

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT

Urbana, Illinois

**Financial Statements  
and Supplementary Information**

For the Year Ended

June 30, 2022

**FILED**

APR 17 2023

*Dawn Ammons*  
CHAMPAIGN COUNTY CLERK

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Champaign-Urbana Mass Transit District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

### ***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 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 is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was 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 4, 2023, 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 4, 2023



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



# Management's Discussion & Analysis

Champaign-Urbana Mass Transit District

*Financial Audit*  
*June 30, 2022*



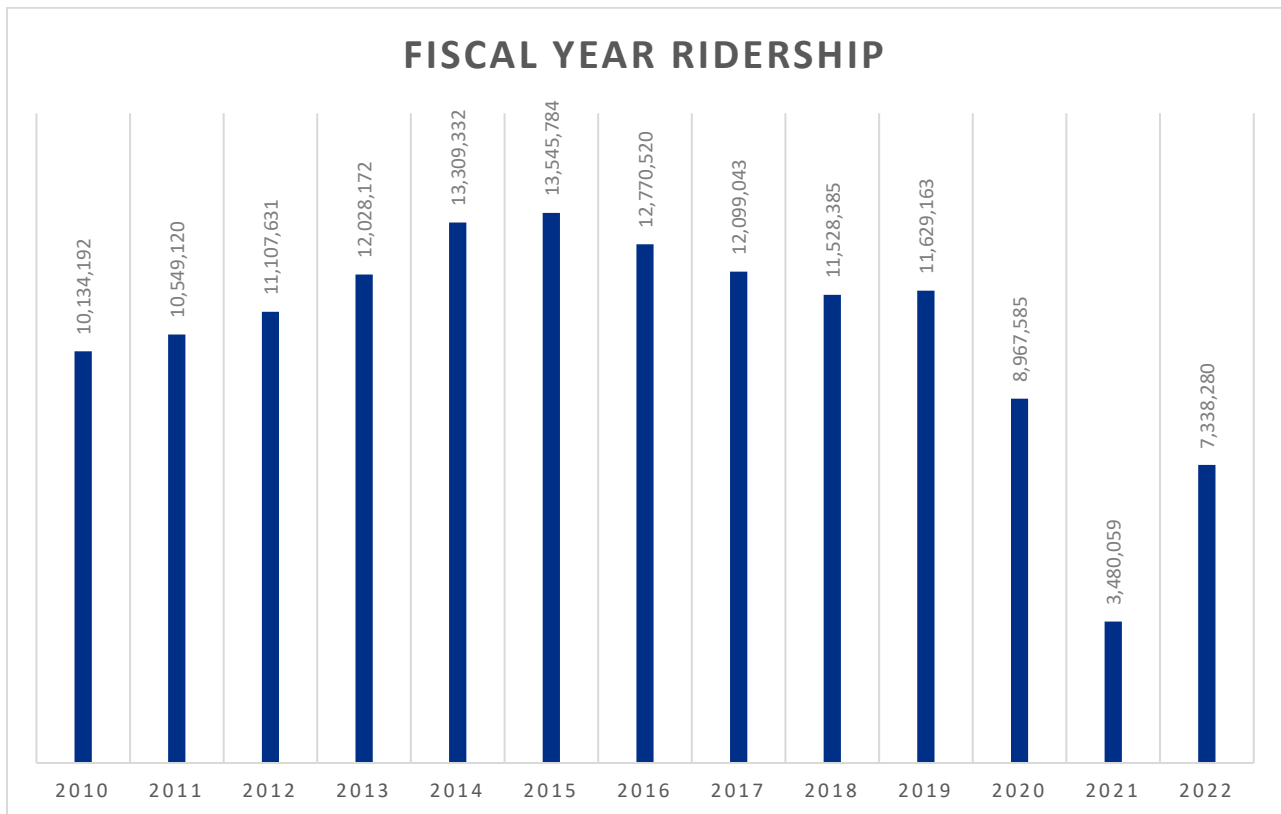


**CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2022**

Management of the Champaign-Urbana Mass Transit District (District) provides this narrative overview and analysis of the financial activities of the District's fiscal year ended June 30, 2022. Please 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 \$127,776,266 (net position), an increase of \$15,327,909. The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations, was a surplus of \$41,898,518 as of June 30, 2022.
- The District's property tax and replacement tax revenue increased \$820,112 (8.3%) in FY2022 from the previous year.
- Operating revenue increased by \$2,487,116 in FY2022 from the previous year due to fare enforcement restarting in FY2022. Fare collection was suspended due to the COVID-19 pandemic in March 2020 and resumed in August 2021.
- 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 \$1,131,038 was recorded in FY2022. Previously, \$11,013,628 total CARES revenue was recorded in FY2021 and FY2020 combined.
- The District was awarded \$13,051,564 in December 2020 from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) with the first \$2,472,497 CRRSAA revenue recorded in FY2022.
- The District was awarded \$20,227,511 in March 2021 from the federal American Rescue Plan Act (ARPA) with the first \$1,833,450 ARPA revenue recorded in FY2022.
- Non-operating revenues (expenses) decreased by \$8,385,957 in FY2022 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 private developers 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, determined in September 2021 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 were used in FY2022 to purchase three 60-foot replacement hybrid diesel buses, rehabilitate kiosks, and construct a solar array to power the hydrogen generation and fueling station. In January 2022, the District was awarded \$2,109,000 from the state Rebuild Illinois capital program. The funds will be used to expand the current solar array on the roof of the Maintenance Facility at 803 E. University Ave. Additionally, the District was awarded \$7,150,000 from the state Rebuild Illinois capital program in January 2023. The funds will be used for the purchase of ten 40-foot replacement hydrogen electric buses.



## 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. Ridership began to recover in FY2022 as vaccines and treatments for COVID-19 allowed the return of normal activities.

The District budgets for approximately 400 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 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 funds were fully used prior to FY2022. 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 \$161,567 revenue recorded in FY2022.

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 is 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>FY2022</u>          | <u>FY2021</u>          |
|---|------------------------|------------------------|
| Current and other assets                      | \$ 65.7                | \$ 61.6                |
| Capital assets                                | 86.8                   | 76.8                   |
| Deferred outflows of resources                | <u>3.8</u>             | <u>3.3</u>             |
| <b>Total assets and deferred outflows</b>     | <b><u>156.3</u></b>    | <b><u>141.7</u></b>    |
| Current and other liabilities                 | 11.2                   | 13.2                   |
| Long-term liabilities                         | 2.2                    | 6.5                    |
| Deferred inflows of resources                 | <u>15.1</u>            | <u>9.6</u>             |
| <b>Total liabilities and deferred inflows</b> | <b><u>28.5</u></b>     | <b><u>29.3</u></b>     |
| Net position                                  |                        |                        |
| Net investment in capital assets              | 85.9                   | 74.4                   |
| Restricted by enabling legislation            | -                      | -                      |
| Unrestricted                                  | <u>41.9</u>            | <u>38.0</u>            |
| <b>Total net position</b>                     | <b><u>\$ 127.8</u></b> | <b><u>\$ 112.4</u></b> |

Current and other assets increased by \$4.1 million from the prior year primarily due to the impact of changes in pension estimates and investment performance as required by GASB Statement 68. A net pension asset of \$5.3 million was recorded in FY2022 compared to a net pension liability of \$4.4 million in the prior year.

Capital assets were \$10 million higher in FY2022 due to ongoing construction of the hydrogen generation and fueling station, construction of a solar array to power the hydrogen generation and fueling station, purchase of five 40-foot replacement hybrid diesel buses, purchase of three 60-foot replacement hybrid diesel buses, and purchase of the CDL training facility at 1207 E. University which was previously leased. Also included in the \$10 million increase in capital assets in FY2022 was \$1.3 million in lease assets in compliance with GASB Statement 87 and \$0.1 million in subscription-based information technology arrangement assets in compliance with GASB Statement 96. GASB Statement 87, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset, and GASB Statement 96, which establishes uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs), were adopted effective July 1, 2021.



Current and other liabilities decreased by \$2 million from the prior year. The balance of the District's lines of credit was \$0 and \$2.4 million as of June 30, 2022, and June 30, 2021, respectively.

Long-term liabilities decreased by \$4.3 million and deferred inflows of resources increased by \$5.5 million from the prior year primarily due to the impact of changes in pension estimates and investment performance as required by GASB Statement 68.

***Net Position***

The District's overall net position in FY2022 increased by \$15.3 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>FY2022</u>   | <u>FY2021</u>   |
|---|-----------------|-----------------|
| <u>Operating revenues</u>                       |                 |                 |
| Revenues from transportation                    |                 |                 |
| Services  | \$ 6.7          | \$ 4.5          |
| C-CARTS   | 0.1             | 0.1             |
| Other operating revenues                        | <u>1.1</u>      | <u>0.8</u>      |
| Total operating revenues                        | <u>7.9</u>      | <u>5.4</u>      |
| <u>Operating expenses</u>                       |                 |                 |
| Operations                                      | 20.6            | 22.0            |
| Maintenance                                     | 7.1             | 7.2             |
| General administration and<br>Illinois Terminal | 6.9             | 7.2             |
| C-CARTS   | 0.8             | 0.7             |
| Depreciation and Amortization                   | <u>8.1</u>      | <u>7.4</u>      |
| Total operating expenses                        | <u>43.5</u>     | <u>44.5</u>     |
| <u>Operating loss</u>                           | <u>(35.6)</u>   | <u>(39.1)</u>   |
| <u>Non-Operating Revenues</u>                   |                 |                 |
| Taxes   | 10.7            | 9.8             |
| Assistance Grants - CUMTD                       | 28.2            | 37.4            |
| Assistance Grants – C-CARTS                     | 0.7             | 0.7             |
| Other Non-Operating Revenues                    | <u>0.1</u>      | <u>0.1</u>      |
| Total non-operating revenues                    | <u>39.7</u>     | <u>48.0</u>     |
| Income before capital<br>contributions          | 4.1             | 8.9             |
| <u>Capital contributions</u>                    |                 |                 |
| Capital grants                                  | <u>11.3</u>     | <u>4.5</u>      |
| Change in net position                          | 15.4            | 13.4            |
| <b>Net position, beginning of year</b>          | <u>112.4</u>    | <u>99.0</u>     |
| <b>Net position, end of year</b>                | <u>\$ 127.8</u> | <u>\$ 112.4</u> |

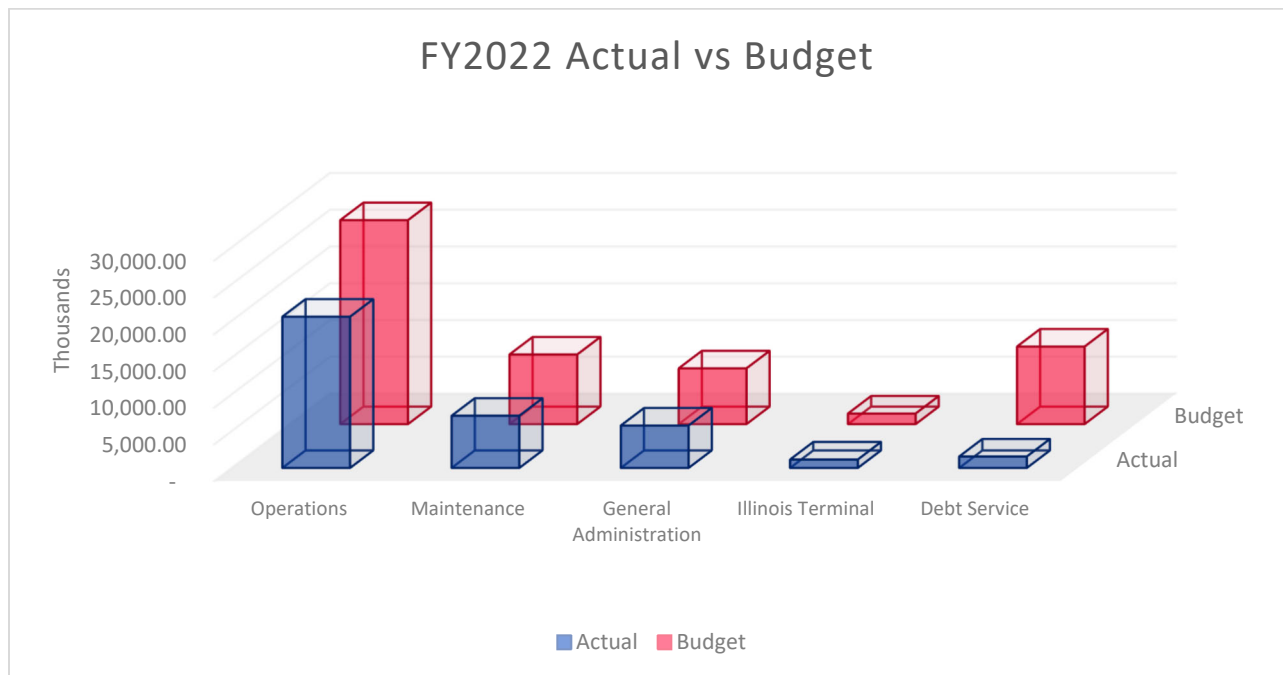
Operating revenues increased \$2.5 million from prior year due to reinstatement of fare enforcement.

Operating expenses decreased \$1.0 million from prior year due to a decrease of \$2.1 million in pension expense from changes in pension estimates and investment performance as required by GASB Statement 68 combined with an increase of \$0.7 million in fuel and lubricants expense.

Non-operating revenues (expenses) decreased \$8.3 million in FY2022. State Operating Assistance for debt service projects decreased in FY2022 due to fewer capital expenditures in FY2022 funded by debt service.

### Budgetary Highlights

The Board of Trustees approved the District’s budget for FY2022 of \$58.7 million, excluding depreciation and C-CARTS operating expenses, on June 30, 2021. The budget included \$10.6 million of debt service and \$1.8 million for locally funded capital expenditures.



Operating expenses for Operations, Maintenance, General Administration, and Illinois Terminal were all below budget in FY2022.

Debt service of \$1.6 million was under the budget of \$10.6 million in FY2022 due to the use of federal funding for the purchase of five 40-foot replacement hybrid diesel buses and local funding for the purchase of the CDL training facility at 1207 E. University Ave. rather than using debt service as originally budgeted.



## Capital Assets and Debt Administration

### Capital Assets:

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

**Table 3**

| Capital Assets   | FY2022              | FY2021              |
|--|---------------------|---------------------|
| Land   | \$2,872,236         | \$2,297,236         |
| Construction in Progress                                     | 15,993,187          | 11,931,214          |
| Land Improvements  | 1,083,172           | 271,445             |
| Office, Garage, and Buildings                                | 54,325,538          | 50,587,598          |
| Leasehold Improvements                                       | -                   | 2,640,906           |
| Revenue Vehicles   | 75,916,335          | 69,869,002          |
| Service Vehicles   | 634,986             | 634,986             |
| Passenger Shelters   | 4,894,458           | 4,680,009           |
| Intangibles  | 191,582             | 191,582             |
| Other Equipment  | 6,571,702           | 6,662,526           |
| Lease Assets   | 1,273,118           | -                   |
| Subscription-Based Information Technology Arrangement Assets | <u>109,701</u>      | -                   |
|  | 163,866,015         | 149,766,504         |
| Less: Accumulated Depreciation and Amortization              | <u>77,079,934</u>   | <u>72,974,572</u>   |
| Net Capital Assets   | <u>\$86,786,081</u> | <u>\$76,791,932</u> |

The District’s investment in capital assets is \$86.8 million (net of accumulated depreciation and amortization) as of June 30, 2022, and \$76.8 million (net of accumulated depreciation) as of June 30, 2021. This investment in capital assets includes land, buildings, construction in progress, vehicles, equipment, leasehold improvements, passenger shelters, intangibles, lease assets, and subscription-based information technology arrangement assets. The total net increase in capital assets for the current fiscal year is 13%.

A summary of the District’s Fiscal Year 2022 Major Additions is presented in Table 4.

**Table 4**

| FY2022 Major Additions                         |                      |
|--|----------------------|
| Solar array to power hydrogen production       | \$ 5,915,914         |
| Procurement of 4 Hybrid Diesel Buses – 40-foot | 3,186,481            |
| Procurement of 3 Hybrid Diesel Buses – 60-foot | 3,057,918            |
| Hydrogen Fuel Cell Project                     | 2,189,353            |
| 1207 E. University CDL Training Facility       | <u>1,700,286</u>     |
| Total  | <u>\$ 16,049,952</u> |





A summary of the District’s Fiscal Year 2022 budget for Locally Funded Capital Projects is presented in Table 5.

**Table 5**

|  |    |                  |
|--|----|------------------|
| Property Procurement                                   | \$ | 959,450          |
| Software and Hardware Upgrades and Procurements        |    | 327,500          |
| Passenger Shelters, Bus Stops, and Associated Work     |    | 300,000          |
| Miscellaneous Facility Improvements                    |    | 150,000          |
| Payroll / Human Resources / Learning Management System |    | <u>100,000</u>   |
| Total  | \$ | <u>1,836,950</u> |

The District’s FY2022 capital budget called for \$1.8 million in local dollars plus \$10.6 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.

**Short-term Debt:** At the end of the current fiscal year, the District had total short-term debt outstanding of \$0 compared to \$2.4 million short-term debt outstanding in the prior fiscal year.

The District maintained two lines of credit with a local bank during FY2022. 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 four long-term debt obligations: an early retirement plan liability, other postemployment benefits (OPEB) liability, lease liabilities, and subscription liabilities.

The early retirement plan liability had little change from FY2021 to FY2022. 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 OPEB liability had little change from FY2021 to FY2022. 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 15.

Lease liabilities are measured at the present value of payments expected to be made during the lease term (less any lease incentives) in compliance with GASB Statement 87 which was adopted on July 1, 2021. More detailed information about the District’s lease liabilities is presented in Note 9.

Subscription liabilities are measured at the present value of subscription payments for information technology arrangements expected to be made during the subscription term in compliance with GASB Statement 96 which was adopted on July 1, 2021. More detailed information about the District’s subscription liabilities is presented in Note 10.



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 recovery. One aspect of the recovery is the widespread difficulty in hiring and retaining employees. The District cannot currently operate at full service due to a shortage of Bus Operators.
- The District's total appropriations budget for FY2023 is \$53.4 million. This consists of \$1.0 million in locally funded projected capital expenditures as well as \$52.4 million in projected operating expenses, including \$2.3 million in debt service, excluding depreciation.
- The State of Illinois Operating Assistance budget for FY2023 has been approved. The contract was fully executed on November 16, 2022, for eligible operating expense reimbursement up to \$33.9 million, including \$2.3 million of debt service.
- The obligations of the State of Illinois to fund the Illinois Downstate Operating Assistance Program were met in FY2022.
- The District's Federal Section 5307 formula funds apportioned during Federal FY2023 (October 2022 through September 2023) will be based on the higher agency total Vehicle Revenue Miles (VRM) from the FY2019 data or FY2021 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.
- 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.

### **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  
Statement of Net Position  
June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

**Current Assets**

|   |              |
|---|--------------|
| Cash and Cash Equivalents                                       | \$ 4,713,149 |
| Receivables   |              |
| Property Tax  | 4,898,215    |
| State Operating Assistance Grant - CUMTD, Net of Grant Payables | 3,248,051    |
| Other Grants  | 1,839,627    |
| Lease   | 1,242,880    |
| Other   | 1,493,822    |
| Inventories   | 1,646,954    |
| Prepaid Expenses  | 1,245,131    |
| Total Current Assets  | 20,327,829   |

**Capital Assets**

|  |            |
|--|------------|
| Land and Construction in Progress, Not Being Depreciated           | 18,865,423 |
| Other Property and Equipment, Net of Depreciation and Amortization | 67,920,658 |
| Total Capital Assets   | 86,786,081 |

**Other Assets**

|                           |            |
|---------------------------|------------|
| Net Pension Asset         | 5,265,913  |
| Capital Reserves          |            |
| Cash and Cash Equivalents | 39,628,032 |
| Investments               | 502,160    |
| Total Other Assets        | 45,396,105 |

|              |             |
|--------------|-------------|
| Total Assets | 152,510,015 |
|--------------|-------------|

**Deferred Outflows of Resources**

|  |           |
|--|-----------|
| Deferred Amount Related to Net Pension Asset | 3,618,900 |
| Deferred Amount Related to OPEB Liability    | 175,637   |
| Total Deferred Outflows of Resources         | 3,794,537 |

|   |                |
|---|----------------|
| Total Assets and Deferred Outflows of Resources | \$ 156,304,552 |
|---|----------------|

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Statement of Net Position  
June 30, 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

**Current Liabilities**

|  |              |
|--|--------------|
| Accounts Payable                                       | \$ 3,319,269 |
| Accrued Expenses                                       | 4,958,772    |
| Unredeemed Yearly Passes and Tokens                    | 47,403       |
| Accrued Interest                                       | 3,304        |
| Workers' Compensation Liability                        | 202,794      |
| Obligations Under Incentive and Early Retirement Plans | 226,216      |
| Lease Liabilities                                      | 359,015      |
| Subscription Liabilities                               | 2,978        |
| Other Current Liabilities                              | 2,084,996    |
| Total Current Liabilities                              | 11,204,747   |

**Long-Term Liabilities**

|  |           |
|--|-----------|
| OPEB Liability   | 1,373,998 |
| Obligations Under Incentive and Early Retirement Plans, Net of Current | 275,805   |
| Lease Liabilities, Net of Current                                      | 543,228   |
| Subscription Liabilities, Net of Current                               | 3,112     |
| Total Long-Term Liabilities  | 2,196,143 |

|                   |            |
|-------------------|------------|
| Total Liabilities | 13,400,890 |
|-------------------|------------|

**Deferred Inflows of Resources**

|  |            |
|--|------------|
| Deferred Amount Related to Net Pension Asset | 13,579,158 |
| Deferred Amount Related to OPEB Liability    | 329,292    |
| Deferred Amount from Leases                  | 1,218,946  |
| Total Deferred Inflows of Resources          | 15,127,396 |

**Net Position**

|                                  |             |
|----------------------------------|-------------|
| Net Investment in Capital Assets | 85,877,748  |
| Unrestricted                     | 41,898,518  |
| Total Net Position               | 127,776,266 |

|   |                |
|---|----------------|
| Total Liabilities, Deferred Inflows of Resources,<br>and Net Position | \$ 156,304,552 |
|---|----------------|

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2022

|  |                              |
|--|------------------------------|
| <b>Operating Revenues</b>                      |                              |
| Yearly Passes                                  | \$ 5,311,055                 |
| Student Fares and School Bus Service           | 743,150                      |
| Lease Revenue                                  | 480,949                      |
| ADA Services                                   | 342,190                      |
| Advertising                                    | 301,222                      |
| Full Adult Fares                               | 292,685                      |
| Rental of Equipment and Buildings              | 155,244                      |
| C-CARTS  | 50,878                       |
| Half-Fare Cab                                  | 12,096                       |
| Miscellaneous                                  | 167,392                      |
| Total Operating Revenues                       | <u>7,856,861</u>             |
| <b>Operating Expenses</b>                      |                              |
| Operations                                     | 20,582,281                   |
| Maintenance                                    | 7,098,018                    |
| General Administration                         | 5,769,626                    |
| Illinois Terminal                              | 1,146,650                    |
| C-CARTS  | 728,763                      |
| Depreciation and Amortization                  | 8,122,445                    |
| Total Operating Expenses                       | <u>43,447,783</u>            |
| <b>Operating Loss</b>                          | <u>(35,590,922)</u>          |
| <b>Non-Operating Revenues (Expenses)</b>       |                              |
| Property Taxes                                 | 10,017,372                   |
| State Replacement Taxes                        | 685,435                      |
| Government Grants and Assistance               |                              |
| State Operating Assistance - CUMTD             | 22,774,766                   |
| Federal Operating Assistance - CUMTD           | 5,400,396                    |
| State Operating Assistance - C-CARTS           | 362,447                      |
| Federal Operating Assistance - C-CARTS         | 315,438                      |
| Gain on Disposal of Property and Equipment     | 23,220                       |
| Interest Income                                | 61,712                       |
| Investment Income                              | 104,490                      |
| Interest Expense                               | (92,874)                     |
| Total Non-Operating Revenues                   | <u>39,652,402</u>            |
| <b>Net Income Before Capital Contributions</b> | 4,061,480                    |
| <b>Capital Contributions</b>                   |                              |
| Capital Grants                                 | <u>11,266,429</u>            |
| <b>Change in Net Position</b>                  | 15,327,909                   |
| <b>Net Position, Beginning of Year</b>         | <u>112,448,357</u>           |
| <b>Net Position, End of Year</b>               | <u><u>\$ 127,776,266</u></u> |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Statement of Cash Flows  
For the Year Ended June 30, 2022

|   |                      |
|---|----------------------|
| <b>Cash Flows From Operating Activities</b>                                   |                      |
| Receipts from Customers   | \$ 7,178,827         |
| Payments to Vendors   | (21,527,175)         |
| Payments to Employees   | (20,925,059)         |
| Net Cash Used in Operating Activities   | <u>(35,273,407)</u>  |
| <b>Cash Flows From Non-Capital and Related Financing Activities</b>           |                      |
| State Operating Assistance Grants Proceeds Received                           | 23,861,779           |
| Federal Operating Assistance Grant Proceeds Received                          | 6,680,314            |
| Tax Proceeds Received   | 10,362,274           |
| Net Cash Provided by Non-Capital and Related Financing Activities             | <u>40,904,367</u>    |
| <b>Cash Flows From Capital and Related Financing Activities</b>               |                      |
| Proceeds from Capital Grants  | 12,333,927           |
| Proceeds from the Sale of Property and Equipment                              | 23,220               |
| Purchases of Property and Equipment   | (15,879,746)         |
| Payments of Accounts Payable for Capital Asset Additions Prior to Fiscal Year | (250,835)            |
| Principal Advances on Notes Payable   | 2,124,297            |
| Principal Paid on Notes Payable   | (4,487,241)          |
| Interest Paid on Notes Payable  | (56,149)             |
| Principal Payments on Lease Liabilities                                       | (370,875)            |
| Interest Payments on Lease Liabilities  | (38,956)             |
| Principal Payments on Subscription Liabilities                                | (3,252)              |
| Net Cash Used in Capital and Related Financing Activities                     | <u>(6,605,610)</u>   |
| <b>Cash Flows From Investing Activities</b>                                   |                      |
| Proceeds from Sales and Maturities of Investments                             | 1,731,214            |
| Principal Receipts on Lease Receivables                                       | 457,015              |
| Interest Receipts on Lease Receivables  | 57,267               |
| Interest Received   | 113,023              |
| Net Cash Provided by Investing Activities                                     | <u>2,358,519</u>     |
| <b>Increase in Cash and Cash Equivalents</b>                                  | 1,383,869            |
| <b>Cash and Cash Equivalents - Beginning of Year</b>                          | <u>42,957,312</u>    |
| <b>Cash and Cash Equivalents - End of Year</b>                                | <u>\$ 44,341,181</u> |
| <b>Presented on the Statement of Net Position as Follows:</b>                 |                      |
| Cash and Cash Equivalents   | \$ 4,713,149         |
| Capital Reserves-Cash and Cash Equivalents                                    | <u>39,628,032</u>    |
| Total   | <u>\$ 44,341,181</u> |
| <b>Noncash Capital and Related Financing Activities</b>                       |                      |
| Capital Assets Acquired Through Accounts Payable                              | <u>\$ 854,029</u>    |
| Capital Assets Acquired Through Lease Liabilities                             | <u>\$ 1,273,118</u>  |
| Capital Assets Acquired Through Subscription Liabilities                      | <u>\$ 109,701</u>    |
| Leases Receivable and Deferred Inflows Resulting from Lease Inception         | <u>\$ 1,699,895</u>  |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Statements of Cash Flows  
For the Year Ended June 30, 2022

| <b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b> |                               |
|--|-------------------------------|
| Operating Loss   | <u>\$ (35,590,922)</u>        |
| Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities |                               |
| Depreciation and Amortization  | 8,122,445                     |
| Changes in Assets and Liabilities:   |                               |
| Other Receivables  | (240,367)                     |
| Inventories  | (136,351)                     |
| Prepaid Expenses   | (71,955)                      |
| Net Pension Asset  | (5,265,913)                   |
| Deferred Outflow of Resources Related to Net Pension Asset                       | (474,084)                     |
| Deferred Outflow of Resources Related to OPEB Liability                          | 21,175                        |
| Accounts Payable and Accrued Expenses  | (1,310,429)                   |
| Unredeemed Yearly Passes and Tokens  | 43,282                        |
| Net Pension Liability  | (4,447,517)                   |
| OPEB Liability   | (340,211)                     |
| Obligations Under Incentive and Early Retirement Plans                           | (55,146)                      |
| Other Current Liabilities  | 691,728                       |
| Deferred Inflows of Resources Related to Net Pension Asset                       | 3,950,570                     |
| Deferred Inflows of Resources Related to OPEB Liability                          | 311,237                       |
| Deferred Inflows of Resources from Leases  | <u>(480,949)</u>              |
| Net Adjustments  | <u>317,515</u>                |
| Net Cash Used in Operating Activities  | <u><u>\$ (35,273,407)</u></u> |

See Accompanying Notes

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Notes to Basic Financial Statements  
June 30, 2022

**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 and amortization) 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 2021 tax levy was passed by the Board of Trustees on December 8, 2021. 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 year ended June 30, 2022 was from the 2021 levy. Property tax receivables have not been reduced for an estimated allowance for uncollectible amounts as the uncollectible amount has historically been insignificant. Property taxes paid by constituents may be contested. The District has recorded unearned revenue of \$601,688 for the year ended June 30, 2022, 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 statement 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. Leased assets are valued at the amortized present value of future payments under the lease. Subscription-based information technology arrangement assets are valued at the amortized present value of future subscription payments. 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 and amortization 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              |
| Leased Assets  | Life of Lease     |
| Subscription-Based Information Technology Arrangement Assets | Subscription Term |

- 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 asset, December 31, 2021, but before the end of the District's reporting period of June 30, 2022. This item will be included in the net pension asset 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 three types of items that qualify for reporting in this category, pension related deferred inflows, other postemployment benefits related deferred inflows, and deferred inflows from leases. The pension-related deferred inflow consists of unrecognized items not yet charged to pension expense. This

item will be included in the net pension asset 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. The deferred inflow from leases consists of deferred revenue. This item will be included in operating revenues 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 amortization 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, 2022.
  - 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, 2022 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.
- q. In June 2017, the GASB issued GASB Statement 87 (GASB 87), *Leases*. The provisions of GASB 87 require that certain lessees recognize a lease liability and a right-of-use asset for all leases greater than 12 months. The District adopted the new standard during Fiscal Year 2022. The adoption of the standard had no impact on net position as of June 30, 2021. The effect of the adoption for Fiscal Year 2022 resulted in an increase of revenues and expenses in the amount of \$28,379 and \$1,837, respectively.

In May 2020, the GASB issued GASB Statement 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. The provisions of GASB 96 require that a right-to-use subscription asset and corresponding subscription liability be recorded for applicable contracts that are greater than 12 months. The District has early adopted the new standard, and it is effective for the District's Fiscal Year 2022. The adoption of the standard had no impact on net position as of June 30, 2021. The effect of the adoption for Fiscal Year 2022 resulted in an increase of expenses in the amount of \$124.

In June 2020, the GASB issued GASB Statement 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The provisions of GASB 97 change considerations of determining if a primary government is financially accountable for a defined contribution pension or OPEB plan. The District adopted the new standard during Fiscal Year 2022. The adoption of the standard had no impact on net position as of June 30, 2021, as previously reported, or on net position recorded for Fiscal Year 2022.

In April 2022, the GASB issued GASB Statement 99 (GASB 99), *Omnibus 2022*. The provisions of GASB 99 include clarifications on accounting for leases, public-private and public-public partnerships, subscription-based information technology arrangements, and other various topics. The District adopted the new standard during Fiscal Year 2022. The

adoption of the standard had no impact on net position as of June 30, 2021, as previously reported, or on net position recorded for Fiscal Year 2022.

In June 2022, the GASB issued GASB Statement 100 (GASB 100), *Accounting Changes and Error Corrections*. The provisions of GASB 100 enhance accounting and financial reporting and disclosure requirements for accounting changes and error correction. The District has early adopted the new standard, and it is effective for the District's Fiscal Year 2022. The adoption of the standard had no impact on net position as of June 30, 2021, as previously reported, or on net position recorded for Fiscal Year 2022.

### **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, 2022, \$43,566,436 of the District's \$45,066,436 bank balance, which reconciled to a book balance of \$44,341,181 of cash and cash equivalents and \$502,160 of investments, was exposed to custodial credit risk. Of the amount exposed, \$42,336,690 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. The remaining \$1,229,746 is uninsured and uncollateralized.

#### *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, 2022, the District held \$502,160 in negotiable certificates of deposits. At June 30, 2022, the District also held \$1,479,746 in cash in its investment brokerage account. This amount is included in cash and cash equivalents on the statement of net position.

#### *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, 2022:

|                                 | Total      | Fair Value Measurement |            |         |
|---------------------------------|------------|------------------------|------------|---------|
|                                 |            | Level 1                | Level 2    | Level 3 |
| Investments by Fair Value Level |            |                        |            |         |
| Certificates of Deposit         |            |                        |            |         |
| (Negotiable)                    | \$ 502,160 | \$ -                   | \$ 502,160 | \$ -    |

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 year ended June 30, 2022.

*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, 2022, the District held the following investments subject to interest rate risk:

|                                    | Carrying Value | Weighted Average Maturity (Yrs) |
|------------------------------------|----------------|---------------------------------|
| Negotiable Certificates of Deposit | \$ 502,160     | 0.33                            |

*Custodial Credit Risk – Investments*

At June 30, 2022, the District had \$2,160 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 investments.

**4. Receivables**

*State Operating Grants Assistance*

During the year ended June 30, 2022, the Illinois Department of Transportation (IDOT) reimbursed the District for the deficit of the District’s eligible operating expenses over the District’s operating revenues. 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, 2022, the estimated amounts (due to) and due from IDOT, respectively, are as follows:

|                                  |                     |
|----------------------------------|---------------------|
| Fiscal Year 2022 Grant Agreement | \$ 1,202,958        |
| Fiscal Year 2021 Grant Agreement | 570,726             |
| Fiscal Year 2020 Grant Agreement | 374,764             |
| Fiscal Year 2019 Grant Agreement | 28,805              |
| Fiscal Year 2018 Grant Agreement | (486,652)           |
| Fiscal Year 2017 Grant Agreement | 2,578,294           |
| Fiscal Year 2016 Grant Agreement | (340,718)           |
| Fiscal Year 2015 Grant Agreement | (16,229)            |
| Fiscal Year 2014 Grant Agreement | (26,530)            |
| Fiscal Year 2013 Grant Agreement | (65,146)            |
| Fiscal Year 2012 Grant Agreement | (572,221)           |
| Net Amount Due from IDOT         | <u>\$ 3,248,051</u> |

Subsequent to June 30, 2022, and prior to the date of the Independent Auditor's Report, the District collected \$5,497,465 from IDOT. Included in the \$5,497,465 subsequently collected from IDOT is an overpayment for Fiscal Year 2022 in the amount of \$4,294,507 that doesn't relate to previous fiscal years. The timing of the collection of the remaining \$2,045,093 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 2023.

#### *Lease Receivables*

The District is the lessor of office, retail, residential, and tower space under 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 \$26,341,457 at June 30, 2022. One of the District's leases contains a variable component, which is excluded from lease receivables. The tenant is required to pay a fee of \$44 per hour for additional operation outside normal operating hours. There was no lease revenue recognized during the year ended June 30, 2022 for additional operating hours.

The District recognized \$480,949 in lease revenue and \$61,712 in interest revenue during the year ended June 30, 2022 for leases subject to GASB 87. As of June 30, 2022, the District's receivable for lease payments was \$1,242,880. The District also has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$1,218,946.

*Other Receivables*

Other receivables consist of the following at June 30, 2022:

|                            |    |                  |
|----------------------------|----|------------------|
| Due from Other Governments | \$ | 442,633          |
| Trade Receivables, Net     |    | 875,727          |
| Employees                  |    | 3,336            |
| Replacement Tax            |    | 112,301          |
| Interest Receivable        |    | 4,831            |
| Miscellaneous              |    | 54,994           |
| Total Other Receivables    | \$ | <u>1,493,822</u> |

**5. Inventories**

Inventories consist of the following at June 30, 2022:

|                        |    |                  |
|------------------------|----|------------------|
| Materials and Supplies | \$ | 1,426,589        |
| Fuel and Lubricant     |    | 220,365          |
| Total Inventories      | \$ | <u>1,646,954</u> |



## 6. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

|  | June 30,<br>2021    | Additions and<br>Adjustments | Disposals and<br>Adjustments | June 30,<br>2022    |
|--|---------------------|------------------------------|------------------------------|---------------------|
| Capital Assets, Not Being Depreciated  |                     |                              |                              |                     |
| Land   | \$ 2,297,236        | \$ 575,000                   | \$ -                         | \$ 2,872,236        |
| Construction in Progress   | 11,931,214          | 16,733,776                   | 12,671,803                   | 15,993,187          |
| Total Capital Assets,<br>Not Being Depreciated   | <u>14,228,450</u>   | <u>17,308,776</u>            | <u>12,671,803</u>            | <u>18,865,423</u>   |
| Capital Assets, Being Depreciated  |                     |                              |                              |                     |
| Land Improvements  | 271,445             | 285,000                      | (526,727)                    | 1,083,172           |
| Office, Garage, and Buildings  | 50,587,598          | 2,184,953                    | (1,552,987)                  | 54,325,538          |
| Leasehold Improvements   | 2,640,906           | -                            | 2,640,906                    | -                   |
| Revenue Vehicles   | 69,869,002          | 9,379,831                    | 3,332,498                    | 75,916,335          |
| Service Vehicles   | 634,986             | -                            | -                            | 634,986             |
| Passenger Shelters   | 4,680,009           | 214,449                      | -                            | 4,894,458           |
| Intangibles  | 191,582             | -                            | -                            | 191,582             |
| Other Equipment  | 6,662,526           | 32,570                       | 123,394                      | 6,571,702           |
| Total Capital Assets,<br>Being Depreciated   | <u>135,538,054</u>  | <u>12,096,803</u>            | <u>4,017,084</u>             | <u>143,617,773</u>  |
| Less: Accumulated Depreciation   | <u>72,974,572</u>   | <u>7,724,797</u>             | <u>4,017,084</u>             | <u>76,682,285</u>   |
| Total Capital Assets,<br>Being Depreciated, Net  | <u>62,563,482</u>   | <u>4,372,006</u>             | <u>-</u>                     | <u>66,935,488</u>   |
| Lease Assets, Being Amortized  |                     |                              |                              |                     |
| Leasehold Improvements   | -                   | 249,224                      | -                            | 249,224             |
| Revenue Vehicles   | -                   | 104,010                      | -                            | 104,010             |
| Service Vehicles   | -                   | 456,642                      | -                            | 456,642             |
| Non-Revenue  | -                   | 16,882                       | -                            | 16,882              |
| Other Equipment  | -                   | 446,360                      | -                            | 446,360             |
| Total Lease Assets,<br>Being Amortized   | <u>-</u>            | <u>1,273,118</u>             | <u>-</u>                     | <u>1,273,118</u>    |
| Less: Accumulated Amortization for   |                     |                              |                              |                     |
| Leasehold Improvements   | -                   | 8,594                        | -                            | 8,594               |
| Revenue Vehicles   | -                   | 35,661                       | -                            | 35,661              |
| Service Vehicles   | -                   | 102,608                      | -                            | 102,608             |
| Non-Revenue  | -                   | 8,103                        | -                            | 8,103               |
| Other Equipment  | -                   | 214,479                      | -                            | 214,479             |
| Total Accumulated Amortization   | <u>-</u>            | <u>369,445</u>               | <u>-</u>                     | <u>369,445</u>      |
| Total Lease Assets,<br>Being Amortized, Net  | <u>-</u>            | <u>903,673</u>               | <u>-</u>                     | <u>903,673</u>      |
| Subscription-Based Information   |                     |                              |                              |                     |
| Technology Arrangement Assets  | -                   | 109,701                      | -                            | 109,701             |
| Less: Accumulated Amortization   | <u>-</u>            | <u>28,204</u>                | <u>-</u>                     | <u>28,204</u>       |
| Total Subscription-Based<br>Information Technology<br>Arrangement Assets Being<br>Amortized, Net | <u>-</u>            | <u>81,497</u>                | <u>-</u>                     | <u>81,497</u>       |
| Total Capital Assets, Net  | <u>\$76,791,932</u> | <u>\$22,665,952</u>          | <u>\$12,671,803</u>          | <u>\$86,786,081</u> |

## **7. Accrued Compensated Absences Liability**

The total liability accrued by the District for unpaid compensated absences, included in accrued expenses on the statement of net position, was \$3,913,662 at June 30, 2022.

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.

Full-time hourly 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 full-time hourly and salaried 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 hourly 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. Hourly 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 the Illinois Municipal Retirement Fund (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 year ended June 30, 2022, the District has recorded an expense of \$173,805. The District had a liability of \$502,021 related to this plan at June 30, 2022. 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, 2022:

|             |                   |
|-------------|-------------------|
| Fiscal Year |                   |
| 2023        | \$ 226,216        |
| 2024        | 236,727           |
| 2025        | 39,078            |
| Total       | <u>\$ 502,021</u> |

## 9. Lease Liabilities

The District leases real property, furniture, equipment, and vehicles, the terms of which expire at various times between July 2022 and January 2051. At June 30, 2022, the principal and interest requirements to maturity for the lease liabilities are as follows:

| Fiscal Year | Principal         | Interest          | Total               |
|-------------|-------------------|-------------------|---------------------|
| 2023        | \$ 359,015        | \$ 33,263         | \$ 392,278          |
| 2024        | 274,540           | 18,506            | 293,046             |
| 2025        | 62,928            | 10,335            | 73,263              |
| 2026        | 13,094            | 9,260             | 22,354              |
| 2027        | 14,187            | 8,670             | 22,857              |
| 2028-2032   | 58,333            | 33,368            | 91,701              |
| 2033-2037   | 25,129            | 24,871            | 50,000              |
| 2038-2042   | 31,315            | 18,685            | 50,000              |
| 2043-2047   | 39,024            | 10,976            | 50,000              |
| 2048-2052   | 24,678            | 5,319             | 29,997              |
| Total       | <u>\$ 902,243</u> | <u>\$ 173,253</u> | <u>\$ 1,075,496</u> |

## 10. Subscription Liabilities

The District has entered into subscription-based information technology arrangements, the terms of which expire at various times between May 2023 and May 2025. At June 30, 2022, the principal and interest requirements to maturity for the subscription liabilities are as follows:

| Fiscal Year | Principal       | Interest      | Total           |
|-------------|-----------------|---------------|-----------------|
| 2023        | \$ 2,978        | \$ 274        | \$ 3,252        |
| 2024        | 3,112           | 140           | 3,252           |
| Total       | <u>\$ 6,090</u> | <u>\$ 414</u> | <u>\$ 6,504</u> |

## 11. Long-Term Obligations Summary

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2022:

|                                      | June 30,<br>2021     | Issued              | Retired             | June 30,<br>2022    | Due Within<br>One Year |
|--------------------------------------|----------------------|---------------------|---------------------|---------------------|------------------------|
| Incentive and Early Retirement Plans | \$ 557,167           | \$ 173,805          | \$ 228,951          | \$ 502,021          | \$ 226,216             |
| Accrued Compensated Absences         | 3,528,433            | 385,229             | -                   | 3,913,662           | 3,913,662              |
| Net Pension Liability                | 4,447,517            | -                   | 4,447,517           | -                   | -                      |
| OPEB Liability                       | 1,714,209            | (183,321)           | 156,890             | 1,373,998           | -                      |
| Lease Liabilities                    | -                    | 1,261,198           | 358,955             | 902,243             | 359,015                |
| Subscription Liabilities             | -                    | 9,342               | 3,252               | 6,090               | 2,978                  |
|                                      | <u>\$ 10,247,326</u> | <u>\$ 1,646,253</u> | <u>\$ 5,195,565</u> | <u>\$ 6,698,014</u> | <u>\$ 4,501,871</u>    |

## 12. Notes Payable

The District maintained two lines of credit with a local bank during Fiscal Year 2022. The first is a \$10,000,000 straight line of credit that bears interest at a fixed rate of 2.20 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, 2022 and was renewed through July 1, 2023 bearing interest at a fixed rate of 2.625 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 percent, and interest is paid monthly. This line of credit is secured by substantially all the District's assets. This line of credit matured July 1, 2022 and was renewed through July 1, 2023 bearing interest at a fixed rate of 3.50 percent. 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, 2022, there was no outstanding balance on these two lines of credit.

The activity in the District's short-term debt during the year ended June 30, 2022, included:

|                 | June 30,<br>2021    | Issued              | Retired             | June 30,<br>2022 |
|-----------------|---------------------|---------------------|---------------------|------------------|
| Lines of Credit | <u>\$ 2,362,944</u> | <u>\$ 2,124,297</u> | <u>\$ 4,487,241</u> | <u>\$ -</u>      |

### 13. 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 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](http://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, 2021, the following employees were covered by the benefit terms:

|  |                   |
|--|-------------------|
| Retirees and Beneficiaries currently receiving benefits          | 206               |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 183               |
| Active Plan Members  | <u>328</u>        |
| Total  | <u><u>717</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 year 2021 was 12.13 percent. For calendar year 2021, the District contributed \$2,916,165 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 Asset*

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

### *Actuarial Assumptions*

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

- 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, 2021:

| Asset Class             | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|-----------------------------|--|
| Domestic Equity         | 39%                         | 1.90%                                  |
| International Equity    | 15%                         | 3.15%                                  |
| Fixed Income            | 25%                         | -0.60%                                 |
| Real Estate             | 10%                         | 3.30%                                  |
| Alternative Investments | 10%                         | 1.70-5.50%                             |
| Cash Equivalents        | 1%                          | -0.90%                                 |
|                         | 100%                        |  |

The investment rate of return assumption between the December 31, 2020 and December 31, 2021 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 (Asset)*

For the fiscal year ended June 30, 2022:

|  | Total Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability (Asset)<br>(A) - (B) |
|--|-----------------------------------|---------------------------------------|---|
| Balances at December 31, 2020  | \$ 99,121,591                     | \$ 94,674,074                         | \$ 4,447,517                                  |
| Changes for the year:  |                                   |                                       |   |
| Service Cost   | 1,868,665                         | -                                     | 1,868,665                                     |
| Interest on the Total Pension Liability  | 7,061,608                         | -                                     | 7,061,608                                     |
| Changes on Benefit Terms   | -                                 | -                                     | -   |
| Differences between Expected and Actual<br>Experience of the Total Pension Liability | 1,447,595                         | -                                     | 1,447,595                                     |
| Changes of Assumptions   | -                                 | -                                     | -   |
| Contributions - Employer   | -                                 | 2,916,165                             | (2,916,165)                                   |
| Contributions - Employees  | -                                 | 909,563                               | (909,563)                                     |
| Net Investment Income  | -                                 | 15,918,831                            | (15,918,831)                                  |
| Benefit Payments, Including Refunds of<br>Employee Contributions                     | (5,308,868)                       | (5,308,868)                           | -   |
| Other (Net Transfer)   | -                                 | 346,739                               | (346,739)                                     |
| Net Changes  | 5,069,000                         | 14,782,430                            | (9,713,430)                                   |
| Balances at December 31, 2021  | \$ 104,190,591                    | \$ 109,456,504                        | \$ (5,265,913)                                |

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25 percent for 2021, 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<br>6.25% | December 31,<br>2021<br>Current Discount<br>7.25% | 1% Higher<br>8.25% |
|-------------------------------|-------------------|---|--------------------|
| Net Pension Liability (Asset) | \$ 7,110,254      | \$ (5,265,913)                                    | \$ (15,224,459)    |



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

For the year ended June 30, 2022, the District recognized pension expense of \$3,316,518. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Deferred Amounts to be Recognized in<br>Pension Expense in Future Periods           |                                      |                                     |
| Differences between Expected and Actual<br>Experience                               | \$ 1,519,698                         | \$ 584,717                          |
| Changes of Assumptions  | 718,113                              | 688,820                             |
| Net Difference between Projected and Actual<br>Earnings on Pension Plan Investments | -                                    | 12,305,621                          |
| Total Deferred Amounts to be Recognized in<br>Pension Expense in Future Periods     | 2,237,811                            | 13,579,158                          |
| <br>Pension Contributions made subsequent to<br>the Measurement Date                | <br>1,381,089                        | <br>-                               |
| <br>Total Deferred Amounts Related to Pensions                                      | <br>\$ 3,618,900                     | <br>\$ 13,579,158                   |

The \$1,381,089 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 asset in the year ended June 30, 2023. 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<br>Year Ending<br>December 31 | Net Deferred<br>Inflows<br>of Resources |
|------------------------------------|---|
| 2022                               | \$ (2,385,959)                          |
| 2023                               | (4,368,821)                             |
| 2024                               | (2,989,364)                             |
| 2025                               | (1,617,475)                             |
| 2026                               | 20,272                                  |
| Total                              | \$ (11,341,347)                         |

*Payables to the Pension Plan*

At June 30, 2022 the District had \$31,115 reported as accrued expenses payable to IMRF for legally required employer contributions or legally required employee contributions.

#### **14. Defined Contribution Plan**

The District sponsors a defined contribution Section 457 Governmental Deferred Compensation Plan. The plan was authorized by the District's Board of Trustees and may be amended by the District's Board of Trustees. The plan covers all employees and is fully funded by employee contributions. The District has no contribution requirement for this plan. All plan assets are held in trust by the third-party administrator only for the purpose of paying plan benefits.

#### **15. 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, 2022, 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  | 282        |
| Retired Employees   | 16         |
| Total Participants covered by OPEB Plan                           | <u>298</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, 2022. The total OPEB liability was determined based on the June 30, 2022, actuarial valuation. The District's total OPEB liability was \$1,373,998 as of June 30, 2022.

*Actuarial Assumptions and Other Inputs*

The actuarial assumptions used in valuing the OPEB liability for June 30, 2022, include:

|   |                  |
|---|------------------|
| Actuarial cost method                       | Entry Age Normal |
| Discount Rate                               | 3.69%            |
| Salary increases                            | 3.50%            |
| Monthly Health Plan Premium Costs (Blended) |                  |

| Coverage            | LCDHP  | AETNA HMO | AETNA OAP |
|---------------------|--------|-----------|-----------|
| Employee Only       | \$ 943 | \$ 1,130  | \$ 1,056  |
| Employee +1         | 1,811  | 2,170     | 2,028     |
| Employee +2 or More | 2,339  | 2,802     | 2,619     |

|                     | HEALTH ALLIANCE HMO | HEALTH ALLIANCE OAP | LCHP     |
|---------------------|---------------------|---------------------|----------|
| Employee Only       | \$ 1,097            | \$ 1,156            | \$ 1,178 |
| Employee +1         | 2,105               | 2,220               | 2,262    |
| Employee +2 or More | 2,721               | 2,867               | 2,921    |

| Health Care Cost Inflation Rates | Period         | Inflation Rate |
|----------------------------------|----------------|----------------|
|                                  | 2022           | 6.75%          |
|                                  | 2023           | 6.50%          |
|                                  | 2024           | 6.25%          |
|                                  | 2025           | 5.75%          |
|                                  | 2026           | 5.50%          |
|                                  | 2027           | 5.25%          |
|                                  | 2028 and after | 5.00%          |

Probabilities of death for participants were according to the PubG-2010 base rates projected to 2022 using scale MP2021. No additional provision (besides those already embedded) were included for mortality improvements beyond 2022.

The Discount Rate was based on the 20-year Muni index rate as of June 30, 2022. The Discount rate was 3.69 percent at June 30, 2022.

*Changes in the Total OPEB Liability*

For fiscal year ended June 30, 2022:

|   | Total OPEB<br>Liability    |
|---|----------------------------|
| Balances at July 1, 2021  | <u>\$ 1,714,209</u>        |
| Changes for the year:   |                            |
| Service Cost  | 125,382                    |
| Interest on the Total OPEB Liability  | 31,407                     |
| Changes on Benefit Terms  | -                          |
| Differences between Expected and Actual<br>Experience of the Total OPEB Liability | (10,126)                   |
| Changes of Assumptions  | (329,984)                  |
| Contributions - Employer  | -                          |
| Contributions - Employees   | -                          |
| Net Investment Income   | -                          |
| Difference Between Projected and<br>Actual Investment                             | -                          |
| Benefit Payments, Including Refunds of<br>Employee Contributions                  | (156,890)                  |
| Other (Net Transfer)  | -                          |
| Net Changes   | <u>(340,211)</u>           |
| Balances at June 30, 2022   | <u><u>\$ 1,373,998</u></u> |

*Sensitivity of Total OPEB Liability to Changes in the Discount Rate*

The June 30, 2022 valuation was prepared using a discount rate of 3.69 percent. If the discount rates were one percent lower (2.69 percent) or one percent higher (4.69 percent) than the current discount rate the Total OPEB Liability would be as follows:

|                      | 1% Lower<br>2.69% | Current Discount<br>3.69% | 1% Higher<br>4.69% |
|----------------------|-------------------|---------------------------|--------------------|
| Total OPEB Liability | \$ 1,465,001      | \$ 1,373,998              | \$ 1,287,611       |

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

The June 30, 2022 valuation was prepared using an initial trend rate of 6.75 percent decreasing to 5.00 percent. If the trend rates were 1-percentage-point lower (5.75 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.75 percent decreasing to 6.00 percent) than the current trend rates the Total OPEB Liability would be as follows:

|                      | 1% Lower<br>5.75% Decreasing<br>to 4.00% | Current<br>Trend Rates<br>6.75% Decreasing<br>to 5.00% | 1% Higher<br>7.75% Decreasing<br>to 6.00% |
|----------------------|--|--|---|
| Total OPEB Liability | \$ 1,242,406                             | \$ 1,373,998   | \$ 1,527,532                              |

*OPEB Expense*

For the year ended June 30, 2022, the District recognized an OPEB expense as follows:

|  |                   |
|--|-------------------|
| Service Cost   | \$ 125,382        |
| Interest on the Total OPEB Liability                               | 31,407            |
| Current-Period Benefit Changes                                     | -                 |
| Recognition of Outflow (Inflow) of<br>Resources due to Liabilities | (7,698)           |
| Total OPEB Expense   | <u>\$ 149,091</u> |

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Deferred Amounts to be Recognized in<br>OPEB Expense in Future Periods       |                                      |                                     |
| Differences between Expected and Actual<br>Experience                        | \$ 49,754                            | \$ (9,333)                          |
| Changes of Assumptions   | 125,883                              | (319,959)                           |
| Total Deferred Amounts to be Recognized in<br>OPEB Expense in Future Periods | <u>\$ 175,637</u>                    | <u>\$ (329,292)</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<br>June 30 | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|------------------------|--------------------------------------|-------------------------------------|
| 2023                   | \$ 21,175                            | \$ (28,873)                         |
| 2024                   | 21,175                               | (28,873)                            |
| 2025                   | 21,175                               | (28,873)                            |
| 2026                   | 21,175                               | (28,873)                            |
| 2027                   | 21,175                               | (28,873)                            |
| Thereafter             | 69,762                               | (184,927)                           |
| Total                  | <u>\$ 175,637</u>                    | <u>\$ (329,292)</u>                 |

## 16. Unrestricted Net Position

Unrestricted net position consists of the following at June 30, 2022:

|                                       |                      |
|---------------------------------------|----------------------|
| Board Designated for Capital Reserves | \$ 40,130,192        |
| Undesignated                          | 1,768,326            |
| Total Unrestricted Net Position       | <u>\$ 41,898,518</u> |

## 17. 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 year ended June 30, 2022 totaled \$390,976, 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, 2022, the District had a claims liability balance of \$202,794 for expected additional claims payable. Losses and claims recognized for the year ended June 30, 2022 total \$213,648. 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 year ended June 30, 2022:

|                  | June 30,<br>2021 | Provision  | Payment    | June 30,<br>2022 |
|------------------|------------------|------------|------------|------------------|
| Self-Insurance   |                  |            |            |                  |
| Claims Liability | \$ 329,262       | \$ 213,648 | \$ 340,116 | \$ 202,794       |

## 18. Concentration of Revenue

The revenue recognized related to operating and capital grants from IDOT for the year ended June 30, 2022 was \$30,680,273, which was 52.12 percent of the District’s revenue. At June 30, 2022, amounts due from IDOT were \$3,405,784.

The revenue recognized related to operating and capital grants from the U.S. Department of Transportation (USDOT) for the year ended June 30, 2022 was \$9,439,203, which was 16.03 percent of the District’s revenue. At June 30, 2022, amounts due from USDOT were \$1,839,627.

## 19. Commitments

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

### *Lease Commitments – Subject to GASB 87*

|             |                   |
|-------------|-------------------|
| Fiscal Year |                   |
| 2023        | \$ 152,612        |
| 2024        | 202,385           |
| 2025        | 202,385           |
| 2026        | 49,774            |
| Total       | <u>\$ 607,156</u> |

### *Subscription-Based Information Technology Arrangement Commitments*

|             |                   |
|-------------|-------------------|
| Fiscal Year |                   |
| 2023        | \$ 107,741        |
| 2024        | 76,708            |
| 2025        | 80,793            |
| Total       | <u>\$ 265,242</u> |



### *Construction and Property and Equipment Acquisitions*

| <u>Purpose</u>                    | <u>Contract<br/>Amount</u> | <u>Incurred<br/>Through<br/>June 30, 2022</u> | <u>Remaining<br/>Commitment</u> |
|-----------------------------------|----------------------------|---|---------------------------------|
| New Flyer Buses                   | \$ 25,060,932              | \$ -  | \$ 25,060,932                   |
| Hydrogen Fuel Cell Project        | 9,423,930                  | 8,777,629                                     | 646,301                         |
| Solar Array Expansion             | 6,199,939                  | 6,133,920                                     | 66,019                          |
| Facility & Equipment Improvements | 1,351,505                  | 115,413                                       | 1,236,092                       |
| Computer Hardware & Software      | 1,294,350                  | -   | 1,294,350                       |
| In-Ground Vehicle Lifts           | 1,240,663                  | -   | 1,240,663                       |
| Underground Storage Tanks         | 1,144,971                  | -   | 1,144,971                       |
| Total                             | <u>\$ 45,716,290</u>       | <u>\$ 15,026,962</u>                          | <u>\$ 30,689,328</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 2024 and completion is projected for December 2026.

## **20. Contingent Liabilities**

### *Litigation*

The District is involved in several worker-compensation claims with current and former employees. As of June 30, 2022, the District has recorded a liability of \$202,794 for anticipated additional claims expense as stated in Note 17. 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, 2022, the balance of PTA funds held by the District was \$378,383.

### *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, while management cannot quantify the financial and other impact to the District as of the date of the independent auditor's report, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

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

|  | 2021                  | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>   |                       |                      |                      |                      |                      |                      |                      |                      |
| Service Cost   | \$ 1,868,665          | \$ 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  | 7,061,608             | 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 | 1,447,595             | (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                    | (5,308,868)           | (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  | 5,069,000             | 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  | 99,121,591            | 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>\$ 104,190,591</u> | <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> |
| <b>Plan Fiduciary Net Position</b>   |                       |                      |                      |                      |                      |                      |                      |                      |
| Contributions - Employer   | \$ 2,916,165          | \$ 2,639,459         | \$ 2,222,053         | \$ 1,432,515         | \$ 889,323           | \$ 4,976,997         | \$ 2,650,658         | \$ 2,276,611         |
| Contributions - Employees  | 909,563               | 893,249              | 871,363              | 835,423              | 824,278              | 771,895              | 789,705              | 731,426              |
| Net Investment Income  | 15,918,831            | 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                    | (5,308,868)           | (4,744,027)          | (4,644,927)          | (4,287,929)          | (4,125,702)          | (3,660,882)          | (7,458,442)          | (2,473,784)          |
| Other (Net Transfer)   | 346,739               | (1,283,715)          | 346,862              | 870,237              | (1,601,078)          | 377,999              | (88,943)             | (184,996)            |
| Net Change in Plan Fiduciary Net Position  | 14,782,430            | 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   | 94,674,074            | 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>\$ 109,456,504</u> | <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 (Asset), Ending (A) - (B)                                  | <u>\$ (5,265,913)</u> | <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       | 105.05%               | 95.51%               | 88.10%               | 78.84%               | 91.12%               | 82.92%               | 77.51%               | 85.00%               |
| Covered Payroll  | \$ 19,943,444         | \$ 19,682,111        | \$ 19,329,778        | \$ 18,300,000        | \$ 17,415,622        | \$ 17,047,578        | \$ 17,549,000        | \$ 16,253,911        |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll                 | -26.40%               | 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)<br>Fiscal<br>Year | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual<br>Contribution<br>as a Percentage<br>of Covered<br>Payroll |
|---------------------------|---|------------------------|--|--------------------|--|
| 2022                      | \$ 2,419,140                              | \$ 2,916,165           | \$ (497,025)                           | \$ 19,943,444      | 14.62%   |
| 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
- (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, 2022

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2021 Contribution Rates:

|                                |  |
|--------------------------------|--|
| Actuarial Cost Method:         | Aggregate entry age normal   |
| Amortization Method:           | Level percentage of payroll, closed  |
| Remaining Amortization Period: | 22-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, 2019, 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)

|  | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability   |                      |                      |                      |                      |                      |
| Service Cost   | \$ 125,382           | \$ 123,355           | \$ 100,018           | \$ 96,546            | \$ 96,795            |
| Interest on Total OPEB Liability   | 31,407               | 39,083               | 54,946               | 58,336               | 56,915               |
| Changes in Benefit Terms   | -                    | -                    | (147,536)            | -                    | -                    |
| Difference Between Expected and Actual Experience<br>of the Total OPEB Liability | (10,126)             | -                    | 67,025               | -                    | -                    |
| Changes of Assumptions   | (329,984)            | 25,954               | 104,327              | 43,855               | (27,379)             |
| Benefit Payments   | (156,890)            | (151,882)            | (141,946)            | (120,962)            | (112,523)            |
| Net Change in Total OPEB Liability   | (340,211)            | 36,510               | 36,834               | 77,775               | 13,808               |
| Total OPEB Liability - Beginning   | 1,714,209            | 1,677,699            | 1,640,865            | 1,563,090            | 1,549,282            |
| Total OPEB Liability - Ending  | <u>\$ 1,373,998</u>  | <u>\$ 1,714,209</u>  | <u>\$ 1,677,699</u>  | <u>\$ 1,640,865</u>  | <u>\$ 1,563,090</u>  |
| Covered Employee Payroll   | <u>\$ 18,421,269</u> | <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                 | 7.46%                | 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, 2022

Measurement Date:

June 30, 2022

Actuarial Cost Method:

Entry age normal

Interest Rate Used to Discount the Liability:

3.69%

Healthcare Inflation Rates:

6.75% in Fiscal Year 2022 decreasing to 5.00% by Fiscal Year 2028 and thereafter

Participation Assumption for the Healthcare Benefit:

40%

Mortality:

Probabilities of death for participants were according to the PubG-2010 base rates projected to 2022 using scale MP2021. No additional provision (besides those already embedded) were included for mortality improvements beyond 2022.

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  
 Schedule of Operating Expenses  
 For the Year Ended June 30, 2022

**Operations**

## Wages:

|                                    |                   |
|------------------------------------|-------------------|
| Operators                          | \$ 9,304,738      |
| Street Supervisors and Dispatchers | 1,291,413         |
| Other Supervisors                  | 1,039,891         |
| Clerical                           | 174,343           |
| Covid Vaccine Incentive Wages      | 31,140            |
| Labor Credit                       | <u>(26,477)</u>   |
| Total Wages                        | <u>11,815,048</u> |

## Fringe Benefits:

|  |                    |
|--|--------------------|
| Health and Dental Insurance                | 3,564,775          |
| Paid Absences                              | 2,778,539          |
| Social Security Tax                        | 1,095,105          |
| Workers' Compensation Insurance and Claims | 183,289            |
| Early Retirement Plan                      | 58,709             |
| Uniform Allowances                         | 51,064             |
| Unemployment Insurance                     | 49,441             |
| Other Fringe Benefits                      | 14,024             |
| Illinois Municipal Retirement Fund         | <u>(2,059,113)</u> |
| Total Fringe Benefits                      | <u>5,735,833</u>   |

## Services:

|                |                |
|----------------|----------------|
| ADA            | 875,871        |
| Printing       | 41,475         |
| Taxi           | 23,707         |
| Other Services | <u>31,188</u>  |
| Total Services | <u>972,241</u> |

## Materials and Supplies Consumed:

|                                       |                  |
|---------------------------------------|------------------|
| Fuel and Lubrications                 | 1,765,849        |
| Tires and Tubes                       | 137,529          |
| Other Materials and Supplies Consumed | 45,463           |
| Small Equipment                       | <u>23,815</u>    |
| Total Materials and Supplies Consumed | <u>1,972,656</u> |

## Miscellaneous:

|                     |               |
|---------------------|---------------|
| Leased Equipment    | 66,118        |
| Other               | <u>20,385</u> |
| Total Miscellaneous | <u>86,503</u> |

**Total Operations** \$ 20,582,281

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Operating Expenses  
For the Year Ended June 30, 2022

**Maintenance**

Wages:

|                          |                  |
|--------------------------|------------------|
| Mechanics                | \$ 1,446,095     |
| Cleaners                 | 795,793          |
| Supervisors and Clerical | 718,210          |
| Total Wages              | <u>2,960,098</u> |

Fringe Benefits:

|  |                  |
|--|------------------|
| Health and Dental Insurance                | 843,997          |
| Paid Absences                              | 656,736          |
| Social Security Tax                        | 268,185          |
| Early Retirement Plan                      | 115,096          |
| Uniform and Tools Allowance                | 46,771           |
| Workers' Compensation Insurance and Claims | 34,252           |
| Unemployment Insurance                     | 11,124           |
| Other Fringe Benefits                      | 5,954            |
| Illinois Municipal Retirement Fund         | (946,187)        |
| Total Fringe Benefits                      | <u>1,035,928</u> |

Services:

|                      |                |
|----------------------|----------------|
| Contract Maintenance | 151,831        |
| Other Services       | 13,190         |
| Total Services       | <u>165,021</u> |

Materials and Supplies Consumed:

|                                       |                  |
|---------------------------------------|------------------|
| Revenue Vehicles Repairs              | 2,114,740        |
| Buildings and Grounds Repairs         | 253,261          |
| Fuel and Lubricants                   | 176,584          |
| Service Supplies                      | 121,084          |
| Passenger Shelter Repairs             | 85,344           |
| Service Vehicles Repairs              | 44,314           |
| Shop Tools                            | 38,507           |
| Garage Equipment Repairs              | 33,123           |
| Other Materials and Supplies Consumed | 28,278           |
| Total Materials and Supplies Consumed | <u>2,895,235</u> |

Miscellaneous:

|                     |               |
|---------------------|---------------|
| Leased Equipment    | 16,268        |
| Other               | 25,468        |
| Total Miscellaneous | <u>41,736</u> |

**Total Maintenance** \$ 7,098,018



CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Operating Expenses  
For the Year Ended June 30, 2022

**General Administration**

Wages:

|                     |                  |
|---------------------|------------------|
| Supervisors         | \$ 1,507,017     |
| Clerical            | 354,455          |
| COVID Testing Wages | 17,988           |
| Total Wages         | <u>1,879,460</u> |

Fringe Benefits:

|  |                |
|--|----------------|
| Health and Dental Insurance                | 372,821        |
| Social Security Tax                        | 134,737        |
| Workers' Compensation Insurance and Claims | 15,086         |
| Unemployment Insurance                     | 4,786          |
| Other Fringe Benefits                      | 19,553         |
| Illinois Municipal Retirement Fund         | (260,630)      |
| Total Fringe Benefits                      | <u>286,353</u> |

Services:

|                            |                  |
|----------------------------|------------------|
| Contract Maintenance       | 565,786          |
| Professional and Technical | 566,073          |
| Printing                   | 6,626            |
| Other Services             | 28,847           |
| Total Services             | <u>1,167,332</u> |

Materials and Supplies Consumed:

|                                       |               |
|---------------------------------------|---------------|
| Office Supplies                       | 11,891        |
| Small Equipment                       | 9,631         |
| Total Materials and Supplies Consumed | <u>21,522</u> |

Casualty and Liability Costs:

|  |                |
|--|----------------|
| Public Liability and Property Damage Insurance | 408,547        |
| Uninsured Public Liability                     | 346,405        |
| Physical Damage Insurance                      | 89,151         |
| Insurance and Property Damage Recoveries       | (51,792)       |
| Other Insurance                                | 44,528         |
| Total Casualty and Liability Costs             | <u>836,839</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Operating Expenses  
For the Year Ended June 30, 2022

**General Administration Continued**

Miscellaneous:

|                        |                  |
|------------------------|------------------|
| Utilities              | 717,669          |
| Advertising            | 168,942          |
| Travel and Meetings    | 146,886          |
| Dues and Subscriptions | 94,163           |
| Leased Equipment       | 6,061            |
| Other                  | 444,399          |
| Total Miscellaneous    | <u>1,578,120</u> |

**Total General Administration**

\$ 5,769,626

**Illinois Terminal**

Wages:

|             |                |
|-------------|----------------|
| Supervisors | \$ 234,367     |
| Security    | 128,791        |
| Cleaners    | 119,343        |
| Clerical    | 107,121        |
| Total Wages | <u>589,622</u> |

Fringe Benefits:

|  |                 |
|--|-----------------|
| Health and Dental Insurance                | 191,389         |
| Paid Absences                              | 67,797          |
| Social Security Tax                        | 47,219          |
| Workers' Compensation Insurance and Claims | 9,709           |
| Uniform and Tool Allowances                | 2,449           |
| Other Fringe Benefits                      | 1,207           |
| Illinois Municipal Retirement Fund         | <u>(87,777)</u> |
| Total Fringe Benefits                      | <u>231,993</u>  |

Services:

|                       |               |
|-----------------------|---------------|
| Contract Maintenance  | 24,650        |
| Professional Services | 12,874        |
| Other Services        | 1,151         |
| Total Services        | <u>38,675</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Operating Expenses  
For the Year Ended June 30, 2022

**Illinois Terminal Continued**

Materials and Supplies Consumed:

|                                       |               |
|---------------------------------------|---------------|
| Buildings and Grounds Repairs         | 54,348        |
| Services Supplies                     | 19,912        |
| Shop Tools                            | 6,290         |
| Other Materials and Supplies Consumed | 1,995         |
| Total Materials and Supplies Consumed | <u>82,545</u> |

Miscellaneous:

|                     |                |
|---------------------|----------------|
| Utilities           | 186,587        |
| Other               | 17,228         |
| Total Miscellaneous | <u>203,815</u> |

**Total Illinois Terminal**

\$ 1,146,650

**C-CARTS**

Wages:

|             |                |
|-------------|----------------|
| Operators   | \$ 312,603     |
| Supervisors | 36,927         |
| Clerical    | 14,310         |
| Training    | 11,330         |
| Total Wages | <u>375,170</u> |

Fringe Benefits:

|  |                |
|--|----------------|
| Health and Dental Insurance                | 52,916         |
| Illinois Municipal Retirement Fund         | 37,189         |
| Social Security Tax                        | 29,157         |
| Paid Absences                              | 22,596         |
| Unemployment Allowance                     | 1,662          |
| Uniform and Tool Allowances                | 444            |
| Other Fringe Benefits                      | 216            |
| Workers' Compensation Insurance and Claims | (30,139)       |
| Total Fringe Benefits                      | <u>114,041</u> |

Services:

|                         |               |
|-------------------------|---------------|
| Professional Services   | 19,572        |
| Contractual Maintenance | 5,361         |
| Printing                | 280           |
| Other Services          | 8,075         |
| Total Services          | <u>33,288</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Operating Expenses  
For the Year Ended June 30, 2022

**C-CARTS Continued**

Materials and Supplies Consumed:

|                                       |                |
|---------------------------------------|----------------|
| Fuel and Lubricants                   | 111,216        |
| Repairs and Maintenance               | 51,626         |
| Tires and Tubes                       | 6,978          |
| Office Supplies                       | 631            |
| Small Tools and Equipment             | 340            |
| Total Materials and Supplies Consumed | <u>170,791</u> |

Miscellaneous:

|                     |               |
|---------------------|---------------|
| Leased Equipment    | 26,176        |
| Utilities           | 4,321         |
| Other               | 1,346         |
| Total Miscellaneous | <u>31,843</u> |

Casualty and Liability Costs:

|  |              |
|--|--------------|
| Public Liability and Property Damage Insurance | <u>3,630</u> |
|--|--------------|

**Total C-CARTS**

\$ 728,763

**Depreciation**

|   |                  |
|---|------------------|
| Revenue Vehicles, Fareboxes, and Radios | \$ 5,470,415     |
| Office and Garage Facilities            | 1,681,212        |
| Office and Garage Equipment             | 165,485          |
| Service Vehicles                        | 84,468           |
| Other Equipment                         | 323,216          |
| Total Depreciation                      | <u>7,724,796</u> |

**Amortization**

|  |                |
|--|----------------|
| Lease Assets   |                |
| Leasehold Improvements                                 | 8,594          |
| Revenue Vehicles                                       | 35,661         |
| Service Vehicles                                       | 102,608        |
| Non-Revenue  | 8,103          |
| Other Equipment  | 214,479        |
| Subscription-Based Information Technology Arrangements | 28,204         |
| Total Amortization                                     | <u>397,649</u> |

**Total Depreciation and Amortization**

\$ 8,122,445

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
 Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report  
 For the Year Ended June 30, 2022

| CSFA Number | Program Name  | State<br>Funding    | Federal<br>Funding | Other<br>Funding | Total               |
|-------------|---|---------------------|--------------------|------------------|---------------------|
| 494-80-2197 | Multi-Modal<br>Transportation Bond<br>Fund for Downstate<br>Public Transportation | 7,543,060           | -                  | -                | 7,543,060           |
|             | Other Grant<br>Programs and   | -                   | -                  | -                | -                   |
|             | All Other Costs Not<br>Allocated  | -                   | -                  | -                | -                   |
| Total       |   | <u>\$ 7,543,060</u> | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 7,543,060</u> |

**Reconciliation of GATA CYEFR Expenses to Audited Operating Expenses**

|   |                      |
|---|----------------------|
| GATA CYEFR Expenses   | \$ 7,543,060         |
| Plus: Transit 5311 Formula Grants for Rural Areas             | 567,196              |
| Plus: CARES Act - Transit Formula Grants for Rural Areas      | 161,567              |
| Plus: Transit Downstate Operating Assistance Program          | 36,639,741           |
| Plus: Other Federal Grant Programs and Activities             | 3,723,369            |
| Plus: Depreciation (Excludes Amortization)                    | 7,724,797            |
| Plus: Net Impact of Implementation of GASB 87 and GASB 96     | 1,961                |
| Less: Interest Expense  | (92,874)             |
| Less: Capitalized Grant Expenses (Non Debt Service)           | (11,266,430)         |
| Less: Debt Service on State Operating Grant and Federal Match | <u>(1,554,604)</u>   |
| Audited Operating Expenses                                    | <u>\$ 43,447,783</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Revenues and Expenses  
Under Downstate Operating Assistance Grant OP-22-45-IL  
For the Year Ended June 30, 2022

|   |                       |
|---|-----------------------|
| Operating Revenues:   |                       |
| 401 Passenger Fares for Transit Services  | \$ 1,170,314          |
| 402 Special Transit Fares   | 5,530,862             |
| 403 School Bus Service  | -                     |
| 406 Auxiliary Revenue   | 324,041               |
| 407 Non-Transportation Revenue  | 933,574               |
| 411 State Grants and Reimbursements other than DOAP   | -                     |
| 413 Federal Grants and Reimbursements   | 5,400,396             |
| Total Operating Revenues  | <u>\$ 13,359,187</u>  |
| Operating Expenses:   |                       |
| 501 Labor   | \$ 17,244,228         |
| 502 Fringe Benefits   | 7,290,107             |
| 503 Professional Services   | 1,495,515             |
| 504 Materials and Supplies Consumed   | 5,143,040             |
| 505 Utilities   | 904,256               |
| 506 Casualty and Liability  | 836,839               |
| 507 Taxes   | 45,809                |
| 508 Purchased Transportation  | 875,871               |
| 509 Miscellaneous Expense   | 697,755               |
| 511 Interest Expense  | 50,614                |
| 512 Leases, Rentals, and Purchase-Lease Payments  | 501,103               |
| 517 Debt Service on Equipment/Facilities  | 1,554,604             |
| Total Operating Expenses  | <u>36,639,741</u>     |
| Less: Ineligible Operating Expenses:  |                       |
| Expenses Related to the Non-Transportation Areas of Illinois Terminal   | (24,098)              |
| Other Miscellaneous Expenses of 1101 East University  | (260,846)             |
| Professional Services Not Related to Transportation Services  | (103,348)             |
| COVID-19 Sick Bank, Testing, and Vaccine Incentive Wages  | (112,246)             |
| APTA and IPTA Dues  | (5,250)               |
| Total Ineligible Operating Expenses   | <u>(505,788)</u>      |
| Total Eligible Operating Expenses   | <u>\$ 36,133,953</u>  |
| Total Eligible Operating Expenses   | \$ 36,133,953         |
| Total Operating Revenues  | <u>13,359,187</u>     |
| Deficit   | <u>\$ 22,774,766</u>  |
| Sixty-Five Percent of Eligible Operating Expenses   | <u>\$ 23,487,069</u>  |
| Maximum Contract Amount   | <u>\$ 36,766,119</u>  |
| Eligible Downstate Operating Assistance (Deficit or Sixty-Five Percent of Eligible Expense or Maximum Contract Amount, Whichever is Less) | \$ 22,774,766         |
| Less - Fiscal Year 2022 Downstate Operating Assistance Received Through June 30, 2022   | 21,571,808            |
| Less - Fiscal Year 2022 Downstate Operating Assistance Received Subsequent to June 30, 2022   | <u>5,497,465</u>      |
| Fiscal Year 2022 Downstate Operating Assistance Over Paid   | <u>\$ (4,294,507)</u> |

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Prior Audit Findings –  
Downstate Operating Assistance Grant OP-22-45-IL  
For the Year Ended June 30, 2022

No findings noted in the prior year.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Auditor Assurances Applicable to  
Downstate Operating Assistance Grant OP-22-45-IL  
For the Year Ended June 30, 2022

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, 2021 to June 30, 2022  
 (Prepared by Champaign-Urbana Mass Transit District)  
 Contract Number OP-22-05-FED

Revenue

| Line Item | Description                        | Total       |
|-----------|------------------------------------|-------------|
| 401       | Passenger Fares/Donations          | \$28,153    |
| 402       | Special Transit Fares              |             |
| 405       | Charter Service                    |             |
| 406       | Auxiliary Transportation           |             |
| 407       | Non-Transportation Revenue         |             |
| 411       | State Cash Grants                  | \$362,447   |
| 430       | Contributed Services               |             |
| 440       | Subsidy From Other Sources         | \$13,441    |
|           |                                    |             |
|           | Total Revenue                      | \$404,041   |
|           | Less: Non- 5311 Operating Revenues | (\$375,888) |
|           | Section 5311 Operating Revenue     | \$28,153    |

Expenses

| Line Item | Eligible Expenses      | Actual Administrative Expenses | Actual Operating Expenses | Total     |
|-----------|------------------------|--------------------------------|---------------------------|-----------|
| 501       | Labor                  | \$9,966                        | \$2,138                   | \$12,104  |
| 502       | Fringe Benefits        | \$4,433                        | \$754                     | \$5,187   |
| 503       | Services               | \$601                          |                           | \$601     |
| 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    |                                | \$540,020                 | \$540,020 |
| 509       | Miscellaneous          |                                |                           | \$0       |
| 511       | Interest Expense       |                                |                           | \$0       |
| 512       | Lease and Rentals      |                                |                           | \$0       |
|           | Other:                 |                                |                           |           |
|           |                        |                                |                           |           |
|           |                        |                                |                           |           |
|           | Total Expenses         | \$15,000                       | \$542,912                 | \$557,912 |

Champaign County  
Section 5311 Annual Financial Report  
Operating Period July 1, 2021 to June 30, 2022  
(Prepared by Champaign-Urbana Mass Transit District)  
Contract Number OP-22-05-FED

|   | Administrative<br>Expenses | Operating<br>Expenses | Total            |
|---|----------------------------|-----------------------|------------------|
| 1) Expenses: Per Single Audit   | \$15,000                   | \$542,912             | \$557,912        |
| 2) Less: Ineligible Expenses per Single Audit                               | <u>\$0</u>                 | <u>\$0</u>            | <u>\$0</u>       |
| 3) Net Eligible Expenses ((1)-(2))  | \$15,000                   | \$542,912             | \$557,912        |
| 4) Less: Section 5311 Operating Revenues<br>(From Page 1)                   |                            | <u>\$28,153</u>       | <u>\$28,153</u>  |
| 5) Section 5311 Operating Deficit ((3)-(4))                                 |                            | \$514,759             |                  |
| 6) Section 5311 Deficit ((3)-(4))   |                            |                       | \$529,759        |
| 7) Section 5311 Reimbursement %   | <u>x 80%</u>               | <u>x 50%</u>          |                  |
|   |                            |                       | Grant            |
|   |                            |                       | Total            |
| A) Eligible Reimbursement Per Percentages                                   | \$12,000                   | \$257,380             | \$269,380        |
| B) Funding Limits per Contract  |                            |                       | \$153,871        |
| C) Maximum Section 5311 Reimbursement:<br>(Lesser of Totals for (A) or (B)) |                            |                       | \$153,871        |
| D) Less: IDOT Payments - Section 5311<br>Reimbursement to Grantee           |                            |                       | <u>\$148,843</u> |
| E) Amount (Over) Under Paid ((C)-(D))                                       |                            |                       | \$5,028          |
| F) Grantee Local Match Requirement<br>(Operating Deficit-(C))               |                            |                       | \$375,888        |

| GRANTEE MATCH SOURCES                                       | AMOUNTS    |
|---|------------|
| Downstate Operating Grant                                   | \$ 362,145 |
| Local Contracts   | \$13,441   |
| In-Kind Services, Subsidies, Donations                      | \$0        |
|   |            |
| TOTAL LOCAL MATCH (Must equal (F))                          | \$ 375,586 |
|   |            |
| <b>LOCAL TRANSIT FUNDS RETAINED (CARRY FORWARD ACCOUNT)</b> |            |
| BEGINNING CARRY FORWARD (C.F.A.) BALANCE                    | \$283,528  |
| FY Local Transit (Local Contracts) Amounts Received         | \$108,296  |
| Less expended for Capital \$ 0    Operating \$13,441.       | \$13,441   |
| ENDING CARRY FORWARD (C.F.A.) BALANCE                       | \$378,383  |

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, 2021 to June 30, 2022  
 (Prepared by Champaign-Urbana Mass Transit District)  
 Contract Number DPT # 5242 (CARES-2410-20409)

Expenses

| Line Item | Eligible Expenses      | Actual<br>Administrative<br>Expenses | Actual<br>Operating<br>Expenses | Total     |
|-----------|------------------------|--------------------------------------|---------------------------------|-----------|
| 501       | Labor                  |                                      |                                 | \$0       |
| 502       | Fringe Benefits        |                                      |                                 | \$0       |
| 503       | Services               |                                      |                                 | \$0       |
| 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    |                                      | \$170,850                       | \$170,850 |
| 509       | Miscellaneous          |                                      |                                 | \$0       |
| 511       | Interest Expense       |                                      |                                 | \$0       |
| 512       | Lease and Rentals      |                                      |                                 | \$0       |
|           | Other:                 |                                      |                                 |           |
|           |                        |                                      |                                 |           |
|           |                        |                                      |                                 |           |
|           | Total Expenses         | \$0                                  | \$170,850                       | \$170,850 |

Champaign County  
Required Audited Schedule of Revenue and Expenses Under  
The Cares Act Grant IL-2020-034-00  
Operating Period July 1, 2021 to June 30, 2022  
(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                     | \$170,850          | \$170,850  |           |
| 2) Less: Ineligible Expenses per Single Audit                        | <u>\$0</u>              | <u>\$0</u>         | <u>\$0</u> |           |
| 3) Net Eligible Expenses ((1)-(2))                                   | \$0                     | \$170,850          | \$170,850  |           |
| 4) Less: CARES Operating Revenues<br>(From Page 1)                   |                         | \$9,283            | \$9,283    |           |
| 5) CARES Operating Deficit ((3)-(4))                                 |                         | \$161,567          |            |           |
| 6) CARES Deficit ((3)-(4))   |                         |                    | \$161,567  |           |
| 7) CARES Reimbursement %   | x 0%                    | x 100%             |            |           |
|  |                         |                    |            | Grant     |
|  |                         |                    |            | Total     |
| A) Eligible Reimbursement Per Percentages                            | \$0                     | \$161,567          | \$161,567  | \$161,567 |
| B) Funding Limits per Contract                                       |                         |                    |            | \$466,867 |
| C) Maximum CARES Reimbursement:<br>(Lesser of Totals for (A) or (B)) |                         |                    | \$161,567  | \$161,567 |
| D) Less: IDOT Payments - CARES<br>Reimbursement to Grantee           |                         |                    |            | \$0       |
| E) Amount (Over) Under Paid ((C)-(D))                                |                         |                    |            | \$161,567 |
| F) Grantee Local Match Requirement<br>(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-22-05-IL  
 (Prepared by Champaign-Urbana Mass Transit District)  
 For the Year Ended June 30, 2022

|                     |  |                          |
|---------------------|--|--------------------------|
| Operating Revenues: |  |                          |
| 401                 | Passenger Fares for Transit Services                           | \$ 28,153                |
| 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                       | <u>13,441</u>            |
|                     | Total Operating Revenues                                       | <u><u>\$ 195,465</u></u> |
| Operating Expenses  |  |                          |
| 501                 | Labor  | \$ 12,104                |
| 502                 | Fringe Benefits  | 5,187                    |
| 503                 | Professional Services  | 601                      |
| 504                 | Materials & Supplies Consumed                                  | -                        |
| 505                 | Utilities  | -                        |
| 506                 | Casualty & Liability   | -                        |
| 507                 | Taxes  | -                        |
| 508                 | Purchased Transportation                                       | 539,718                  |
| 509                 | Miscellaneous Expense  | -                        |
| 511                 | Interest Expense   | -                        |
| 512                 | Leases, Rentals, and Purchase-Lease Payments                   | <u>-</u>                 |
|                     | Total Operating Expenses                                       | 557,610                  |
|                     | Ineligible Operating Expenses:                                 |                          |
|                     | Other: _____   |                          |
|                     | Less Total Ineligible Operating Expenses                       | <u>-</u>                 |
|                     | Total Eligible Operating Expenses                              | <u><u>\$ 557,610</u></u> |

Champaign County  
Schedule of Revenues and Expenses  
Under Downstate Operating Assistance Grant OP-22-05-IL  
(Prepared by Champaign-Urbana Mass Transit District)  
For the Year Ended June 30, 2022

|  |                       |
|--|-----------------------|
| Total Eligible Operating Expenses  | \$ 557,610            |
| Total Operating Revenues   | 195,465               |
| Deficit  | <u>\$ 362,145</u>     |
| <br>Sixty-Five Percent of Eligible Operating Expenses  | <br><u>\$ 362,447</u> |
| <br>Maximum Contract Amount  | <br><u>\$ 723,852</u> |
| <br>Eligible Downstate Operating Assistance (Deficit or Sixty-Five Percent<br>of Eligible Expense or Maximum Contract Amount, Whichever is Less) | <br>\$ 362,145        |
| <br>Fiscal Year 2022 Downstate Operating Assistance Received Through June 30, 2022   | <br>286,079           |
| <br>Fiscal Year 2022 Downstate Operating Assistance Received Subsequent to June 30, 2022   | <br><u>76,368</u>     |
| <br>Fiscal Year 2022 Downstate Operating Assistance Over Paid  | <br><u>\$ (302)</u>   |

|   |   |
|---|---|
| Prepared By: <u>Nate Warman</u>                         | Title: <u>Comptroller, CUMTD</u>              |
| Reviewed by PCOM: _____                                 | Date: _____                                   |
| Reviewed by Grantee: _____<br>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-22-05-IL  
For the Year Ended June 30, 2022

No findings noted in the prior year.

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
Schedule of Auditor Assurances Applicable to  
Downstate Operating Assistance Grant OP-22-05-IL  
For the Year Ended June 30, 2022

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, 2022

| Federal Grantor/Pass-Through Grantor/<br>Program Title     | Assistance<br>Listing<br>Number |   | Grant<br>Number | Federal<br>Awards<br>Expended | Total<br>Provided to<br>Subrecipients |
|--|---------------------------------|---|-----------------|-------------------------------|---------------------------------------|
| <b>U.S. Department of Transportation -</b>                 |                                 |   |                 |                               |                                       |
| <i>Direct Awards:</i>                                      |                                 |   |                 |                               |                                       |
| <i>Federal Transit Cluster</i>                             |                                 |   |                 |                               |                                       |
| COVID-19 Urbanized Area Formula Grants                     | 20.507                          | * | IL-2022-014-00  | \$ 36,590                     | \$ -                                  |
| COVID-19 Urbanized Area Formula Grants                     | 20.507                          | * | IL-2022-012-00  | 1,796,860                     | -                                     |
| Urbanized Area Formula Grants                              | 20.507                          | * | IL-2021-021-00  | 2,542,010                     | -                                     |
| COVID-19 Urbanized Area Formula Grants                     | 20.507                          | * | IL-2021-008-00  | 2,472,497                     | -                                     |
| Urbanized Area Formula Grants                              | 20.507                          | * | IL-2020-032-00  | 172,739                       | -                                     |
| COVID-19 Urbanized Area Formula Grants                     | 20.507                          | * | IL-2020-023-00  | 1,131,038                     | -                                     |
| Urbanized Area Formula Grants                              | 20.507                          | * | IL-2019-007-00  | 972,031                       | -                                     |
| Program Total  |                                 |   |                 | <u>9,123,765</u>              | <u>-</u>                              |
| <i>Pass Through from the County of Champaign, Illinois</i> |                                 |   |                 |                               |                                       |
| Formula Grants for Rural Areas                             | 20.509                          |   | IL-22-05-FED    | 153,871                       | -                                     |
| COVID-19 Formula Grants for Rural Areas                    | 20.509                          |   | IL-2020-034-00  | 161,567                       | -                                     |
| Program Total  |                                 |   |                 | <u>315,438</u>                | <u>-</u>                              |
| Total Federal Expenditures                                 |                                 |   |                 | <u>\$ 9,439,203</u>           | <u>\$ -</u>                           |

\* - Denotes a major program.

**Notes to Schedule of Expenditures of Federal Awards:**

- 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.
- The District did not use the 10 percent de minimis indirect cost rate for the year ended June 30, 2022.
- 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, 2022

**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
      - Assistance Listing Number 20.507
- (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, 2022

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 4, 2023.

## **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



Champaign, Illinois  
February 4, 2023

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**

### ***Opinion on Each Major Federal Program***

We have audited the Champaign-Urbana Mass Transit District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. 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).

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, 2022.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Martin Hood LLC*

Champaign, Illinois  
February 4, 2023



CHAMPAIGN-URBANA MASS TRANSIT DISTRICT

Urbana, Illinois

**Independent Auditor's Report on the  
Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report  
Supplementary Information**

For the Year Ended

June 30, 2022

**C O N T E N T S**

*Page*

INDEPENDENT AUDITOR’S REPORT ON THE ILLINOIS GRANT ACCOUNTABILITY  
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INDEPENDENT AUDITOR'S REPORT ON THE  
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY – CONSOLIDATED  
YEAR-END FINANCIAL REPORT  
SUPPLEMENTARY INFORMATION

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) as of and for the year ended June 30, 2022, and our report thereon dated February 4, 2023, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to February 4, 2023. The Illinois Grant Accountability and Transparency – Consolidated Year-End Financial Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Restriction on Use

This report is intended solely for the information and use of the Board of Trustees and management of the District and the Illinois Department of Transportation and is not intended to be and should not be used by anyone other than those specified parties.

*Martin Hood LLC*

Champaign, Illinois  
March 18, 2023



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT  
 Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report  
 For the Year Ended June 30, 2022

| CSFA Number | Program Name  | State<br>Funding    | Federal<br>Funding  | Other<br>Funding     | Total                |
|-------------|---|---------------------|---------------------|----------------------|----------------------|
| 494-80-2197 | Multi-Modal<br>Transportation Bond<br>Fund for Downstate<br>Public Transportation | 7,543,060           | -                   | -                    | 7,543,060            |
|             | Other Grant Programs<br>and Activities  | -                   | 9,439,203           | 31,652,670 (1)       | 41,091,873           |
|             | All Other Costs Not<br>Allocated  | -                   | -                   | -                    | -                    |
| Total       |   | <u>\$ 7,543,060</u> | <u>\$ 9,439,203</u> | <u>\$ 31,652,670</u> | <u>\$ 48,634,933</u> |

**Reconciliation of Audited Expenses to GATA CYEFR Expenses**

|   |                      |
|---|----------------------|
| Audited Operating Expenses                                    | \$ 43,447,783        |
| Less: Depreciation (excludes Amortization)                    | (7,724,797)          |
| Plus: Interest Expense  | 92,874               |
| Plus: Capitalized Grant Expenses (Non Debt Service)           | 11,266,430           |
| Plus: Debt Service on State Operating Grant and Federal Match | 1,554,604            |
| Less: Net Impact of Implementation of GASB 87 and GASB 96     | <u>(1,961)</u>       |
| GATA CYEFR Expenses   | <u>\$ 48,634,933</u> |

(1) Includes state operating assistance funding of \$23,137,213