implied subsidy of the retirees normal age adjusted premium. The District fully funds the premiums for the life insurance policy for five years or until the policy is fully funded, whichever is sooner, for employees who retired prior to February 1, 2020.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined based on the June 30, 2020 actuarial valuation updated to June 30, 2021. The District's total OPEB liability was \$1,714,209 and \$1,677,699 as of June 30, 2021 and 2020, respectively.

Actuarial Assumptions and Other Inputs

The actuarial assumptions used in valuing the OPEB liability for June 30, 2021, include:

| | |
|---|------------------|
| Actuarial cost method | Entry Age Normal |
| Discount Rate | 1.92% |
| Salary increases | 3.50% |
| Monthly Health Plan Premium Costs (Blended) | |

| Coverage | LCDHP | AETNA HMO | AETNA OAP |
|---------------------|--------|-----------|-----------|
| Employee Only | \$ 946 | \$ 1,136 | \$ 1,082 |
| Employee +1 | 1,816 | 2,182 | 2,078 |
| Employee +2 or More | 2,345 | 2,819 | 2,684 |

| | HEALTH ALLIANCE HMO | HEALTH ALLIANCE OAP | LCHP |
|---------------------|---------------------------|---------------------------|-------|
| Employee Only | 1,101 | 1,153 | 1,181 |
| Employee +1 | 2,115 | 2,215 | 2,286 |
| Employee +2 or More | 2,131 | 2,861 | 2,928 |

| Health Care Cost Inflation Rates | Period | Inflation Rate |
|----------------------------------|----------------|----------------|
| | 2021 | 8.0% |
| | 2022 | 7.5% |
| | 2023 | 7.0% |
| | 2024 | 6.5% |
| | 2025 | 5.5% |
| | 2026 | 5.0% |
| | 2027 and after | 4.5% |

Probabilities of death for participants were according to the RP2014 Base rates with mortality improvements according to MP2019 to 2020.

The Discount Rate was based the 20-year Muni index rate as of June 30, 2021. The Discount rate as of July 1, 2020 was 2.44 percent and 1.92 percent at June 30, 2021.

Changes in the Total OPEB Liability

For fiscal year ended June 30, 2021:

| | Total OPEB Liability |
|---|----------------------------|
| Balances at July 1, 2020 | <u>\$ 1,677,699</u> |
| Changes for the year: | |
| Service Cost | 123,355 |
| Interest on the Total OPEB Liability | 39,083 |
| Changes on Benefit Terms | - |
| Differences between Expected and Actual Experience of the Total OPEB Liability | - |
| Changes of Assumptions | 25,954 |
| Contributions - Employer | - |
| Contributions - Employees | - |
| Net Investment Income | - |
| Difference Between Projected and Actual Investment | - |
| Benefit Payments, Including Refunds of Employee Contributions | (151,882) |
| Other (Net Transfer) | - |
| Net Changes | <u>36,510</u> |
| Balances at June 30, 2021 | <u><u>\$ 1,714,209</u></u> |

For fiscal year ended June 30, 2020:

| | Total OPEB Liability |
|---|----------------------------|
| Balances at July 1, 2019 | <u>\$ 1,640,865</u> |
| Changes for the year: | |
| Service Cost | 100,018 |
| Interest on the Total OPEB Liability | 54,946 |
| Changes on Benefit Terms | (147,536) |
| Differences between Expected and Actual Experience of the Total OPEB Liability | 67,025 |
| Changes of Assumptions | 104,327 |
| Contributions - Employer | - |
| Contributions - Employees | - |
| Net Investment Income | - |
| Difference Between Projected and Actual Investment | - |
| Benefit Payments, Including Refunds of Employee Contributions | (141,946) |
| Other (Net Transfer) | - |
| Net Changes | <u>36,834</u> |
| Balances at June 30, 2020 | <u><u>\$ 1,677,699</u></u> |

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The June 30, 2021 valuation was prepared using a discount rate of 1.92 percent. If the discount rates were one percent lower (0.92 percent) or one percent higher (2.92 percent) than the current discount rate the Total OPEB Liability would be as follows:

| | 1% Lower 0.92% | June 30, 2021 Current Discount 1.92% | 1% Higher 2.92% |
|----------------------|---------------------|---|---------------------|
| Total OPEB Liability | <u>\$ 1,819,761</u> | <u>\$ 1,714,209</u> | <u>\$ 1,612,905</u> |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The June 30, 2021 valuation was prepared using an initial trend rate of 8 percent decreasing to 4.5 percent. If the trend rates were 1-percentage-point lower (7 percent decreasing to 3.5 percent) or 1-percentage-point higher (9 percent decreasing to 5.5 percent) than the current trend rates the Total OPEB Liability would be as follows:

| | June 30, 2021 | | |
|----------------------|--|--|---|
| | 1% Lower 7.0% Decreasing to 3.5% | Current Trend Rates 8.0% Decreasing to 4.5% | 1% Higher 9.0% Decreasing to 5.5% |
| Total OPEB Liability | \$ 1,551,283 | \$ 1,714,209 | \$ 1,906,020 |

OPEB Expense

For the years ended June 30, 2021 and 2020, the District recognized an OPEB expense as follows:

| | 2021 | 2020 |
|--|-------------------|------------------|
| Service Cost | 123,355 | 100,018 |
| Interest on the Total OPEB Liability | 39,083 | 54,946 |
| Current-Period Benefit Changes | - | (147,536) |
| Recognition of Outflow (Inflow) of Resources due to Liabilities | 18,944 | 16,715 |
| Total OPEB Expense | <u>\$ 181,382</u> | <u>\$ 24,143</u> |

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

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Deferred Amounts to be Recognized in OPEB Expense in Future Periods | | |
| Differences between Expected and Actual Experience | \$ 55,511 | \$ - |
| Changes of Assumptions | 141,301 | (18,055) |
| Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods | <u>\$ 196,812</u> | <u>\$ (18,055)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

| Year Ending June 30 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------|--------------------------------------|-------------------------------------|
| 2022 | \$ 21,175 | \$ (2,231) |
| 2023 | 21,175 | (2,231) |
| 2024 | 21,175 | (2,231) |
| 2025 | 21,175 | (2,231) |
| 2026 | 21,175 | (2,231) |
| Thereafter | 90,937 | (6,900) |
| Total | <u>\$ 196,812</u> | <u>\$ (18,055)</u> |

13. Unrestricted Net Position

Unrestricted net position consist of the following at June 30, 2021 and 2020:

| | 2021 | 2020 |
|---------------------------------------|----------------------|----------------------|
| Board Designated for Capital Reserves | \$ 35,513,983 | \$ 22,755,976 |
| Undesignated | 2,505,386 | 8,936,688 |
| Total Unrestricted Net Position | <u>\$ 38,019,369</u> | <u>\$ 31,692,664</u> |

14. Lease Revenue

The District is the lessor of office, retail, residential, and tower space under operating leases expiring in various years through June 30, 2026. All of these leases are within non-transportation related sections of facilities that are used for both transportation and non-transportation purposes. The cost and carrying value of these facilities (including the transportation and non-transportation sections) was \$15,387,170 and \$6,975,184, respectively, at June 30, 2021.

Future minimum lease receipts under these operating leases are as follows at June 30, 2021:

| Fiscal Year | |
|-------------|---------------------|
| 2022 | \$ 472,658 |
| 2023 | 352,495 |
| 2024 | 289,055 |
| 2025 | 254,248 |
| 2026 | 194,498 |
| Total | <u>\$ 1,562,954</u> |

Minimum future rentals do not include percentage-of-sales contingent rentals contained in the retail space leases. Only the minimum required rental is included above for these retail space leases.

15. Risk Management

The District is a member of the Illinois Public Transit Risk Management Association (IPTRMA), an insurance risk pool. Through IPTRMA, the District has pooled its risk for public liability/property damage and vehicle liability claims with other local transit districts in Illinois. The District's capital contribution to the IPTRMA loss reserve fund is considered to be a prepayment of future claims in excess of insured amounts and is amortized over the period for which the capital contribution relates. Losses and claims recognized for the years ended June 30, 2021 and 2020 totaled \$466,272 and \$482,372, respectively, including the amortization of the District's capital contribution to IPTRMA. There have been no settlement amounts that have exceeded insurance and IPTRMA loss reserve fund coverage in the past three years. As of the date of the independent auditor's report, the District has not been notified by IPTRMA of a reasonably possible or probably supplemental payment requirement.

The District is self-insured for worker's compensation and employer's liability claims. Losses and claims are accrued as incurred. At June 30, 2021 and 2020, the District had a claims liability balance of \$329,262 and \$207,764, respectively, for expected additional claims payable. Losses and claims recognized for the years ended June 30, 2021 and 2020 total \$230,080 and \$201,503, respectively. The District purchases insurance coverage for worker's compensation to cover claims in excess of \$500,000 with a statutory aggregate limit for worker's compensation and a \$2,000,000 aggregate limit for employer's liability.

The following is a summary of changes in self-insurance claims liability for the years ended June 30, 2021 and 2020:

| | June 30, 2020 | Provision | Payment | June 30, 2021 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Self-Insurance Claims Liability | <u>\$ 207,764</u> | <u>\$ 230,080</u> | <u>\$ 108,582</u> | <u>\$ 329,262</u> |
| | June 30, 2019 | Provision | Payment | June 30, 2020 |
| Self-Insurance Claims Liability | <u>\$ 72,678</u> | <u>\$ 201,503</u> | <u>\$ 66,417</u> | <u>\$ 207,764</u> |

16. Lease Commitments

The District leases real property, furniture, equipment, and vehicles under various non-cancelable operating leases, expiring at various times between November 2021 and January 2051. Future minimum lease payments under these operating leases are as follows at June 30, 2021:

| Fiscal Year | |
|-------------|---------------------|
| 2022 | \$ 431,901 |
| 2023 | 349,631 |
| 2024 | 251,459 |
| 2025 | 124,106 |
| 2026 | 124,354 |
| Thereafter | 779,058 |
| Total | <u>\$ 2,060,509</u> |

Total rental expense for operating leases for the years ended June 30, 2021 and 2020 was \$417,803 and \$314,034, respectively.

17. Concentration of Revenue

The revenue recognized related to operating and capital grants from IDOT for the years ended June 30, 2021 and 2020 was \$29,554,442 and \$32,769,463, respectively, which was 50.96 percent and 56.24 percent, respectively, of the District's revenue. At June 30, 2021 and 2020, amounts due from IDOT were \$4,441,325 and \$11,283,880, respectively.

The revenue recognized related to operating and capital grants from the U.S. Department of Transportation (USDOT) for the years ended June 30, 2021 and 2020 was \$13,075,234 and \$7,643,887, respectively, which was 22.55 percent and 13.12 percent, respectively, of the District's revenue. At June 30, 2021 and 2020, amounts due from USDOT were \$3,871,605 and \$4,812,427, respectively.

18. Commitments

Through the date of the independent auditor's report, the District has entered into the following significant contractual commitments:

Construction and Property and Equipment Acquisitions

| Purpose | Contract Amount | Incurred Through June 30, 2021 | Remaining Commitment |
|----------------------------|----------------------|--------------------------------------|-------------------------|
| Hydrogen Fuel Cell Project | \$ 15,092,728 | \$ 12,895,367 | \$ 2,197,361 |
| New Flyer Buses | 12,866,064 | - | 12,866,064 |
| Solar Array Expansion | 5,932,500 | - | 5,932,500 |
| Property Acquisition | 1,700,000 | - | 1,700,000 |
| 1101 E University Remodel | 1,109,153 | 922,957 | 186,196 |
| The Yards | 362,716 | 308,309 | 54,407 |
| Solar Array Design | 303,295 | 256,367 | 46,928 |
| Kiosk Rehabilitation | 157,877 | 54,440 | 103,437 |
| Total | <u>\$ 37,524,333</u> | <u>\$ 14,437,440</u> | <u>\$ 23,086,893</u> |

Other Contractual Commitments

The District has entered a public-private development agreement with an unrelated for-profit entity for improvements to the District's Illinois Terminal property in downtown Champaign and new construction on adjacent properties currently owned by the District. The District has committed up to \$29,000,000 of funding to the project and the conveyance of various properties to the for-profit entity for the project. The District's funding for its financial commitment will come from federal grants and the District's capital reserves. As part of the agreement, the District will receive a "fair share of revenue" from the private portion of the project to meet requirements of federal grants. This "fair share of revenue" amount will be at least \$200,000 annually beginning no later than three years after the project's completion and continue for 30 years. The progress of the project to the actual construction phase is subject to the for-profit entity and other governmental entities meeting various conditions precedent, which have not been met as of the date of the independent auditor's report. Construction is expected to begin about March 2023 and completion is projected for December 2025.

19. Contingent Liabilities

Litigation

The District is involved in several worker-compensation claims with current and former employees. As of June 30, 2021 and 2020, the District has recorded a liability of \$329,262 and \$207,764, respectively, for anticipated additional claims expense as stated in Note 15. An estimate of any additional potential loss cannot be made. The District is involved with several other liabilities claims for which any final settlement is expected to be covered by insurance.

Federal and State Grants

The District participates in a number of state and federally assisted programs. Under the terms of the programs, periodic audits may be required, and certain costs may be questioned as not being appropriate expenditures under the terms of these programs. Such audits could lead to reimbursements to grantor agencies. Based on prior experience, the District believes examinations would not result in any material disallowed costs for grant revenue recorded in these financial statements or from prior years.

The District manages transportation services provided by C-CARTS on behalf of Champaign County (the County) through an intergovernmental agreement. When C-CARTS earns local funding revenue in excess of that needed to cover the 35 percent local match required under the County's State Operating Assistance grant, the excess funds are rolled into a Public Transportation Account (PTA) for future use when there are funding shortfalls. A portion of the PTA fund balance is being held on account with the District. If the agreement with the County should terminate, the District would owe the County a portion of the unused PTA fund balance. At June 30, 2021, the balance of PTA funds held by the District was \$283,528.

Uncertainty

Beginning in March 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, it is possible that the District's financial position and results of future operations could be adversely affected; however, the extent of the potential impact will depend on the future developments. While the situation with COVID-19 is still unfolding as of February 14, 2022, management has taken measures to prepare for the impact.

20. Upcoming Government Accounting Standards

In June 2017, GASB issued GASB Statement 87 (GASB 87), *Leases*. The provisions of GASB 87 require that lessees recognize a lease liability and a right-of-use asset for all leases greater than 12 months. GASB 87 is effective for the District's Fiscal Year 2022. Early adoption is permitted; however, the District has not chosen to do so.

In May 2020, GASB issued GASB Statement 96 (GASB 96), *Subscription-Based Information Technology Arrangements* (SBITAs). The provisions of GASB 96 establish that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. GASB 96 is effective for the District's Fiscal Year 2023. Early adoption is permitted; however, the District has not chosen to do so.

The District's management is currently evaluating the effect, if any, the updated standards will have on its financial statements.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Changes in the Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund
Last Ten Calendar Years
Required Supplementary Information
(Unaudited)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension liability | | | | | | | |
| Service Cost | \$ 1,966,955 | \$ 1,908,870 | \$ 1,747,032 | \$ 1,803,142 | \$ 1,924,207 | \$ 1,766,692 | \$ 1,891,042 |
| Interest on Total Pension Liability | 6,891,172 | 6,566,765 | 6,327,389 | 6,210,904 | 5,986,140 | 5,432,618 | 5,035,213 |
| Changes in Benefit Terms | - | - | - | - | - | - | - |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (892,189) | 664,386 | (104,374) | 526,348 | (971,731) | 3,506,838 | (1,219,049) |
| Changes of Assumptions | (539,510) | - | 2,626,345 | (2,752,396) | (415,902) | 204,603 | 2,539,109 |
| Benefit Payments, Including Refunds of Employee Contributions | (4,744,027) | (4,644,927) | (4,287,929) | (4,125,702) | (3,660,882) | (3,088,953) | (2,473,784) |
| Net Change in Total Pension Liability | 2,682,401 | 4,495,094 | 6,308,463 | 1,662,296 | 2,861,832 | 7,821,798 | 5,772,531 |
| Total Pension Liability - Beginning | 96,439,190 | 91,944,096 | 85,635,633 | 83,973,337 | 81,111,505 | 73,289,707 | 67,517,176 |
| Total Pension Liability - Ending (A) | <u>\$ 99,121,591</u> | <u>\$ 96,439,190</u> | <u>\$ 91,944,096</u> | <u>\$ 85,635,633</u> | <u>\$ 83,973,337</u> | <u>\$ 81,111,505</u> | <u>\$ 73,289,707</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions - Employer | \$ 2,639,459 | \$ 2,222,053 | \$ 1,432,515 | \$ 889,323 | \$ 4,976,997 | \$ 2,650,658 | \$ 2,276,611 |
| Contributions - Employees | 893,249 | 871,363 | 835,423 | 824,278 | 771,895 | 789,705 | 731,426 |
| Net Investment Income | 12,202,979 | 13,686,441 | (4,397,393) | 12,414,921 | 4,295,706 | 4,681,834 | 3,576,698 |
| Benefit Payments, Including Refunds of Employee Contributions | (4,744,027) | (4,644,927) | (4,287,929) | (4,125,702) | (3,660,882) | (7,458,442) | (2,473,784) |
| Other (Net Transfer) | (1,283,715) | 346,862 | 870,237 | (1,601,078) | 377,999 | (88,943) | (184,996) |
| Net Change in Plan Fiduciary Net Position | 9,707,945 | 12,481,792 | (5,547,147) | 8,401,742 | 6,761,715 | 574,812 | 3,925,955 |
| Plan Fiduciary Net Position, Beginning | 84,966,129 | 72,484,337 | 78,031,484 | 69,629,742 | 62,868,027 | 62,293,215 | 58,367,260 |
| Plan Fiduciary Net Position, Ending (B) | <u>\$ 94,674,074</u> | <u>\$ 84,966,129</u> | <u>\$ 72,484,337</u> | <u>\$ 78,031,484</u> | <u>\$ 69,629,742</u> | <u>\$ 62,868,027</u> | <u>\$ 62,293,215</u> |
| Net Pension Liability, Ending (A) - (B) | <u>\$ 4,447,517</u> | <u>\$ 11,473,061</u> | <u>\$ 19,459,759</u> | <u>\$ 7,604,149</u> | <u>\$ 14,343,595</u> | <u>\$ 18,243,478</u> | <u>\$ 10,996,492</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 95.51% | 88.10% | 78.84% | 91.12% | 82.92% | 77.51% | 85.00% |
| Covered Payroll | \$ 19,682,111 | \$ 19,329,778 | \$ 18,300,000 | \$ 17,415,622 | \$ 17,047,578 | \$ 17,549,000 | \$ 16,253,911 |
| Net Pension Liability as a Percentage of Covered Payroll | 22.60% | 59.35% | 106.34% | 43.66% | 84.14% | 103.96% | 69.30% |

NOTE: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Last Ten Fiscal Years

Required Supplementary Information
(Unaudited)

| (1) (2) Fiscal Year | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|---------------------------|---|------------------------|--|--------------------|--|
| 2021 | \$ 2,458,296 | \$ 2,639,459 | \$ (181,163) | \$ 19,682,111 | 13.41% |
| 2020 | 2,074,085 | 2,222,053 | (147,968) | 19,329,778 | 11.50% |
| 2019 | 2,183,190 | 1,432,515 | 750,675 | 18,300,000 | 7.83% |
| 2018 | 2,281,446 | 889,323 | 1,392,123 | 17,415,622 | 5.11% |
| 2017 | 2,194,023 | 4,976,997 | (2,782,974) | 17,047,578 | 29.19% |
| 2016 | 2,302,597 | 2,650,658 | (348,061) | 17,549,000 | 15.10% |
| 2015 | 1,996,889 | 2,276,611 | (279,722) | 16,253,911 | 14.01% |

Notes:

- (1) GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.
- (2) Contribution information reflects contributions recognized by IMRF and included in the fiduciary net position liability at each fiscal year end.

See Accompanying Notes on the Following Page

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Notes to Required Supplementary Information - Schedule of Employer Contributions - IMRF
(Unaudited)
June 30, 2021

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 Contribution Rates:

| | |
|--------------------------------|--|
| Actuarial Cost Method: | Aggregate entry age normal |
| Amortization Method: | Level percentage of payroll, closed |
| Remaining Amortization Period: | 23-year closed period |
| Asset Valuation Method: | 5-year smoothed market; 20% corridor |
| Wage Growth: | 3.25% |
| Price Inflation: | 2.50%, approximate; No explicit price inflation assumption is used in this valuation. |
| 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, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). 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, IMRF specific mortality rates were 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, IMRF specific mortality rates were 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. |

Other Information:

Notes: There were no benefit changes during the year.

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

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Changes in Total OPEB Liability and Related Ratios
Other Post-Employment Benefits
Last Ten Fiscal Years
Required Supplementary Information
(Unaudited)

| | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability | | | | |
| Service Cost | \$ 123,355 | \$ 100,018 | \$ 96,546 | \$ 96,795 |
| Interest on Total OPEB Liability | 39,083 | 54,946 | 58,336 | 56,915 |
| Changes in Benefit Terms | - | (147,536) | - | - |
| Difference Between Expected and Actual Experience of the Total OPEB Liability | - | 67,025 | - | - |
| Changes of Assumptions | 25,954 | 104,327 | 43,855 | (27,379) |
| Benefit Payments | (151,882) | (141,946) | (120,962) | (112,523) |
| Net Change in Total OPEB Liability | 36,510 | 36,834 | 77,775 | 13,808 |
| Total OPEB Liability - Beginning | 1,677,699 | 1,640,865 | 1,563,090 | 1,549,282 |
| Total OPEB Liability - Ending | <u>\$ 1,714,209</u> | <u>\$ 1,677,699</u> | <u>\$ 1,640,865</u> | <u>\$ 1,563,090</u> |
| Covered Employee Payroll | <u>\$ 15,955,541</u> | <u>\$ 15,415,982</u> | <u>\$ 13,587,275</u> | <u>\$ 14,695,096</u> |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 10.74% | 10.88% | 12.08% | 10.64% |

NOTE: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Assumptions Used to Determine Total OPEB Liability:

Valuation Date:

June 30, 2020

Measurement Date:

June 30, 2020

Actuarial Cost Method:

Entry age normal

Interest Rate Used to Discount the Liability:

1.92%

Healthcare Inflation Rates:

8.00% in Fiscal Year 2021 decreasing to 4.5% by Fiscal Year 2027 and thereafter

Participation Assumption for the Healthcare Benefit:

40%

Mortality:

Probabilities of death for participants were according to the RP2014 base rates with mortality improvements according to MP2019 to 2020

Accumulation of Assets to Fund the Benefits:

No assets are accumulated in a trust to pay benefits related to the OPEB plans.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedules of Operating Expenses
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|-----------------------------|-----------------------------|
| Operations | | |
| Wages: | | |
| Operators | \$ 8,811,323 | \$ 9,174,044 |
| Street Supervisors and Dispatchers | 1,385,767 | 1,624,394 |
| Other Supervisors | 917,802 | 1,022,791 |
| Clerical | 166,586 | 267,403 |
| Covid Route Wages | 49,274 | - |
| Reduced/Reassignment | 21,005 | 54,649 |
| Meal Delivery | 5,013 | 4,811 |
| Rotation Board | - | 30,321 |
| Labor Credit | (25,336) | (38,211) |
| Total Wages | <u>11,331,434</u> | <u>12,140,202</u> |
| Fringe Benefits: | | |
| Health and Dental Insurance | 3,597,001 | 2,937,274 |
| Paid Absences | 2,321,695 | 2,749,175 |
| Social Security Tax | 1,008,994 | 1,045,532 |
| Illinois Municipal Retirement Fund | 690,155 | 1,985,310 |
| Workers' Compensation Insurance and Claims | 242,164 | 203,740 |
| Early Retirement Plan | 172,005 | 261,069 |
| Uniform Allowances | 62,014 | 37,721 |
| Unemployment Insurance | 41,218 | 39,012 |
| Other Fringe Benefits | 41,754 | (240,425) |
| Total Fringe Benefits | <u>8,177,000</u> | <u>9,018,408</u> |
| Services: | | |
| ADA | 912,864 | 909,527 |
| Printing | 28,933 | 42,406 |
| Taxi | 23,693 | 105,348 |
| Other Services | 9,645 | 97,293 |
| Total Services | <u>975,135</u> | <u>1,154,574</u> |
| Materials and Supplies Consumed: | | |
| Fuel and Lubrications | 1,082,380 | 1,293,656 |
| Tires and Tubes | 157,847 | 134,819 |
| Small Equipment | 56,422 | 137 |
| Other Materials and Supplies Consumed | 20,417 | 23,999 |
| Total Materials and Supplies Consumed | <u>1,317,066</u> | <u>1,452,611</u> |
| Miscellaneous: | | |
| Leased Equipment | 161,692 | 146,655 |
| Other | 11,677 | 45,496 |
| Total Miscellaneous | <u>173,369</u> | <u>192,151</u> |
| Total Operations | <u><u>\$ 21,974,004</u></u> | <u><u>\$ 23,957,946</u></u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedules of Operating Expenses
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Maintenance | | |
| Wages: | | |
| Mechanics | \$ 1,346,483 | \$ 1,187,541 |
| Supervisors and Clerical | 694,021 | 958,084 |
| Cleaners | 645,990 | 712,368 |
| Total Wages | <u>2,686,494</u> | <u>2,857,993</u> |
| Fringe Benefits: | | |
| Health and Dental Insurance | 799,617 | 671,933 |
| Paid Absences | 467,193 | 503,309 |
| Illinois Municipal Retirement Fund | 339,948 | 401,518 |
| Social Security Tax | 249,882 | 234,174 |
| Uniform and Tools Allowance | 33,347 | 29,037 |
| Workers' Compensation Insurance and Claims | 31,711 | 19,889 |
| Unemployment Insurance | 10,742 | 8,243 |
| Early Retirement Plan | 1 | (58,795) |
| Other Fringe Benefits | 12,169 | (49,685) |
| Total Fringe Benefits | <u>1,944,610</u> | <u>1,759,623</u> |
| Services: | | |
| Contract Maintenance | 118,733 | 100,230 |
| Other Services | 977 | 1,253 |
| Total Services | <u>119,710</u> | <u>101,483</u> |
| Materials and Supplies Consumed: | | |
| Revenue Vehicles Repairs | 1,901,518 | 2,051,388 |
| Buildings and Grounds Repairs | 169,442 | 235,340 |
| Fuel and Lubricants | 104,236 | 114,727 |
| Service Supplies | 85,854 | 92,906 |
| Passenger Shelter Repairs | 68,115 | 95,564 |
| Service Vehicles Repairs | 27,571 | 13,076 |
| Garage Equipment Repairs | 19,917 | 36,551 |
| Shop Tools | 19,762 | 51,995 |
| Other Materials and Supplies Consumed | 15,717 | 16,246 |
| Total Materials and Supplies Consumed | <u>2,412,132</u> | <u>2,707,793</u> |
| Miscellaneous: | | |
| Leased Equipment | 54,975 | 49,466 |
| Other | 4,238 | 13,371 |
| Total Miscellaneous | <u>59,213</u> | <u>62,837</u> |
| Total Maintenance | <u>\$ 7,222,159</u> | <u>\$ 7,489,729</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedules of Operating Expenses
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|------------------|------------------|
| General Administration | | |
| Wages: | | |
| Supervisors | \$ 1,498,433 | \$ 1,094,257 |
| Clerical | 366,307 | 392,690 |
| Total Wages | <u>1,864,740</u> | <u>1,486,947</u> |
| Fringe Benefits: | | |
| Health and Dental Insurance | 419,570 | 369,079 |
| Social Security Tax | 124,643 | 157,658 |
| Illinois Municipal Retirement Fund | 102,065 | 215,887 |
| Workers' Compensation Insurance and Claims | 8,725 | 20,181 |
| Unemployment Insurance | 5,163 | 3,521 |
| Early Retirement Plan | - | 48,484 |
| Paid Absences | - | 534 |
| Other Fringe Benefits | 37,829 | 2,320 |
| Total Fringe Benefits | <u>697,995</u> | <u>817,664</u> |
| Services: | | |
| Professional and Technical | 606,903 | 188,412 |
| Contract Maintenance | 606,193 | 503,373 |
| Printing | 1,363 | 4,407 |
| Other Services | 12,603 | 90,235 |
| Total Services | <u>1,227,062</u> | <u>786,427</u> |
| Materials and Supplies Consumed: | | |
| Small Equipment | 10,079 | 1,426 |
| Office Supplies | 4,509 | 10,762 |
| Total Materials and Supplies Consumed | <u>14,588</u> | <u>12,188</u> |
| Casualty and Liability Costs: | | |
| Public Liability and Property Damage Insurance | 525,060 | 527,854 |
| Uninsured Public Liability | 439,215 | 435,642 |
| Physical Damage Insurance | 26,943 | 28,730 |
| Insurance and Property Damage Recoveries | (80,041) | (28,797) |
| Other Insurance | 30,482 | 30,731 |
| Total Casualty and Liability Costs | <u>941,659</u> | <u>994,160</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedules of Operating Expenses
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|---------------------|---------------------|
| General Administration Continued | | |
| Miscellaneous: | | |
| Utilities | 553,918 | 419,292 |
| Leased Equipment | 182,283 | 82,541 |
| Dues and Subscriptions | 78,879 | 96,043 |
| Advertising | 69,732 | 99,180 |
| Travel and Meetings | 51,770 | 109,773 |
| Other | 306,506 | 243,649 |
| Total Miscellaneous | 1,243,088 | 1,050,478 |
| Total General Administration | \$ 5,989,132 | \$ 5,147,864 |
| Illinois Terminal | | |
| Wages: | | |
| Supervisors | \$ 193,154 | \$ 91,192 |
| Security | 128,330 | 171,395 |
| Cleaners | 111,528 | 97,990 |
| Clerical | 87,429 | 117,995 |
| Total Wages | 520,441 | 478,572 |
| Fringe Benefits: | | |
| Health and Dental Insurance | 198,555 | 151,860 |
| Paid Absences | 62,829 | 31,335 |
| Social Security Tax | 41,729 | 35,605 |
| Illinois Municipal Retirement Fund | 33,650 | 60,882 |
| Workers' Compensation Insurance and Claims | 5,072 | 4,379 |
| Uniform and Tool Allowances | 2,534 | 2,083 |
| Other Fringe Benefits | 2,004 | (6,752) |
| Total Fringe Benefits | 346,373 | 279,392 |
| Services: | | |
| Contract Maintenance | 32,330 | 26,488 |
| Professional Services | 779 | - |
| Other Services | 16,452 | 4,216 |
| Total Services | 49,561 | 30,704 |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedules of Operating Expenses
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|----------------------------|----------------------------|
| Illinois Terminal Continued | | |
| Materials and Supplies Consumed: | | |
| Buildings and Grounds Repairs | 53,294 | 109,638 |
| Services Supplies | 20,117 | 27,083 |
| Shop Tools | 14,466 | 3,185 |
| Other Materials and Supplies Consumed | 1,441 | 1,606 |
| Total Materials and Supplies Consumed | <u>89,318</u> | <u>141,512</u> |
| Miscellaneous: | | |
| Utilities | 144,563 | 124,043 |
| Other | 11,044 | 15,557 |
| Total Miscellaneous | <u>155,607</u> | <u>139,600</u> |
| Total Illinois Terminal | <u><u>\$ 1,161,300</u></u> | <u><u>\$ 1,069,780</u></u> |
| C-CARTS | | |
| Wages: | | |
| Operators | \$ 284,149 | \$ 287,564 |
| Supervisors | 27,194 | 19,890 |
| Training | 14,016 | 15,824 |
| Clerical | 2,851 | 15,189 |
| Rotation Board | - | 1,645 |
| Reduced/Reassignment | - | 1,432 |
| Total Wages | <u>328,210</u> | <u>341,544</u> |
| Fringe Benefits: | | |
| Health and Dental Insurance | 41,508 | 24,571 |
| Illinois Municipal Retirement Fund | 33,886 | 35,670 |
| Workers' Compensation Insurance and Claims | 25,350 | 51,179 |
| Social Security Tax | 23,419 | 26,769 |
| Paid Absences | 11,500 | 39,296 |
| Unemployment Allowance | 2,026 | 3,696 |
| Uniform and Tool Allowances | 694 | 894 |
| Other Fringe Benefits | 349 | 3,892 |
| Total Fringe Benefits | <u>138,732</u> | <u>185,967</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedules of Operating Expenses
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|---------------------|---------------------|
| C-CARTS Continued | | |
| Services: | | |
| Professional Services | 13,013 | 20,224 |
| Contractual Maintenance | 3,629 | 4,350 |
| Printing | - | 446 |
| Other Services | 24,010 | 8,921 |
| Total Services | 40,652 | 33,941 |
| Materials and Supplies Consumed: | | |
| Fuel and Lubricants | 80,381 | 79,019 |
| Repairs and Maintenance | 71,001 | 65,668 |
| Tires and Tubes | 11,361 | 11,368 |
| Office Supplies | 422 | 1,115 |
| Small Tools and Equipment | 1 | (1,727) |
| Total Materials and Supplies Consumed | 163,166 | 155,443 |
| Miscellaneous: | | |
| Leased Equipment | 26,373 | 26,352 |
| Utilities | 4,426 | 4,321 |
| Other | 1,526 | 1,033 |
| Total Miscellaneous | 32,325 | 31,706 |
| Casualty and Liability Costs: | | |
| Public Liability and Property Damage Insurance | 3,509 | 1,361 |
| Uninsured Public Liability | 2,836 | 17,777 |
| Total Casualty and Liability Costs | 6,345 | 19,138 |
| Total C-CARTS | \$ 709,430 | \$ 767,739 |
| Depreciation | | |
| Revenue Vehicles, Fareboxes, and Radios | \$ 5,215,402 | \$ 4,554,993 |
| Office and Garage Facilities | 1,634,908 | 1,681,133 |
| Office and Garage Equipment | 158,245 | 65,656 |
| Service Vehicles | 88,218 | 91,304 |
| Other Equipment | 308,442 | 226,749 |
| Total Depreciation | \$ 7,405,215 | \$ 6,619,835 |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
 Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report
 For the Year Ended June 30, 2021

| CSFA Number | Program Name | State Funding | Federal Funding | Other Funding | Total |
|-------------|--|----------------------|----------------------|---------------------|----------------------|
| 494-80-0338 | Transit 5311 Formula Grants for Rural Areas | \$ 313,837 | \$ 153,871 | \$ 19,051 | \$ 486,759 |
| 494-80-2410 | CARES Act - Transit Formula Grants for Rural Areas | - | 222,671 | - | 222,671 |
| 494-80-2197 | Multi-Modal Transportation Bond Fund for Downstate Public Transportation | 54,440 | - | - | 54,440 |
| 494-80-1136 | Transit Statewide/Non-Metropolitan Transportation Planning - Federal Sec 5305(e) | 1,856 | 7,422 | - | 9,278 |
| 494-80-1141 | Transit Downstate Operating Assistance Program | 29,184,309 | 11,357,008 | 4,806,636 | 45,347,953 |
| | Other Grant Programs and Activities | - | 1,334,262 | - | 1,334,262 |
| | All Other Costs Not Allocated | - | - | - | - |
| Total | | <u>\$ 29,554,442</u> | <u>\$ 13,075,234</u> | <u>\$ 4,825,687</u> | <u>\$ 47,455,363</u> |

Reconciliation of Audited Expenses to GATA CYEFR Expenses

| | |
|---|----------------------|
| Audited Operating Expenses | \$ 44,461,240 |
| Less: Depreciation | (7,405,215) |
| Plus: Interest Expense | 64,364 |
| Plus: Capitalized Grant Expenses (Non Debt Service) | 1,397,980 |
| Plus: Debt Service on State Operating Grant and Federal Match | <u>8,936,994</u> |
| GATA CYEFR Expenses | <u>\$ 47,455,363</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Revenues and Expenses
Under Downstate Operating Assistance Grant OP-21-45-IL
For the Year Ended June 30, 2021

| | |
|---|----------------------|
| Operating Revenues: | |
| 401 Passenger Fares for Transit Services | \$ 790,234 |
| 402 Special Transit Fares | 3,719,019 |
| 403 School Bus Service | - |
| 406 Auxiliary Revenue | 244,242 |
| 407 Non-Transportation Revenue | 619,742 |
| 411 State Grants and Reimbursements other than DOAP | - |
| 413 Federal Grants and Reimbursements | 8,229,060 |
| Total Operating Revenues | <u>\$ 13,602,297</u> |
| Operating Expenses: | |
| 501 Labor | \$ 16,403,109 |
| 502 Fringe Benefits | 11,165,978 |
| 503 Professional Services | 1,458,604 |
| 504 Materials and Supplies Consumed | 3,969,104 |
| 505 Utilities | 698,481 |
| 506 Casualty and Liability | 941,659 |
| 507 Taxes | 54,754 |
| 508 Purchased Transportation | 912,864 |
| 509 Miscellaneous Expense | 335,293 |
| 511 Interest Expense | 64,364 |
| 512 Leases, Rentals, and Purchase-Lease Payments | 406,749 |
| 517 Debt Service on Equipment/Facilities | 8,936,994 |
| Total Operating Expenses | <u>45,347,953</u> |
| Less: Ineligible Operating Expenses: | |
| Expenses Related to the Non-Transportation Areas of Illinois Terminal | (13,308) |
| Other Miscellaneous Expenses of 1101 East University | (77,103) |
| Professional Services Not Related to Transportation Services | (104,711) |
| COVID-19 sick bank, rotation pay, and meal delivery wages | (248,644) |
| APTA and IPTA Dues | (5,250) |
| Total Ineligible Operating Expenses | <u>(449,016)</u> |
| Total Eligible Operating Expenses | <u>\$ 44,898,937</u> |
| Total Eligible Operating Expenses | \$ 44,898,937 |
| Total Operating Revenues | <u>13,602,297</u> |
| Deficit | <u>\$ 31,296,640</u> |
| Sixty-Five Percent of Eligible Operating Expenses | <u>\$ 29,184,309</u> |
| Maximum Contract Amount | <u>\$ 39,990,000</u> |
| Eligible Downstate Operating Assistance (Deficit or Sixty-Five Percent of Eligible Expense or Maximum Contract Amount, Whichever is Less) | \$ 29,184,309 |
| Less - Fiscal Year 2021 Downstate Operating Assistance Received Through June 30, 2021 | 26,686,059 |
| Less - Fiscal Year 2021 Downstate Operating Assistance Received Subsequent to June 30, 2021 | <u>1,935,875</u> |
| Fiscal Year 2021 Downstate Operating Assistance Under Paid | <u>\$ 562,375</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Prior Audit Findings –
Downstate Operating Assistance Grant OP-21-45-IL
For the Year Ended June 30, 2021

No findings noted in the prior year.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Auditor Assurances Applicable to
Downstate Operating Assistance Grant OP-21-45-IL
For the Year Ended June 30, 2021

1. The financial statements of the Champaign-Urbana Mass Transit District (the District) are prepared in accordance with accounting principles generally accepted in the United States of America as adopted by the Governmental Accounting Standards Board.
2. The District complied with the Regulations for Operating Assistance to Downstate Areas.
3. The District's system of internal accounting controls and procedures was adequate relating to funds received and costs charged to the grant.
4. State funds were expended in accordance with the grant contract.
5. Financial reports and claims for advances were accurate and complete with no exceptions.

Champaign County
Section 5311 Annual Financial Report
Operating Period July 1, 2020 to June 30, 2021
(Prepared by Champaign-Urbana Mass Transit District)
Contract Number DPT # 5137

Revenue

| Line Item | Description | Total |
|-----------|------------------------------------|-------------|
| | | |
| 401 | Passenger Fares/Donations | |
| 402 | Special Transit Fares | |
| 405 | Charter Service | |
| 406 | Auxiliary Transportation | |
| 407 | Non-Transportation Revenue | |
| 411 | State Cash Grants | \$313,836 |
| 430 | Contributed Services | |
| 440 | Subsidy From Other Sources | \$15,118 |
| | | |
| | | |
| | Total Revenue | \$328,954 |
| | Less: Non- 5311 Operating Revenues | (\$328,954) |
| | Section 5311 Operating Revenue | \$0 |

Expenses

| Line Item | Eligible Expenses | Actual Administrative Expenses | Actual Operating Expenses | Total |
|-----------|------------------------|--------------------------------------|---------------------------------|-----------|
| | | | | |
| 501 | Labor | \$10,444 | | \$10,444 |
| 502 | Fringe Benefits | \$653 | | \$653 |
| 503 | Services | \$23,313 | \$4,955 | \$28,268 |
| 504.01 | Fuel and Oil | | | \$0 |
| 504.02 | Tires and Tubes | | | \$0 |
| 504.99 | Other Materials | | | \$0 |
| 505 | Utilities | | | \$0 |
| 506 | Casualty and Liability | | | \$0 |
| 507 | Taxes | | | \$0 |
| 508 | Purchase of Service | | \$446,350 | \$446,350 |
| 509 | Miscellaneous | | | \$0 |
| 511 | Interest Expense | | | \$0 |
| 512 | Lease and Rentals | | | \$0 |
| | Other: | | | |
| | | | | |
| | | | | |
| | Total Expenses | \$34,410 | \$451,305 | \$485,715 |

Champaign County
Section 5311 Annual Financial Report
Operating Period July 1, 2020 to June 30, 2021
(Prepared by Champaign-Urbana Mass Transit District)
Contract Number DPT # 5137

| | Administrative Expenses | Operating Expenses | Total |
|---|----------------------------|-----------------------|-----------|
| 1) Expenses: Per Single Audit | \$34,410 | \$451,305 | \$485,715 |
| 2) Less: Ineligible Expenses per Single Audit | \$0 | \$2,890 | \$2,890 |
| 3) Net Eligible Expenses ((1)-(2)) | \$34,410 | \$448,415 | \$482,825 |
| 4) Less: Section 5311 Operating Revenues (From Page 1) | | \$0 | \$0 |
| 5) Section 5311 Operating Deficit ((3)-(4)) | | \$448,415 | |
| 6) Section 5311 Deficit ((3)-(4)) | | | \$482,825 |
| 7) Section 5311 Reimbursement % | x 80% | x 50% | |
| | | | |
| | | | Grant |
| | | | Total |
| A) Eligible Reimbursement Per Percentages | \$27,528 | \$224,208 | \$251,736 |
| B) Funding Limits per Contract | | | \$153,871 |
| C) Maximum Section 5311 Reimbursement: (Lesser of Totals for (A) or (B)) | | | \$153,871 |
| D) Less: IDOT Payments - Section 5311 Reimbursement to Grantee | | | \$153,871 |
| E) Amount (Over) Under Paid ((C)-(D)) | | | \$0.00 |
| F) Grantee Local Match Requirement (Operating Deficit-(C)) | | | \$328,954 |

| GRANTEE MATCH SOURCES | AMOUNTS |
|--|------------|
| Downstate Operating Grant | \$ 313,836 |
| Local Contracts | \$15,118 |
| In-Kind Services, Subsidies, Donations | \$0 |
| | |
| TOTAL LOCAL MATCH (Must equal (F)) | \$ 328,954 |
| | |
| LOCAL TRANSIT FUNDS RETAINED (CARRY FORWARD ACCOUNT) | |
| BEGINNING CARRY FORWARD (C.F.A.) BALANCE | \$186,446 |
| FY Local Transit (Local Contracts) Amounts Received | \$112,200 |
| Less expended for Capital \$ 0 Operating \$15,118. | \$15,118 |
| ENDING CARRY FORWARD (C.F.A.) BALANCE | \$283,528 |

I certify that the revenues and costs claimed for reimbursement are adequately supported and the approved cost allocation plan (if applicable) has been followed as provided in the project budget.

Prepared By: Nate Warman

Title: Comptroller

Reviewed By/PCOM: _____

Date: _____

CPA Approval: See Independent Auditors' Report

Date: See Independent Auditors' Report

Champaign County
 Required Audited Schedule of Revenue and Expenses Under
 The Cares Act Grant IL-2020-034-00
 Operating Period July 1, 2020 to June 30, 2021
 (Prepared by Champaign-Urbana Mass Transit District)
 Contract Number DPT # 5242 (CARES-2410-20409)

Expenses

| Line Item | Eligible Expenses | Actual Administrative Expenses | Actual Operating Expenses | Total |
|-----------|------------------------|--------------------------------------|---------------------------------|-----------|
| | | | | |
| 501 | Labor | | | \$0 |
| 502 | Fringe Benefits | | | \$0 |
| 503 | Services | | \$4,863 | \$4,863 |
| 504.01 | Fuel and Oil | | | \$0 |
| 504.02 | Tires and Tubes | | | \$0 |
| 504.99 | Other Materials | | | \$0 |
| 505 | Utilities | | | \$0 |
| 506 | Casualty and Liability | | \$787 | \$787 |
| 507 | Taxes | | | \$0 |
| 508 | Purchase of Service | | \$216,977 | \$216,977 |
| 509 | Miscellaneous | | \$44 | \$44 |
| 511 | Interest Expense | | | \$0 |
| 512 | Lease and Rentals | | | \$0 |
| | Other: | | | |
| | | | | |
| | | | | |
| | Total Expenses | \$0 | \$222,671 | \$222,671 |

Champaign County
Required Audited Schedule of Revenue and Expenses Under
The Cares Act Grant IL-2020-034-00
Operating Period July 1, 2020 to June 30, 2021
(Prepared by Champaign-Urbana Mass Transit District)
Contract Number DPT # 5242 (CARES-2410-20409)

| | Administrative Expenses | Operating Expenses | Total |
|--|----------------------------|-----------------------|------------------|
| 1) Expenses: Per Single Audit | \$0 | \$222,671 | \$222,671 |
| 2) Less: Ineligible Expenses per Single Audit | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| 3) Net Eligible Expenses ((1)-(2)) | \$0 | \$222,671 | \$222,671 |
| 4) Less: CARES Operating Revenues (From Page 1) | | <u>\$0</u> | <u>\$0</u> |
| 5) CARES Operating Deficit ((3)-(4)) | | \$222,671 | |
| 6) CARES Deficit ((3)-(4)) | | | \$222,671 |
| 7) CARES Reimbursement % | x <u>0%</u> | x <u>100%</u> | |
| | | | |
| | | | |
| | | | Grant |
| | | | Total |
| A) Eligible Reimbursement Per Percentages | \$0 | \$222,671 | \$222,671 |
| B) Funding Limits per Contract | | | \$579,840 |
| C) Maximum CARES Reimbursement: (Lesser of Totals for (A) or (B)) | | | \$222,671 |
| D) Less: IDOT Payments - CARES Reimbursement to Grantee | | | <u>\$155,272</u> |
| E) Amount (Over) Under Paid ((C)-(D)) | | | \$67,399.00 |
| F) Grantee Local Match Requirement (Operating Deficit-(C)) | | | \$0 |

| GRANTEE MATCH SOURCES | AMOUNTS |
|--|---------|
| Downstate Operating Grant | \$ - |
| Local Contracts | - |
| In-Kind Services, Subsidies, Donations | - |
| | |
| TOTAL LOCAL MATCH (Must equal (F)) | \$ - |
| | |
| | |
| LOCAL TRANSIT FUNDS RETAINED (CARRY FORWARD ACCOUNT) | |
| BEGINNING CARRY FORWARD (C.F.A.) BALANCE | \$ - |
| FY Local Transit (Local Contracts) Amounts Received | - |
| Less expended for Capital \$ 0 Operating \$0 | - |
| ENDING CARRY FORWARD (C.F.A.) BALANCE | \$ - |

I certify that the revenues and costs claimed for reimbursement are adequately supported and the approved cost allocation plan (if applicable) has been followed as provided in the project budget.

Prepared By: Nate Warman

Title: Comptroller

Reviewed By/PCOM: _____

Date: _____

CPA Approval: See Independent Auditors' Report

Date: See Independent Auditors' Report

Champaign County
Schedule of Revenues and Expenses
Under Downstate Operating Assistance Grant OP-21-05-IL
(Prepared by Champaign-Urbana Mass Transit District)
For the Year Ended June 30, 2021

Operating Revenues:

| | | |
|---------|--|-------------|
| 401 | Passenger Fares for Transit Services | \$ - |
| 402 | Special Transit Fares | - |
| 413 | Federal Cash Grants & Reimbursement | 153,871 |
| 413 .99 | Sec. 5307 capital funds applied to state eligible op. expenses | - |
| .99 | Job Access Reverse Commute & New Freedom | - |
| 430 | Contributed Services | - |
| 440 | Subsidy from Other Sectors of Operations | 15,118 |
| | | <hr/> |
| | Total Operating Revenues | \$ 168,989 |
| | | <hr/> <hr/> |

Operating Expenses

| | | |
|-----|--|-----------|
| 501 | Labor | \$ 10,444 |
| 502 | Fringe Benefits | 653 |
| 503 | Professional Services | 28,268 |
| 504 | Materials & Supplies Consumed | - |
| 505 | Utilities | - |
| 506 | Casualty & Liability | - |
| 507 | Taxes | - |
| 508 | Purchased Transportation | 446,350 |
| 509 | Miscellaneous Expense | - |
| 511 | Interest Expense | - |
| 512 | Leases, Rentals, and Purchase-Lease Payments | - |
| | | <hr/> |
| | Total Operating Expenses | 485,715 |

Ineligible Operating Expenses:

Other: Single Audit Expenses \$ 2,890

Less Total Ineligible Operating Expenses 2,890

Total Eligible Operating Expenses \$ 482,825

Champaign County
Schedule of Revenues and Expenses
Under Downstate Operating Assistance Grant OP-21-05-IL
(Prepared by Champaign-Urbana Mass Transit District)
For the Year Ended June 30, 2021

| | |
|--|-------------------|
| Total Eligible Operating Expenses | \$ 482,825 |
| Total Operating Revenues | 168,989 |
| Deficit | <u>\$ 313,836</u> |
| Sixty-Five Percent of Eligible Operating Expenses | <u>\$ 313,836</u> |
| Maximum Contract Amount | <u>\$ 723,852</u> |
| Eligible Downstate Operating Assistance (Deficit or Sixty-Five Percent of Eligible Expense or Maximum Contract Amount, Whichever is Less) | \$ 313,836 |
| Fiscal Year 2021 Downstate Operating Assistance Received Through June 30, 2021 | 2,469 |
| Fiscal Year 2021 Downstate Operating Assistance Received Subsequent to June 30, 2021 | <u>311,367</u> |
| Fiscal Year 2021 Downstate Operating Assistance Under Paid | <u>\$ -</u> |

| | |
|---|---|
| Prepared By: <u>Nate Warman</u> | Title: <u>Comptroller, CUMTD</u> |
| Reviewed by PCOM: _____ | Date: _____ |
| Reviewed by Grantee: _____ Authorized Representative | Date: _____ |
| CPA Approval: <u>See Independent Auditor's Report</u> | Date: <u>See Independent Auditor's Report</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Prior Audit Findings –
Downstate Operating Assistance Grant OP-21-05-IL
For the Year Ended June 30, 2021

No findings noted in the prior year.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Auditor Assurances Applicable to
Downstate Operating Assistance Grant OP-21-05-IL
For the Year Ended June 30, 2021

1. The financial statements of the Champaign-Urbana Mass Transit District (the District) are prepared in accordance with accounting principles generally accepted in the United States of America as adopted by the Governmental Accounting Standards Board.
2. The District complied with the Regulations for Operating Assistance to Downstate Areas.
3. The District's system of internal accounting controls and procedures was adequate relating to funds received and costs charged to the grant.
4. State funds were expended in accordance with the grant contract.
5. Financial reports and claims for advances were accurate and complete with no exceptions.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/ Program Title | CFDA Number | Grant Number | Federal Awards Expended | Total Provided to Subrecipients |
|--|----------------|------------------|-------------------------------|---------------------------------------|
| U.S. Department of Transportation - | | | | |
| <i>Direct Awards:</i> | | | | |
| <i>Federal Transit Cluster</i> | | | | |
| Urbanized Area Formula Grants | 20.507 | * IL-2020-032-00 | \$ 738,364 | \$ - |
| Urbanized Area Formula Grants | 20.507 | * IL-2020-002-00 | 42,468 | - |
| COVID-19 Urbanized Area Formula Grants | 20.507 | * IL-2020-023-00 | 8,229,060 | - |
| Urbanized Area Formula Grants | 20.507 | * IL-2019-007-00 | 3,065,658 | - |
| Total Urbanized Area Formula Grants | | | 12,075,550 | - |
| Low or No Emission Competitive Grants | 20.526 | * IL-2019-007-00 | 615,720 | - |
| Program Total | | | 12,691,270 | - |
| <i>Pass Through from the County of Champaign, Illinois</i> | | | | |
| Formula Grants for Rural Areas | 20.509 | IL-21-05-FED | 153,871 | - |
| COVID-19 Formula Grants for Rural Areas | 20.509 | IL-2020-034-00 | 222,671 | - |
| Program Total | | | 376,542 | - |
| <i>Pass Through from Illinois Department of Transportation</i> | | | | |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505 | IL-80-0010-00 | 7,422 | - |
| Total Federal Expenditures | | | \$ 13,075,234 | \$ - |

* - Denotes a major program.

Notes to Schedule of Expenditures of Federal Awards:

1. The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the District's federal award programs presented on the accrual basis in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements, which are presented in conformity with accounting principles generally accepted in the United States of America.
2. The District did not use the 10 percent de minimis indirect cost rate for the year ended June 30, 2021.
3. Property and equipment purchases that are presented as expenditures in the Schedule of Expenditures of Federal Awards may be capitalized by the District for presentation in the basic financial statements.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

1. Summary of Auditor's Results

- (i) Type of auditor's report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a material weakness in internal control over financial reporting.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements.
- (iv) The audit did not disclose material weaknesses or significant deficiencies in internal control over the major federal award programs.
- (v) Type of auditor's report issued on compliance for the major program: Unmodified
- (vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.
- (vii) Major program:
 - U.S. Department of Transportation – Federal Transit Administration:
 - Federal Transit Cluster
 - CFDA #20.507
 - CFDA #20.526
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (ix) Champaign-Urbana Mass Transit District does qualify as a low risk auditee.

2. Findings – Financial Statement Audit

None noted.

3. Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

No findings noted in the prior year.

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
Champaign-Urbana Mass Transit District
Urbana, Illinois

We have audited, in accordance with the 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 the Champaign-Urbana Mass Transit District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 14, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 entity's financial statements will not be prevented



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Audit 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.

Martin Hood LLC

Champaign, Illinois
February 14, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Champaign-Urbana Mass Transit District
Urbana, Illinois

Report on Compliance for Each Major Federal Program

We have audited Champaign-Urbana Mass Transit District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2021. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs (Schedule 12).

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Martin Hood LLC

Champaign, Illinois

February 14, 2022

February 14, 2022

Board of Trustees
Champaign-Urbana Mass Transit District
Urbana, Illinois

We have audited the financial statements of the Champaign-Urbana Mass Transit District (the District) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our email to the Board's Chairperson dated August 2, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during Fiscal Year 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:



- The estimated allowance for uncollectible receivables, which is based on the District's recent collection history for similar receivables.
- The useful lives of capital assets, which are based on past experience with similar capital assets.
- The estimates related to the District's pension liability and other postemployment benefit liability, which are based on actuarial calculations performed by actuaries working directly for the Illinois Municipal Retirement Fund and for the District, respectively.
- The amount of expenses eligible for reimbursement under the District's state and federal operating and capital grants, which is based on all available grant management guidance from the Illinois Department of Transportation, the U.S. Department of Transportation, and the U.S. Office of Management and Budget.

We evaluated the key factors and assumptions used to develop the estimates in determining that the estimated amounts are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 11 related to the District's pension plan. This disclosure was provided to management by the actuary hired by the Illinois Municipal Retirement Fund.
- Note 12 related to the District's other postemployment benefit plan. This disclosure was provided to management by the actuary hired by the District.

Overall, the financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We had full cooperation from management in performing and completing our audit. However, the completion of our audit procedures and the issuance of our reports were impacted by the following issues:

- Active COVID-19 infections within Martin Hood's engagement team and within the family of a member of the District's accounting management team delayed the start of our fieldwork from August 23 to September 16, 2021
- The time span in receiving requested workpapers and documentation from management after our main fieldwork, which ended September 24, 2021, delayed our projected final report issuance from late November 2021 to mid-February 2022.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

- Management may choose not to correct certain misstatements due to qualitative and quantitative factors, such as materiality. If applicable, these uncorrected misstatements are summarized on the attached Audit Difference Evaluation Form. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- The attached Adjusting, Reclassifying, and Eliminating Journal Entry Reports, as applicable, summarize adjustments that were made to the financial statements. These entries were either (1) provided by management, or (2) identified during the performance of audit procedures and proposed to, discussed with, and approved by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated February 14, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters*Required Supplementary Information*

We applied certain limited procedures to the required supplementary information (RSI) that supplement the basic financial statements but are not required parts of the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

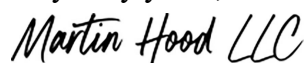
Other Information

We were engaged to report on the information in the supplementary schedules, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Martin Hood LLC". The signature is written in a cursive, flowing style.

Martin Hood LLC

Champaign-Urbana Mass Transit District

Year End: June 30, 2021

Adjusting journal entries

Date: 7/1/2020 To 6/30/2021

TB-02

| | | |
|---------------|----------------|---------------|
| Staff | In-Charge | Manager |
| | NNP 12/28/2021 | GJD 1/15/2022 |
| Partner | TR | |
| DWH 2/14/2022 | | |

| Number | Date | Name | Account No | Reference | Annotation | Debit | Credit | Recurrence | Misstatement |
|---|-----------|---|-------------|-----------|------------|------------|------------|------------|--------------|
| 1 | 6/30/2021 | OPERATING ASSISTANCE - STATE | 4110100000A | PBC | | | 313,837.00 | | |
| 1 | 6/30/2021 | COUNTY REIMBURSEMENTS | 4112000000A | PBC | | 594,412.00 | | | |
| 1 | 6/30/2021 | OPERATING ASSISTANCE - FEDERAL | 4130100000A | PBC | | | 153,871.00 | | |
| 1 | 6/30/2021 | OPERATING ASSISTANCE - FEDERAL | 4130100000A | PBC | | | 222,671.00 | | |
| 1 | 6/30/2021 | OTHER SOURCES/SUBSIDIES (PTA \$) | 4409900000A | PBC | | 95,967.00 | | | |
| PBC - To allocate C-CARTS revenue to the appropriate account. Entry provided by Nate Warman, Comptroller, on 9/23/2021. | | | | | | | | | |
| 2 | 6/30/2021 | FIXED ASSETS - OPERATING (DEBT SERVICE) | 1110000004 | PBC | | 17,057.00 | | | |
| 2 | 6/30/2021 | ACCUM DEPR - OPERATING (DEBT SERVICE) | 1110300024 | PBC | | | 17,057.00 | | |
| PBC - To correct accumulated depreciation entry for FA #30166. Entry provided by Nate Warman, Comptroller, on 9/23/2021. | | | | | | | | | |
| 3 | 6/30/2021 | FIXED ASSETS - LOCAL FUNDING | 1110000003 | PBC | | 495.00 | | | |
| 3 | 6/30/2021 | ACCUM DEPRECIATION - LOCAL | 1110300023 | PBC | | | 495.00 | | |
| PBC - To reverse disposal on 10/1/20 - OTC king press via public surplus - Asset #60333 - Class 600 - Local - as was not a capital asset. Entry provided by Nate Warman, Comptroller, on 9/23/2021. | | | | | | | | | |
| 4 | 6/30/2021 | FIXED ASSETS - FEDERAL FUNDING | 1110000001 | PBC | | | 576,435.00 | | |
| 4 | 6/30/2021 | FIXED ASSETS - STATE FUNDING | 1110000002 | PBC | | | 219,779.00 | | |
| 4 | 6/30/2021 | FIXED ASSETS - LOCAL FUNDING | 1110000003 | PBC | | | 14,182.00 | | |
| 4 | 6/30/2021 | ACCUM DEPRECIATION - FEDERAL | 1110300021 | PBC | | 576,435.00 | | | |
| 4 | 6/30/2021 | ACCUM DEPRECIATION - STATE | 1110300022 | PBC | | 219,779.00 | | | |
| 4 | 6/30/2021 | ACCUM DEPRECIATION - LOCAL | 1110300023 | PBC | | 14,182.00 | | | |
| PBC - To record disposal of Asset #40205 and #40206 that were sold on public surplus. Entry provided by Nate Warman, Comptroller, on 9/23/2021. | | | | | | | | | |
| 5 | 6/30/2021 | EARLY RETIREMENT OBLIGATION - LT | 2310100002 | PBC | | 136,979.00 | | | |
| 5 | 6/30/2021 | EARLY RETIREMENT OBLIGATION - ST | 2310100004 | PBC | | | 297,524.00 | | |
| 5 | 6/30/2021 | EARLY RETIREMENT PLAN - OPS | 5022001000 | PBC | | 28,601.00 | | | |
| 5 | 6/30/2021 | EARLY RETIREMENT PLAN - MAINT | 5022004000 | PBC | | 92,784.00 | | | |
| 5 | 6/30/2021 | EARLY RETIREMENT PLAN - G&A | 5022016000 | PBC | | 39,160.00 | | | |
| PBC - To reclass the current portion of early retirement, adjust the long-term portion to actual, and adjust expense accounts to actual. Entry provided by Nate Warman, Comptroller, on 9/23/2021. | | | | | | | | | |

| | | |
|---------------|----------------|---------------|
| Staff | In-Charge | Manager |
| Partner | NNP 12/28/2021 | GJD 1/15/2022 |
| DWH 2/14/2022 | TR | |

| Number | Date | Name | Account No | Reference | Annotation | Debit | Credit | Recurrence | Misstatement |
|--------|-----------|---|------------|-----------|------------|------------|------------|------------|--------------|
| 6 | 6/30/2021 | ACCRUED PAYROLL BENEFITS | 2020400000 | PBC | | | 780,903.00 | | |
| 6 | 6/30/2021 | ACCRUED FICA - EMPLOYER SHARE | 2030100000 | PBC | | | 59,739.00 | | |
| 6 | 6/30/2021 | OVERHEAD SALARIES - G&A | 5010516000 | PBC | | 7,088.00 | | | |
| 6 | 6/30/2021 | OVERHEAD SALARIES - G&A | 5010516000 | PBC | | 1,701.00 | | | |
| 6 | 6/30/2021 | OVERHEAD SALARIES - G&A | 5010516000 | PBC | | | 7,088.00 | | |
| 6 | 6/30/2021 | OVERHEAD SALARIES - IT | 5010516200 | PBC | | 8,527.00 | | | |
| 6 | 6/30/2021 | OVERHEAD SALARIES - IT | 5010516200 | PBC | | 5,387.00 | | | |
| 6 | 6/30/2021 | FICA - OPS | 5020101000 | PBC | | 22,239.00 | | | |
| 6 | 6/30/2021 | FICA - OPS | 5020101000 | PBC | | 24,462.00 | | | |
| 6 | 6/30/2021 | FICA - MAINT | 5020104000 | PBC | | 5,505.00 | | | |
| 6 | 6/30/2021 | FICA - MAINT | 5020104000 | PBC | | 5,811.00 | | | |
| 6 | 6/30/2021 | FICA - G&A | 5020116000 | PBC | | 542.00 | | | |
| 6 | 6/30/2021 | FICA - IT | 5020116200 | PBC | | 528.00 | | | |
| 6 | 6/30/2021 | FICA - IT | 5020116200 | PBC | | 652.00 | | | |
| 6 | 6/30/2021 | VACATIONS - OPS | 5021101000 | PBC | | 290,701.00 | | | |
| 6 | 6/30/2021 | VACATIONS - MAINT | 5021104000 | PBC | | 71,964.00 | | | |
| 6 | 6/30/2021 | VACATIONS - IT | 5021116200 | PBC | | 6,898.00 | | | |
| 6 | 6/30/2021 | EARNED TIME - OPS | 5021501000 | PBC | | 319,764.00 | | | |
| 6 | 6/30/2021 | EARNED TIME - MAINT | 5021504000 | PBC | | 75,961.00 | | | |
| | | PBC - Entry provided by Nate Warman, Comptroller, on 9/23/2021. | | | | | | | |
| 10 | 6/30/2021 | A/R - STATE OPERATING ASSISTANCE | 1020700000 | R-01 | | | 966,399.00 | | |
| 10 | 6/30/2021 | OPERATING ASSISTANCE - STATE | 4110100000 | R-01 | | 966,399.00 | | | |
| | | To adjust State Operating Assistance Grant Revenue and related receivable to actual based on information provided by CUMTD. Discussed with and approved by Nate Warman, Comptroller, on 2/8/2022. | | | | | | | |
| 11 | 6/30/2021 | EARLY RETIREMENT OBLIGATION - LT | 2310100002 | PBC | | 588.00 | | | |
| 11 | 6/30/2021 | EARLY RETIREMENT OBLIGATION - ST | 2310100004 | PBC | | | 35,684.00 | | |
| 11 | 6/30/2021 | EARLY RETIREMENT PLAN - OPS | 5022001000 | PBC | | 35,096.00 | | | |
| | | PBC - To adjust early retirement accrual to actual. Entry provided by Nate Warman, Comptroller, on 2/8/2022. | | | | | | | |
| 13 | 6/30/2021 | A/R - GRANTS | 1020600001 | PBC | | | 399,661.00 | | |
| 13 | 6/30/2021 | OPERATING ASSISTANCE - STATE | 4110100000 | PBC | | | 174,100.00 | | |
| 13 | 6/30/2021 | OPERATING ASSIST - DEBT SERVICE | 4110100001 | PBC | | 174,100.00 | | | |
| 13 | 6/30/2021 | FEDERAL GRANT REVENUE | 4130500000 | PBC | | 399,661.00 | | | |
| | | PBC - To update CARES and State Operating Assistance to reflect impact of AJE #10. Provided by Michelle Wright, Finance | | | | | | | |

| | | |
|---------------|----------------|---------------|
| Staff | In-Charge | Manager |
| | NNP 12/28/2021 | GJD 1/15/2022 |
| Partner | TR | |
| DWH 2/14/2022 | | |

| Number | Date | Name | Account No | Reference | Annotation | Debit | Credit | Recurrence | Misstatement |
|--------|------|------------------------|---------------|-----------|------------|--------------|--------------|------------|--------------|
| | | Director, on 2/9/2022. | | | | | | | |
| | | | | | | 4,239,425.00 | 4,239,425.00 | | |
| | | Net Income (Loss) | 13,465,370.00 | | | | | | |

Champaign-Urbana Mass Transit District

Year End: June 30, 2021

Reclassifying journal entries

Date: 7/1/2020 To 6/30/2021

TB-03

| Staff | In-Charge | Manager |
|---------------|----------------|---------------|
| | NNP 12/28/2021 | GJD 1/15/2022 |
| Partner | TR | |
| DWH 2/14/2022 | | |

| Number | Date | Name | Account No | Reference | Annotation | Debit | Credit | Recurrence | Misstatement |
|--|-----------|---|---------------|-----------|------------|---------------|---------------|------------|--------------|
| 7 | 6/30/2021 | A/R CTRL - OPERATING REVENUE | 1020100001 | PBC | | 143,498.00 | | | |
| 7 | 6/30/2021 | A/R - MISCELLANEOUS | 1020800001 | PBC | | | 143,498.00 | | |
| PBC -To reclass C-CARTS A/R to the appropriate account. Entry provided by Nate Warman, Comptroller, on 11/12/2021. | | | | | | | | | |
| 8 | 6/30/2021 | FIXED ASSETS - STATE FUNDING | 1110000002 | PBC | | | 153,574.00 | | |
| 8 | 6/30/2021 | FIXED ASSETS - OPERATING (DEBT SERVICE) | 1110000004 | PBC | | 153,574.00 | | | |
| PBC - Reclass entry provided by Nate Warman, Comptroller, on 12/17/2021. | | | | | | | | | |
| 9 | 6/30/2021 | FIXED ASSETS - LOCAL FUNDING | 1110000003 | F-00 | | 495.00 | | | |
| 9 | 6/30/2021 | FIXED ASSETS - OPERATING (DEBT SERVICE) | 1110000004 | F-00 | | | 495.00 | | |
| To adjust fixed assets to actual. Discussed with and approved by Nate Warman, Comptroller, on 12/17/2021. | | | | | | | | | |
| 12 | 6/30/2021 | CAPITAL RESERVE | 1410300001 | PBC | | | 823,909.00 | | |
| 12 | 6/30/2021 | CAPITAL RESERVE | 1410300001 | PBC | | 13,581,916.00 | | | |
| 12 | 6/30/2021 | CAPITAL RESERVE - CONTRA ACCT | 1410300002 | PBC | | 823,909.00 | | | |
| 12 | 6/30/2021 | CAPITAL RESERVE - CONTRA ACCT | 1410300002 | PBC | | | 13,581,916.00 | | |
| PBC - To record capital reserve reclassifying entry. Provided by Michelle Wright, Finance Director, on 2/9/2022. | | | | | | | | | |
| | | | | | | 14,703,392.00 | 14,703,392.00 | | |
| | | | | | | | | | |
| Net Income (Loss) | | | 13,465,370.00 | | | | | | |

Index **ALG-CX-12.2: Audit Difference Evaluation Form**Governmental Unit: Financial Statement Date: Completed by: Date: Opinion Unit: A Listing of Known Audit Differences Over: \$

| Description (Nature) of Audit Difference (AD) | Factual (F), Judgmental (J), or Projected (P) | Cause | W/P Ref. | Financial Statement Effect—Amount of Over- (Under-) statement of: | | | | | | |
|---|---|---------------------|----------|---|--|--------------|--------------|------------|------------|------------------------|
| | | | | Total Assets and Deferred Outflows | Total Liabilities and Deferred Inflows | Working Cap. | Net Position | Revenues | Expen. | Change in Net Position |
| Change in Net Pension Liability and Deferred Inflows using the Audited Schedule of Changes in Fiduciary Net Position for IMRF rather than Actuarial Report's Estimate | P | Management Decision | M-15 | | 179,812 | | (179,812) | | 179,812 | (179,812) |
| Operating Grant impact of the above item | P | Management Decision | | 179,812 | | 179,812 | 179,812 | 179,812 | | 179,812 |
| Negative A/R balances included within total A/R | F | Management Decision | C-01A | (27,225) | (27,225) | | | | | |
| Understated FY21 depreciation on 2009 40-Foot buses (#0958 to #0962); | F | Management Decision | F-01A | | | | | | (130,744) | 130,744 |
| Understated estimated accrual of Trillium Invoice #4 and related grant revenue | J | Management Decision | M-04 | (572,000) | (286,000) | | (286,000) | (286,000) | | (286,000) |
| Understated workers comp outstanding reserve based on 12/31/21 report | J | Management Decision | RAWP-17 | | (45,535) | 45,535 | 45,535 | | (45,535) | 45,535 |
| Overstated property tax revenue and A/R based on reasonable range | J | Management Decision | C-04 | 38,300 | | 38,300 | 38,300 | 38,300 | | 38,300 |
| Total | | | | -381,113 | -178,948 | 263,647 | -202,165 | -67,888 | 3,533 | -71,421 |
| Less audit adjustments subsequently booked | | | | | | | | | | |
| Net unadjusted AD—current year (iron curtain method) | | | | -381,113 | -178,948 | 263,647 | -202,165 | -67,888 | 3,533 | -71,421 |
| Effect of unadjusted AD—prior years | | | | | | | | 69,214 | 106,483 | -37,269 |
| Combined current year and prior year AD (rollover method) | | | | -381,113 | -178,948 | 263,647 | -202,165 | 1,326 | 110,016 | -108,690 |
| Financial statement caption totals | | | | 141,767,831 | 29,319,474 | 12,902,733 | 112,448,357 | 57,990,974 | 44,525,604 | 13,465,370 |
| Current year AD as % of F/S captions (iron curtain method) | | | | -0.27% | -0.61% | 2.04% | -0.18% | -0.12% | 0.01% | -0.53% |
| Current and prior year AD as % of F/S captions (rollover method) | | | | -0.27% | -0.61% | 2.04% | -0.18% | 0.00% | 0.25% | -0.81% |