

Champaign-Urbana Mass Transit District

Financial Statements and
Supplementary Information

June 30, 2024 and 2023

Champaign-Urbana Mass Transit District

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Champaign-Urbana Mass Transit District

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Champaign-Urbana Mass Transit District (District), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as 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 as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information 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 November 15, 2024 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.

Baker Tilly US, LLP

Madison, Wisconsin
November 15, 2024



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



Management's Discussion & Analysis

Champaign-Urbana Mass Transit District

*Financial Audit
June 30, 2024*

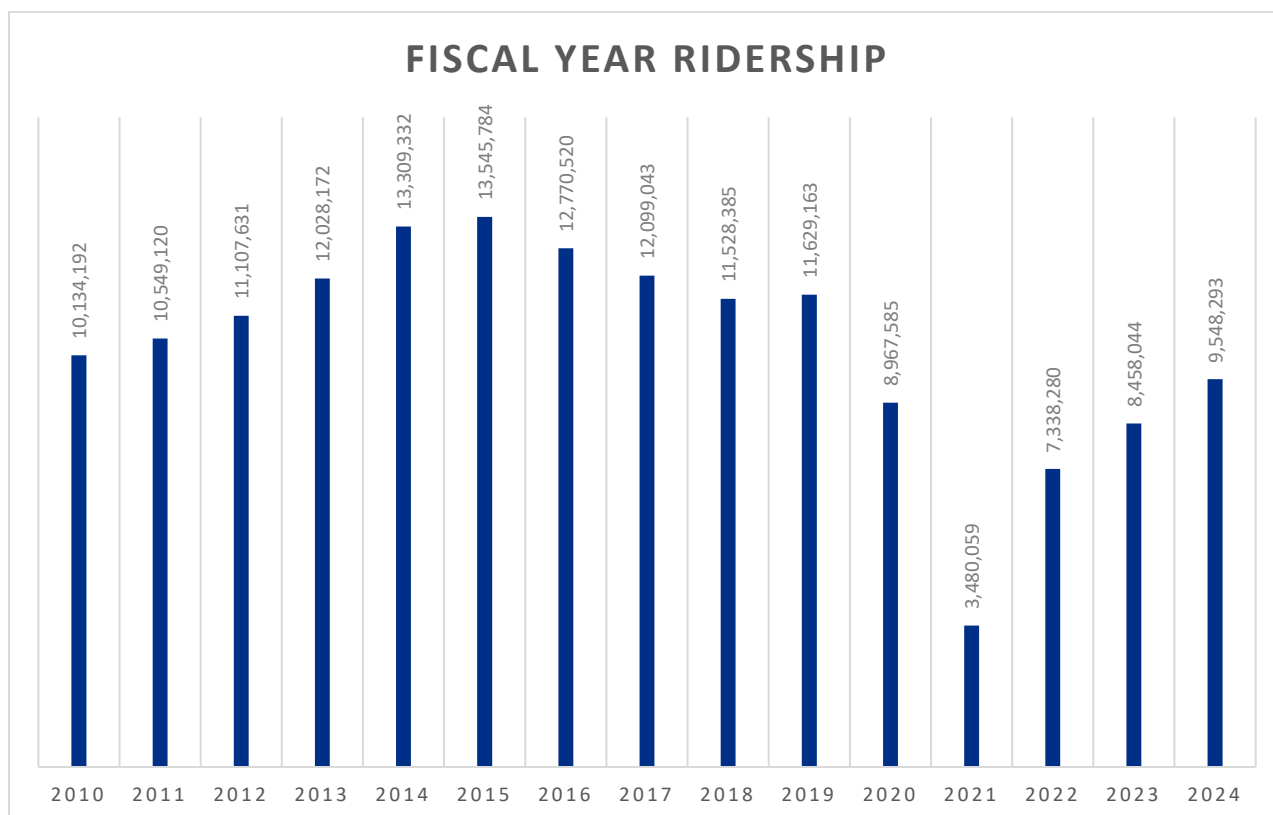


CHAMPAIGN-URBANA MASS TRANSIT DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS June 30, 2024 and 2023

Management of the Champaign-Urbana Mass Transit District (District) provides this narrative overview and analysis of the financial activities of the District's fiscal years ended June 30, 2024 and 2023. 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 \$152,093,249 (net position), an increase of \$17,425,138. The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations, was a surplus of \$49,765,259 as of June 30, 2024, and was a surplus of \$45,739,232 as of June 30, 2023.
- The District's property tax and replacement tax revenue increased \$388,265 (3.3%) in FY2024 from the previous year.
- Operating revenue increased by \$614,758 (7.6%) in FY2024 from the previous year due in part to increased yearly passes and advertising revenue.
- The District was awarded \$13,051,564 in December 2020 from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) with \$8,051,564 CRRSAA revenue recorded in FY2024. Previously, \$2,472,497 total CRRSAA revenue was recorded in FY2022.
- The District was awarded \$20,227,511 in March 2021 from the federal American Rescue Plan Act (ARPA). ARPA revenue of \$2,499,271 was recorded in FY2024. Previously, \$12,243,670 total ARPA revenue was recorded in FY2023 and FY2022 combined.
- Non-operating revenues (expenses) increased by \$2,154,005 in FY2024 from the previous year.
- The District was awarded a \$17,275,000 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.
- In February 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 hybrid electric buses. Rebuild Illinois revenue of \$571,562 was recorded in FY2024.



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 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. Ridership increased by 12.9% and 15.3% in FY2024 and FY2023, respectively.

The District budgets for approximately 400 employees and provides several mobility services including fixed-route buses, direct van service, ADA Paratransit service, 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. 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 as well as connecting riders from Rantoul to Champaign. 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 \$305,300 and \$0 revenue recorded in FY2024 and FY2023, respectively. Previously, \$161,567 total CRRSAA and ARPA revenue was 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.

The District commits to implementing and continually improving management practices to promote high quality and environmentally sustainable transportation options for the community. The District has dual International Standards Organization (ISO) certifications for its Environmental Sustainability Management System (ISO 14001:2015), which covers three facilities, and Quality Management System (ISO 9001:2015), which guide the District in its commitment to improve customer service and reduce environmental impact. The District has implemented software technology for employee management and payroll and on-demand services including ADA Paratransit, SafeRides, and West Connect scheduling to improve customer service. Recent steps to reduce environmental impact include operating only low and no emission buses and the implementation of zero emission technology consisting of a solar array which produces clean energy that powers the onsite hydrogen fuel production station to turn water into hydrogen, fueling two 60-foot articulated hydrogen fuel cell electric buses. An additional ten, 40-foot hydrogen buses were purchased, and six were put into service in FY2024.

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 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>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Current and other assets	\$ 66.1	\$ 67.0	\$ 65.7
Capital assets	103.5	90.3	86.8
Deferred outflows of resources	<u>9.2</u>	<u>11.3</u>	<u>3.8</u>
Total assets and deferred outflows	<u>178.8</u>	<u>168.6</u>	<u>156.3</u>
Current and other liabilities	11.4	13.5	11.2
Long-term liabilities	13.7	18.8	2.2
Deferred inflows of resources	<u>1.6</u>	<u>1.6</u>	<u>15.1</u>
Total liabilities and deferred inflows	<u>26.7</u>	<u>33.9</u>	<u>28.5</u>
Net position			
Net investment in capital assets	102.3	88.9	85.9
Restricted net position related to pensions	-	-	5.3
Unrestricted	<u>49.8</u>	<u>45.8</u>	<u>36.6</u>
Total net position	<u>\$ 152.1</u>	<u>\$ 134.7</u>	<u>\$ 127.8</u>



Fiscal Year 2024

Current and other assets decreased by \$0.9 million from the prior year. Cash and cash equivalents increased by \$7.2 million from FY2023 to FY2024 due in part to the \$6.9 million decrease in grant receivables. Overall, receivables decreased by \$8.4 million from the prior year.

Capital assets were \$13.2 million higher from the prior year primarily due to the purchase of ten 40-foot replacement hydrogen fuel cell electric buses, purchase of four 60-foot replacement hybrid diesel buses, and installation of vehicle lifts at the Maintenance Facility at 803 E. University Ave.

Deferred outflows of resources decreased \$2.1 million from FY2023 to FY2024 primarily due to the impact of changes in pension estimates and investment performance as required by GASB Statement 68.

Current liabilities decreased by \$2.2 million from the prior year. Accounts payable decreased by \$2.3 million. The balance of the District's lines of credit was \$0.2 million for both FY2024 and FY2023.

Long-term liabilities decreased by \$5.1 million from the prior year primarily due to the impact of changes in pension estimates and investment performance as required by GASB Statement 68.

Fiscal Year 2023

Current and other assets increased by \$1.3 million from the prior year. Receivables increased \$7.2 million due to a \$5.3 million increase in grant receivables. Net pension asset decreased \$5.3 million from the impact of changes in pension estimates and investment performance as required by GASB Statement 68. A net pension liability of \$16.6 million was recorded in FY2023 compared to a net pension asset of \$5.3 million in the prior year.

Capital assets were \$3.5 million higher in FY2023 due to replacement of underground storage tanks, purchase of four 40-foot hybrid diesel buses, purchase of four 60-foot replacement hybrid diesel buses, and acquisition of land adjacent to the District's CDL (Commercial Driver's License) Training Facility.

Current liabilities increased by \$2.3 million from the prior year. Accounts payable and accrued expenses increased by \$1.7 million. The balance of the District's lines of credit was \$0.2 million and \$0 as of June 30, 2023, and June 30, 2022, respectively.

Long-term liabilities increased by \$16.6 million and deferred inflows of resources decreased by \$13.5 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 FY2024 increased by \$17.4 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>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
<u>Operating revenues</u>			
Revenues from transportation			
Services	\$ 7.3	\$ 6.7	\$ 6.7
C-CARTS	0.1	0.2	0.1
Other operating revenues	<u>1.3</u>	<u>1.2</u>	<u>1.1</u>
Total operating revenues	<u>8.7</u>	<u>8.1</u>	<u>7.9</u>
<u>Operating expenses</u>			
Operations	25.8	26.5	20.6
Maintenance	9.7	9.6	7.1
General administration and			
Illinois Terminal	9.5	8.8	6.9
C-CARTS	1.0	0.9	0.8
Depreciation and amortization	<u>9.2</u>	<u>8.6</u>	<u>8.1</u>
Total operating expenses	<u>55.2</u>	<u>54.4</u>	<u>43.5</u>
<u>Operating loss</u>	<u>(46.5)</u>	<u>(46.3)</u>	<u>(35.6)</u>
<u>Nonoperating revenues</u>			
Taxes	12.1	11.7	10.7
Assistance grants – MTD	29.8	29.6	28.2
Assistance grants – C-CARTS	0.9	0.8	0.7
Other nonoperating revenues	<u>2.1</u>	<u>0.7</u>	<u>0.1</u>
Total nonoperating revenues	<u>44.9</u>	<u>42.8</u>	<u>39.7</u>
Income (loss) before capital			
Contributions	(1.6)	(3.5)	4.1
<u>Capital contributions</u>			
Capital grants	<u>19.0</u>	<u>10.4</u>	<u>11.3</u>
Change in net position	17.4	6.9	15.4
Net position, beginning of year	<u>134.7</u>	<u>127.8</u>	<u>112.4</u>
Net position, end of year	<u>\$ 152.1</u>	<u>\$ 134.7</u>	<u>\$ 127.8</u>



Fiscal Year 2024

Operating revenues increased \$0.6 million from prior year due in part to increased yearly passes revenue and advertising revenue.

Operating expenses increased \$0.8 million from prior year. Wages expense and depreciation and amortization increased \$2.1 million and \$0.6 million, respectively. Fringe benefits expense decreased \$2.6 million due primarily to changes in pension estimates and investment performance as required by GASB Statement 68.

Non-operating revenues (expenses) increased \$2.1 million from prior year. Investment income increased \$1.4 million.

Fiscal Year 2023

Operating revenues increased \$0.2 million from prior year due in part to increased advertising revenue.

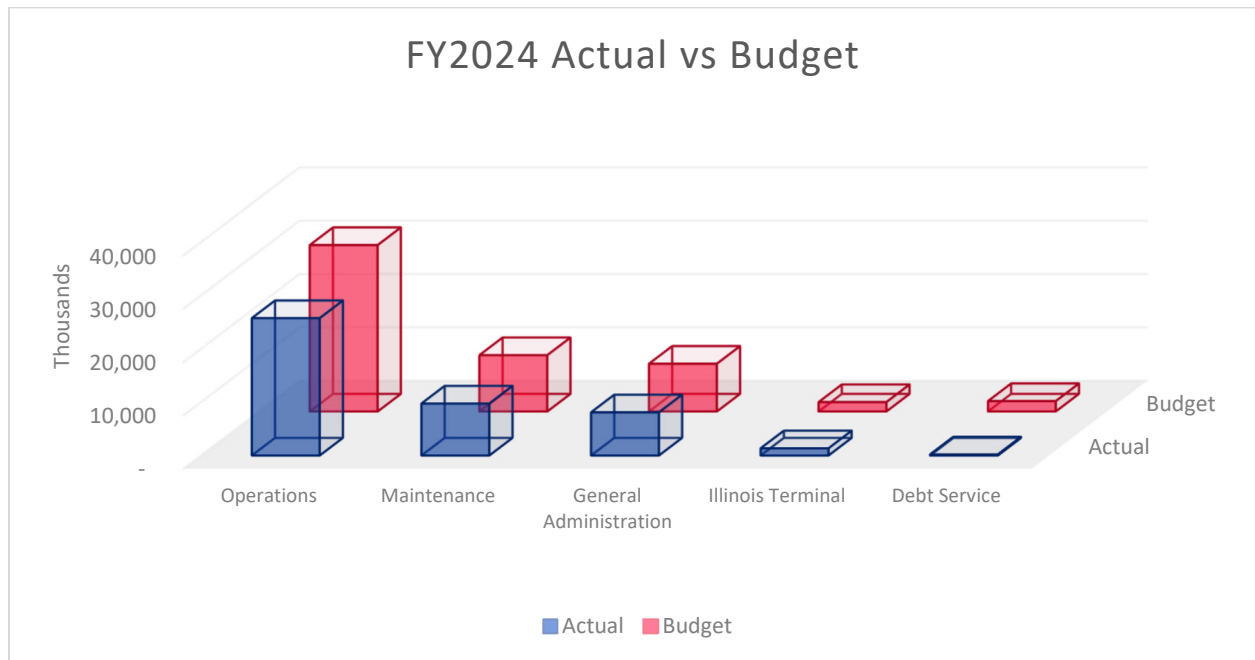
Operating expenses increased \$10.9 million from prior year due to an increase of \$7.1 million in pension expense from changes in pension estimates and investment performance as required by GASB Statement 68 combined with an increase of \$2.8 million in wages expense.

Non-operating revenues (expenses) increased \$3.1 million in FY2023. Operating assistance grant revenue increased by \$1.4 million due to reimbursement for increased operating expenses. Property tax and replacement tax revenue increased \$1.0 million from prior year.

Budgetary Highlights

Fiscal Year 2024

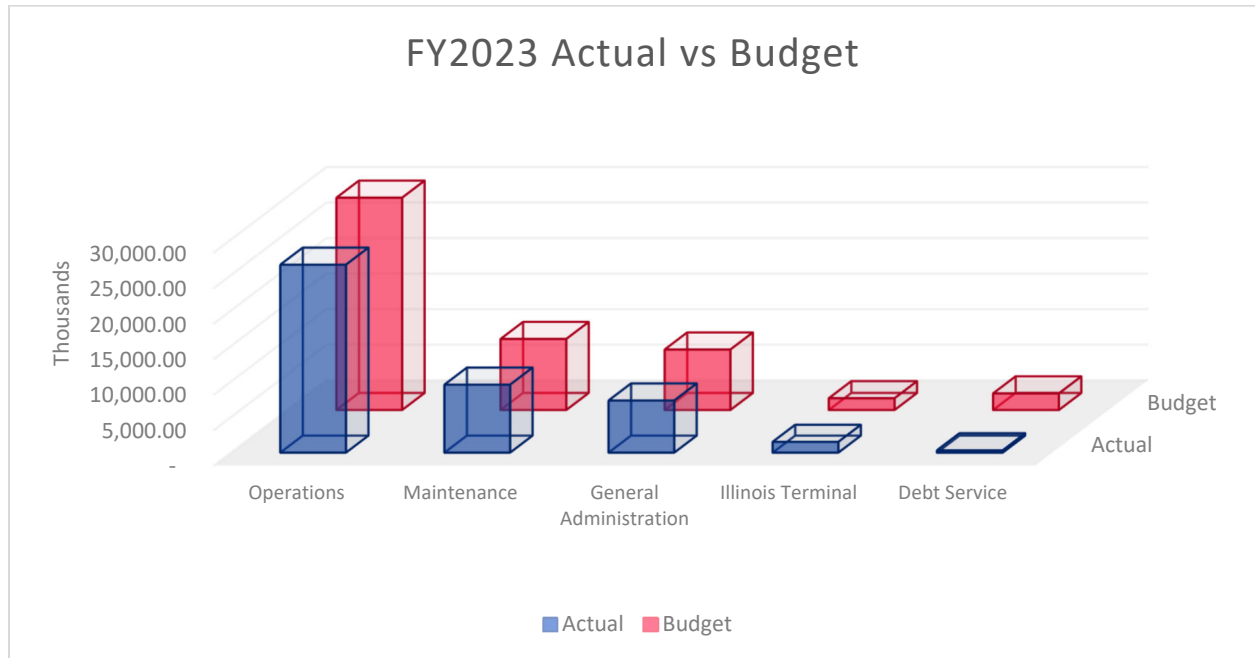
The Board of Trustees approved the District's budget for FY2024 of \$55.8 million, excluding depreciation and C-CARTS operating expenses, on June 28, 2023. The budget included \$1.9 million of debt service and \$1.0 million for locally funded capital expenditures.



Operating expenses for Operations, Maintenance, General Administration, and Illinois Terminal were all below budget in FY2024. Debt service of \$0.2 million was under the budget of \$1.9 million in FY2024.

Fiscal Year 2023

The Board of Trustees approved the District's budget for FY2023 of \$53.4 million, excluding depreciation and C-CARTS operating expenses, on June 29, 2022. The budget included \$2.3 million of debt service and \$1.0 million for locally funded capital expenditures.



Operating expenses for Operations, Maintenance, General Administration, and Illinois Terminal were all below budget in FY2023. Debt service of \$0.3 million was under the budget of \$2.3 million in FY2023.

Capital Assets and Debt Administration

Capital Assets:

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

Table 3

<u>Capital Assets</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Land	\$ 4,093,243	\$ 4,093,243	\$ 2,872,236
Construction in Progress	7,334,459	9,801,849	15,993,187
Land Improvements	1,083,172	1,083,172	1,083,172
Office, Garage, and Buildings	65,076,348	63,763,974	54,325,538
Leasehold Improvements	6,216,470	6,216,470	-
Revenue Vehicles	89,161,268	74,295,543	75,916,335
Service Vehicles	634,986	634,986	634,986
Passenger Shelters	5,070,419	4,976,929	4,894,458
Intangibles	191,582	191,582	191,582
Other Equipment	9,008,630	7,018,938	6,571,702
Lease Assets	2,128,548	1,869,804	1,273,118
Subscription-Based Information Technology Arrangement Assets	<u>535,013</u>	<u>364,831</u>	<u>109,701</u>
	190,534,138	174,311,321	163,866,015
Less: Accumulated Depreciation and Amortization	<u>86,992,390</u>	<u>83,988,383</u>	<u>77,079,934</u>
Net Capital Assets	<u>\$ 103,541,748</u>	<u>\$ 90,322,938</u>	<u>\$ 86,786,081</u>

The District's investment in capital assets is \$103.5 million (net of accumulated depreciation and amortization) as of June 30, 2024, and \$90.3 million (net of accumulated depreciation and amortization) as of June 30, 2023. 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 14.6%.

A summary of the District's Fiscal Year 2024 Major Additions is presented in Table 4.

Table 4

<u>FY2024 Major Additions</u>	
Procurement of 10 Hydrogen Fuel Cell Electric Buses— 40-foot	\$ 12,916,614
Procurement of 4 Hybrid Diesel Buses – 60-foot	5,059,650
Vehicle Lifts	<u>1,253,968</u>
Total	<u>\$ 19,230,232</u>



A summary of the District's Fiscal Year 2024 budget for Locally Funded Capital Projects is presented in Table 5.

Table 5

Architectural & Engineering Services	\$ 350,000
Passenger Shelters, Kiosks, Bus Stops, and Associated Work	300,000
Miscellaneous Facility Improvements	230,000
Software Systems Upgrades/Procurements	100,000
Maintenance Shop Equipment	20,000
Total	<u>\$ 1,000,000</u>

The District's FY2024 capital budget called for \$1.0 million in local dollars plus \$1.9 million of State of Illinois debt service funds.

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

A summary of the District's Fiscal Year 2023 Major Additions is presented in Table 4.

Table 4

<u>FY2023 Major Additions</u>	
Procurement of 4 Hybrid Diesel Buses – 60-foot	\$ 4,292,357
Procurement of 4 Hybrid Diesel Buses – 40-foot	2,733,418
Underground Storage Tank Replacement Project	1,231,045
1209-1213 E. University Land Purchase	<u>1,150,597</u>
Total	<u>\$ 9,407,417</u>

A summary of the District's Fiscal Year 2023 budget for Locally Funded Capital Projects is presented in Table 5.

Table 5

Architectural & Engineering Services	\$ 350,000
Passenger Shelters, Kiosks, Bus Stops, and Associated Work	300,000
Miscellaneous Facility Improvements	230,000
Software Systems Upgrades/Procurements	100,000
Air Compressor	35,000
Maintenance Service Truck Bed Replacement	<u>25,000</u>
Total	<u>\$ 1,040,000</u>

The District's FY2023 capital budget called for \$1.0 million in local dollars plus \$2.3 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: The District had total short-term debt outstanding of \$0.2 million for both FY2024 and FY2023.

The District maintained two lines of credit with a local bank during FY2024. 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 five long-term debt obligations: an early retirement plan liability, net pension liability (asset), other postemployment benefits (OPEB) liability, lease liabilities, and subscription liabilities.

The early retirement plan liability was \$0.1 million for both FY2024 and FY2023. 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 net pension liability (asset) decreased \$4.9 million from FY2023 to FY2024. Net pension liability (asset) recognition began in FY2015 due to the implementation of GASB 68. No pension liabilities had been recorded in prior fiscal years. More detailed information about the District's pension liability is presented in Note 13 to the financial statements.

The OPEB liability had little change from FY2023 to FY2024. 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 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 recovering from the economic and social impact of the COVID-19 pandemic. One aspect of the recovery has been the widespread difficulty in hiring and retaining employees. Due to continuing efforts to hire and retain Bus Operators, the District is back to full service in FY2025, including expanded direct van service to Northeast Urbana with Northeast Connect.
- The District's total appropriations budget for FY2025 is \$57.2 million. This consists of \$1.2 million in locally funded projected capital expenditures as well as \$56.0 million in projected operating expenses, including \$0.6 million in debt service, excluding depreciation.
- The State of Illinois Operating Assistance budget for FY2025 has been approved. The contract was fully executed on August 15, 2024, for eligible operating expense reimbursement up to \$45.9 million, including \$0.6 million of debt service.
- The obligations of the State of Illinois to fund the Illinois Downstate Operating Assistance Program were met in FY2024.
- 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/CEO or Finance Director, Champaign-Urbana Mass Transit District, 1101 East University Avenue, Urbana, IL 61802.

BASIC FINANCIAL STATEMENTS

Champaign-Urbana Mass Transit District

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 4,178,403	\$ 3,500,000
Receivables:		
Property tax	5,909,577	6,227,486
State operating assistance grant, MTD, net of grant payables	1,524,243	6,366,001
Other grants	1,950,718	4,042,585
Lease	500,848	295,611
Other	874,855	2,267,009
Inventories	1,931,677	1,774,707
Prepaid expenses	1,905,632	1,493,618
Total current assets	18,775,953	25,967,017
Capital Assets		
Land and construction in progress, not being depreciated	11,427,702	13,895,092
Other property and equipment, net of depreciation and amortization	92,114,046	76,427,846
Total capital assets	103,541,748	90,322,938
Other Assets		
Lease receivable	213,835	432,276
Capital reserves:		
Cash and cash equivalents	47,094,606	40,616,554
Total other assets	47,308,441	41,048,830
Total assets	169,626,142	157,338,785
Deferred Outflows of Resources		
Deferred amount related to net pension liability	9,003,725	11,151,263
Deferred amount related to OPEB liability	157,726	154,462
Total deferred outflows of resources	9,161,451	11,305,725
Total assets and deferred outflows of resources	\$ 178,787,593	\$ 168,644,510

See notes to financial statements

Champaign-Urbana Mass Transit District

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 2,280,609	\$ 4,589,516
Accrued expenses	5,623,883	5,376,682
Unredeemed yearly passes and tokens	55,792	61,695
Accrued interest and property tax	7,486	72,326
Workers' compensation liability	307,832	219,152
Obligations under incentive and early retirement plans	195,597	194,703
Notes payable, current portion	185,605	236,089
Lease liabilities	444,119	487,541
Subscription liabilities	122,064	73,188
Other current liabilities	2,159,784	2,239,386
Total current liabilities	11,382,771	13,550,278
Long-Term Liabilities		
OPEB liability	1,395,771	1,421,639
Net pension liability	11,693,126	16,636,504
Obligations under incentive and early retirement plans, net of current	156,977	124,777
Lease liabilities, net of current	442,169	519,928
Subscription liabilities, net of current	19,801	77,314
Total long-term liabilities	13,707,844	18,780,162
Total liabilities	25,090,615	32,330,440
Deferred Inflows of Resources		
Deferred amount related to net pension asset (liability)	529,087	632,484
Deferred amount related to OPEB liability	390,618	315,258
Deferred amount from leases	684,024	698,217
Total deferred inflows of resources	1,603,729	1,645,959
Net Position		
Net investment in capital assets	102,327,990	88,928,879
Unrestricted	49,765,259	45,739,232
Total net position	152,093,249	134,668,111
Total liabilities, deferred inflows of resources and net position	\$ 178,787,593	\$ 168,644,510

See notes to financial statements

Champaign-Urbana Mass Transit DistrictStatements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Yearly passes	\$ 5,746,181	\$ 5,284,405
Student fares and school bus service	766,739	742,198
Lease revenue	552,974	538,106
ADA services	403,412	379,445
Advertising	552,989	407,249
Full adult fares	360,976	328,769
Rental of equipment and buildings	137,441	153,563
C-CARTS	70,062	171,868
Half-fare cab	-	8,964
Miscellaneous	118,209	79,658
Total operating revenues	<u>8,708,983</u>	<u>8,094,225</u>
Operating Expenses		
Operations	25,761,457	26,453,022
Maintenance	9,751,971	9,568,892
General administration	7,890,262	7,308,297
Illinois terminal	1,557,749	1,552,412
C-CARTS	1,013,252	930,682
Depreciation and amortization	9,205,811	8,588,095
Total operating expenses	<u>55,180,502</u>	<u>54,401,400</u>
Operating loss	<u>(46,471,519)</u>	<u>(46,307,175)</u>
Nonoperating Revenues (Expenses)		
Property taxes	11,707,468	11,034,909
State replacement taxes	431,054	715,348
Government grants and assistance:		
State operating assistance, MTD	29,783,312	29,582,812
State operating assistance, C-CARTS	460,169	604,944
Federal operating assistance, C-CARTS	483,021	153,871
Gain on disposal of property and equipment	25,216	20,203
Interest income	43,939	43,685
Investment income	2,075,353	684,577
Interest expense	(68,068)	(52,890)
Total nonoperating revenues	<u>44,941,464</u>	<u>42,787,459</u>
Net income before capital contributions	<u>(1,530,055)</u>	<u>(3,519,716)</u>
Capital Contributions		
Capital grants	<u>18,955,193</u>	<u>10,411,561</u>
Change in net position	17,425,138	6,891,845
Net Position, Beginning	<u>134,668,111</u>	<u>127,776,266</u>
Net Position, Ending	<u><u>\$ 152,093,249</u></u>	<u><u>\$ 134,668,111</u></u>

See notes to financial statements

Champaign-Urbana Mass Transit District

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 10,265,357	\$ 7,331,574
Payments to vendors	(29,219,747)	(23,505,840)
Payments to employees	(22,513,050)	(20,450,935)
Net cash flows from operating activities	<u>(41,467,440)</u>	<u>(36,625,201)</u>
Cash Flows From Noncapital and Related Financing Activities		
State operating assistance grants proceeds received	35,079,155	27,075,885
Federal operating assistance grant proceeds received	483,021	153,871
Tax proceeds received	12,456,431	10,420,984
Net cash flows from noncapital and related financing activities	<u>48,018,607</u>	<u>37,650,740</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from capital grants	21,047,060	8,208,603
Proceeds from the sale of property and equipment	25,216	20,203
Purchases of property and equipment	(22,286,276)	(11,226,970)
Principal advances on notes payable	1,496,427	236,089
Principal paid on notes payable	(1,546,911)	-
Principal payments on lease liabilities	(121,181)	(105,226)
Interest payments on lease liabilities, subscription liabilities and notes payable	(132,908)	16,132
Principal payments on subscription liabilities	(8,637)	(144,412)
Net cash flows from capital and related financing activities	<u>(1,527,210)</u>	<u>(2,995,581)</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	-	502,160
Principal receipts on lease receivables	13,206	514,993
Interest receipts on lease receivables	43,939	43,685
Interest received	2,075,353	684,577
Net cash flows from investing activities	<u>2,132,498</u>	<u>1,745,415</u>
Increase in cash and cash equivalents	7,156,455	(224,627)
Cash and Cash Equivalents, Beginning	<u>44,116,554</u>	<u>44,341,181</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 51,273,009</u></u>	<u><u>\$ 44,116,554</u></u>
Presented on the Statements of Net Position as Follows		
Cash and cash equivalents	\$ 4,178,403	\$ 3,500,000
Capital reserves, cash and cash equivalents	47,094,606	40,616,554
Total	<u><u>\$ 51,273,009</u></u>	<u><u>\$ 44,116,554</u></u>
Noncash Capital and Related Financing Activities		
Capital assets acquired through accounts payable	<u>\$ 1,926,002</u>	<u>\$ 1,773,465</u>
Capital assets acquired through lease liabilities	<u>\$ 947,786</u>	<u>\$ 596,686</u>
Previously leased assets relinquished	<u>\$ (689,042)</u>	<u>\$ -</u>
Capital assets acquired through subscription liabilities	<u><u>\$ 170,182</u></u>	<u><u>\$ 255,130</u></u>

See notes to financial statements

Champaign-Urbana Mass Transit District

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Loss to Net Cash		
From Operating Activities		
Operating loss	<u>\$ (46,471,519)</u>	<u>\$ (46,307,175)</u>
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	9,205,811	8,588,095
Changes in assets and liabilities:		
Other receivables	1,398,238	(779,268)
Inventories	(156,970)	(127,753)
Prepaid expenses	(412,014)	(248,487)
Accounts payable and accrued expenses	(2,461,449)	350,816
Unredeemed yearly passes and tokens	(5,903)	14,292
Obligations under incentive and early retirement plans	33,096	(182,541)
Other current liabilities	256,279	588,658
Pension related assets, liabilities and deferrals	(2,886,031)	1,936,968
OPEB related liabilities and deferrals	46,228	54,782
Deferred inflows of resources from leases	<u>(13,206)</u>	<u>(513,588)</u>
Net adjustments	<u>5,004,079</u>	<u>9,681,974</u>
Net cash flows from operating activities	<u><u>\$ (41,467,440)</u></u>	<u><u>\$ (36,625,201)</u></u>

See notes to financial statements

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

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

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*.

For the purposes of preparing the statements of cash flows, the District considers restricted and unrestricted currency, demand deposits and money market accounts as cash and cash equivalents.

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.

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 2023 tax levy was passed by the Board of Trustees on December 6, 2023. Property taxes attach as an enforceable lien on property as of January 1 each year and are payable in two installments on June 1, and September 1. The District typically receives significant distributions of tax receipts approximately one month after these due dates. Revenue from property taxes is recognized in the period for which it was levied. Property tax revenue for the years ended June 30, 2024 and 2023 was from the 2023 and 2022 levies, respectively. 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 years ended June 30, 2024 and 2023, respectively, that represent property taxes collected from two constituents that have contested their property tax payments. The unearned revenue is included in other current liabilities on the statements of net position.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Inventory is stated at the lower of cost or market. Cost is determined on an average cost basis.

Prepaid expenses represents amounts paid for services or insurance coverage applicable to future periods.

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	3-30
Subscription-based information technology arrangement assets	2-5

The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category, pension related deferred outflows and other postemployment benefits (OPEB) related deferred outflows. The pension related deferred outflow consists of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date of the net pension liability, December 31, 2023, but before the end of the District's reporting period of June 30, 2024. This item will be included in the net pension liability and pension expense calculation in subsequent fiscal years. The OPEB-related deferred outflow consists of unrecognized items not yet charged to OPEB expense. This item will be included in the OPEB liability and OPEB expense calculations in subsequent fiscal years.

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

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.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Lease and subscription liabilities and the related lease and subscription assets will be amortized over the terms of the leases and subscriptions. The District has various leases for real property, furniture, equipment and vehicles. The District has subscriptions for various software.

Other current liabilities include unearned revenues for University of Illinois campus services, unearned revenue for contested property taxes and public transportation account (PTA) funds for C-CARTS.

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.

Unrestricted Net Position - This includes resources that do not meet the definition of "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.

Revenue from the corporate personal property replacement tax is recognized in the period when the taxes have been collected by the state of Illinois.

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 nonoperating or other revenues.

Operating grant revenue is recognized as it is earned. Capital grant revenue is recorded as capital grant expenditures are incurred.

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.

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.

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.

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, 2024 and 2023 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 postemployment benefits and the allowable expenses charged to grants.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

GASB has approved the following:

- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When these become effective, application of these standards may restate portions of these financial statements.

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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, 2024, \$50,228,432 of the District's \$51,528,432 bank balance, which reconciled to a book balance of \$51,273,009 of cash and cash equivalents, was potentially exposed to custodial credit risk. The amount exposed is 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.

At June 30, 2023, \$42,788,142 of the District's \$44,088,142 bank balance, which reconciled to a book balance of \$44,116,554 of cash and cash equivalents, was potentially exposed to custodial credit risk. The amount exposed is 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.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

4. Receivables

State Operating Grants Assistance

During the years ended June 30, 2024 and 2023, 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, 2024 and 2023, the estimated amounts (due to) and due from IDOT, respectively, are as follows:

	2024	2023
Fiscal year 2024 grant agreement	\$ 3,585,981	\$ -
Fiscal year 2023 grant agreement	187,676	8,615,415
Fiscal year 2022 grant agreement	(4,294,507)	(4,294,507)
Fiscal year 2021 grant agreement	570,726	570,726
Fiscal year 2020 grant agreement	374,764	374,764
Fiscal year 2019 grant agreement	28,805	28,805
Fiscal year 2018 grant agreement	(486,652)	(486,652)
Fiscal year 2017 grant agreement	2,578,294	2,578,294
Fiscal year 2016 grant agreement	(340,718)	(340,718)
Fiscal year 2015 grant agreement	(16,229)	(16,229)
Fiscal year 2014 grant agreement	(26,530)	(26,530)
Fiscal year 2013 grant agreement	(65,146)	(65,146)
Fiscal year 2012 grant agreement	(572,221)	(572,221)
Net amount due from IDOT	<u>\$ 1,524,243</u>	<u>\$ 6,366,001</u>

Subsequent to June 30, 2024, and prior to the date of the Independent Auditors' Report, the District collected \$3,639,995 from IDOT. The timing of the settlement of the remaining \$2,115,752 due to IDOT is uncertain; however, the District's management believes these funds will be settled 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 2025.

Other Grants

Other grants receivable include amounts due from IDOT and the U.S. Department of Transportation (USDOT) for capital and operating grants. The District's receivable for capital and operating grants was \$1,950,718 and \$0, respectively, as of June 30, 2024. The District's receivable for capital and operating grants was \$2,894,396 and \$1,148,189, respectively, as of June 30, 2023.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 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 nontransportation related sections of facilities that are used for both transportation and nontransportation purposes. The costs and carrying values of these facilities (including the transportation and nontransportation sections) were \$26,442,113 and \$9,471,056, and \$26,408,921 and \$10,150,797 at June 30, 2024 and 2023, respectively. 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 were no lease revenues recognized during the years ended June 30, 2024 and 2023, respectively, for additional operating hours.

The District recognized \$552,974 and \$538,106 in lease revenues and \$43,939 and \$43,685 in interest revenues during the years ended June 30, 2024 and 2023, respectively, for leases subject to GASB 87. As of June 30, 2024 and 2023, the District's receivable for lease payments were \$714,683 and \$727,887, respectively. 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, 2024 and 2023, the balance of the deferred inflow of resources was \$684,024 and \$698,217, respectively.

Other Receivables

Other receivables consist of the following at June 30, 2024 and 2023:

	2024	2023
Due from other governments	\$ 610,367	\$ 555,160
Trade receivables	194,741	1,020,206
Employees	(16,160)	(17,211)
Replacement tax	73,006	112,803
Interest receivable	5,486	2,638
Insurance proceeds	-	314,241
Miscellaneous	7,415	279,172
Total other receivables	<u>\$ 874,855</u>	<u>\$ 2,267,009</u>

5. Inventories

Inventories consist of the following at June 30, 2024 and 2023:

	2024	2023
Materials and supplies	\$ 1,810,484	\$ 1,750,518
Fuel and lubricant	121,193	24,189
Total inventories	<u>\$ 1,931,677</u>	<u>\$ 1,774,707</u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

6. Capital Assets

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows:

	Balance 6/30/23	Increases	Decreases	Balance 6/30/24
Capital assets, not being depreciated:				
Land	\$ 4,093,243	\$	\$	\$ 4,093,243
Construction in progress	9,801,849	21,709,578	24,176,968	7,334,459
Total capital assets, not being depreciated	13,895,092	21,709,578	24,176,968	11,427,702
Capital assets, being depreciated:				
Land improvements	1,083,172			1,083,172
Office, garage and buildings	63,763,974	1,663,004	350,630	65,076,348
Leasehold improvements	6,216,470			6,216,470
Revenue vehicles	74,295,543	19,835,393	4,969,668	89,161,268
Service vehicles	634,986			634,986
Passenger shelters	4,976,929	122,119	28,629	5,070,419
Intangibles	191,582			191,582
Other equipment	7,018,938	2,556,451	566,759	9,008,630
Total capital assets, being depreciated	158,181,594	24,176,967	5,915,686	176,442,875
Less accumulated depreciation	82,969,932	8,427,258	5,915,686	85,481,504
Total capital assets, being depreciated, net	75,211,662	15,749,709	-	90,961,371
Lease assets, being amortized:				
Leasehold improvements	249,224	-	183	249,041
Revenue vehicles	104,010	691,686	-	795,696
Service vehicles	456,642	56,300	11,919	501,023
Nonrevenue	16,882	112,068	16,882	112,068
Other equipment	1,043,046	87,732	660,058	470,720
Total lease assets, being amortized	1,869,804	947,786	689,042	2,128,548
Less accumulated amortization for:				
Leasehold improvements	17,568	7,724	183	25,109
Revenue vehicles	71,322	306,959	-	378,281
Service vehicles	254,822	163,569	6,520	411,871
Nonrevenue	16,206	66,477	16,882	65,801
Other equipment	510,371	189,523	336,983	362,911
Total accumulated amortization	870,289	734,252	360,568	1,243,973
Total lease assets, being amortized, net	999,515	213,534	328,474	884,575
Subscription-based information:				
Technology arrangement assets	364,831	170,182	-	535,013
Less accumulated amortization	148,162	118,751	-	266,913
Total subscription-based information technology arrangement assets being amortized, net	216,669	51,431	-	268,100
Total capital assets, net	\$ 90,322,938	\$ 37,724,252	\$ 24,505,442	\$ 103,541,748

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

	Balance 6/30/22	Increases	Decreases	Balance 6/30/23
Capital assets, not being depreciated:				
Land	\$ 2,872,236	\$ 1,221,007	\$ -	\$ 4,093,243
Construction in progress	15,993,187	11,214,786	17,406,124	9,801,849
Total capital assets, not being depreciated	18,865,423	12,435,793	17,406,124	13,895,092
Capital assets, being depreciated:				
Land improvements	1,083,172	-	-	1,083,172
Office, garage and buildings	54,325,538	9,438,436	-	63,763,974
Leasehold improvements	-	6,216,470	-	6,216,470
Revenue vehicles	75,916,335	-	1,620,792	74,295,543
Service vehicles	634,986	-	-	634,986
Passenger shelters	4,894,458	102,830	20,359	4,976,929
Intangibles	191,582	-	-	191,582
Other equipment	6,571,702	485,731	38,496	7,018,938
Total capital assets, being depreciated	143,617,773	16,243,467	1,679,647	158,181,594
Less accumulated depreciation	76,682,285	7,967,294	1,679,647	82,969,932
Total capital assets, being depreciated, net	66,935,488	8,276,173	-	75,211,662
Lease assets, being amortized:				
Leasehold improvements	249,224	-	-	249,224
Revenue vehicles	104,010	-	-	104,010
Service vehicles	456,642	-	-	456,642
Nonrevenue	16,882	-	-	16,882
Other equipment	446,360	596,686	-	1,043,046
Total lease assets, being amortized	1,273,118	596,686	-	1,869,804
Less accumulated amortization for:				
Leasehold improvements	8,594	8,972	-	17,568
Revenue vehicles	35,661	35,661	-	71,322
Service vehicles	102,608	152,214	-	254,822
Nonrevenue	8,103	8,103	-	16,206
Other equipment	214,479	295,893	-	510,371
Total accumulated amortization	369,445	500,843	-	870,289
Total lease assets, being amortized, net	903,673	95,843	-	999,515
Subscription-based information:				
Technology arrangement assets	109,701	255,130	-	364,831
Less accumulated amortization	28,204	119,958	-	148,162
Total subscription-based information technology arrangement assets being amortized, net	81,497	135,172	-	216,669
Total capital assets, net	\$ 86,786,081	\$ 20,942,981	\$ 17,406,124	\$ 90,322,938

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

7. Accrued Compensated Absences Liability

The total liability accrued by the District for unpaid compensated absences, included in accrued expenses on the statements of net position, was \$4,132,107 and \$4,089,726 at June 30, 2024 and 2023, respectively.

District employees earn two types of compensated absences: vacation leave and earned time leave. The District adopted a Retirement Health Savings Plan (RHSP). By its adoption, the District amended policies relating to hours of unused vacation and earned time, including personal time per IL Department of Labor's Paid Leave for All Workers Act.

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 or paid out 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. Earned time balances for an hourly full-time employee cannot exceed 340 hours at June 30, 2024 and 2023, and for an hourly part-time employee, 170 hours at June 30, 2024 and 2023. 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 10 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 60 and 65 at retirement. For the years ended June 30, 2024 and 2023, the District has recorded an expense of \$316,761 and \$22,961, respectively. The District had a liability of \$352,574 and \$319,480 related to this plan at June 30, 2024 and 2023, respectively. 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, 2024:

**Years Ending
June 30:**

2025	\$	195,597
2026		53,311
2027		76,216
2028		27,450
Total	\$	<u>352,574</u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

9. Lease Liabilities

The District leases real property, furniture, equipment and vehicles, the terms of which expire at various times between July 2023 and January 2052. At June 30, 2024, the principal and interest requirements to maturity for the lease liabilities using a rate of 4.5% are as follows:

Years Ending June 30:	Principal	Interest	Total
2025	\$ 444,119	\$ 29,995	\$ 474,114
2026	222,465	14,698	237,163
2027	40,058	8,866	48,924
2028	15,287	8,084	23,371
2029	16,500	8,396	24,896
2030-2034	35,520	28,914	64,434
2035-2039	27,051	22,949	50,000
2040-2044	33,710	16,290	50,000
2045-2049	42,009	7,991	50,000
2050-2051	9,569	431	10,000
Total	<u>\$ 886,288</u>	<u>\$ 146,614</u>	<u>\$ 1,032,902</u>

10. Subscription Liabilities

The District has entered into subscription-based information technology arrangements, the terms of which expire at various times between May 2024 and May 2029. At June 30, 2024, the principal and interest requirements to maturity for the subscription liabilities using a rate of 4.5% are as follows:

Years Ending June 30:	Principal	Interest	Total
2025	\$ 122,064	\$ 6,891	\$ 128,955
2026	5,905	1,523	7,428
2027	6,580	1,523	8,103
2028	7,316	563	7,879
Total	<u>\$ 141,865</u>	<u>\$ 10,500</u>	<u>\$ 152,365</u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

11. Long-Term Obligations Summary

The following is a summary of changes in long-term obligations of the District for the years ended June 30, 2024 and 2023:

	<u>June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Incentive and early retirement plans	\$ 319,480	\$ 316,761	\$ 283,667	\$ 352,574	\$ 195,597
Accrued compensated absences	4,089,726	42,381	-	4,132,107	4,132,107
Net pension liability	16,636,504	-	4,943,378	11,693,126	-
OPEB liability	1,421,639	-	25,868	1,395,771	-
Lease liabilities	1,007,469	517,377	638,558	886,288	444,119
Subscription liabilities	150,502	86,870	95,507	141,865	122,064
	<u>\$ 23,625,320</u>	<u>\$ 963,389</u>	<u>\$ 5,986,978</u>	<u>\$ 18,601,731</u>	<u>\$ 4,893,887</u>
	<u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2023</u>	<u>Due Within One Year</u>
Incentive and early retirement plans	\$ 502,021	\$ 22,961	\$ 205,502	\$ 319,480	\$ 194,703
Accrued compensated absences	3,913,662	176,064	-	4,089,726	4,089,726
Net pension liability	-	16,636,504	-	16,636,504	-
OPEB liability	1,373,998	47,641	-	1,421,639	-
Lease liabilities	902,243	596,687	491,461	1,007,469	487,541
Subscription liabilities	6,090	220,131	75,719	150,502	73,188
	<u>\$ 6,698,014</u>	<u>\$ 17,699,988</u>	<u>\$ 772,682</u>	<u>\$ 23,625,320</u>	<u>\$ 4,845,158</u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

12. Notes Payable

The District maintained two lines of credit with a local bank during Fiscal Years 2024 and 2023. The first was a \$10,000,000 straight line of credit, secured by substantially all the District's assets, bearing interest at a fixed rate of 2.625%, with interest paid monthly. This line of credit matured July 1, 2023, and was renewed through October 1, 2023. This line of credit was replaced with a variable rate straight line of credit in the same amount, maturing on November 1, 2026. The variable rate adjusts every 30 days to the 30 Day Secured Overnight Finance Rate (SOFR) plus 0.53%, secured by a UCC filing on all District assets. The second line of credit was a \$6,000,000 revolving line of credit, secured by substantially all the District's assets, bearing interest at a fixed rate of 3.50%, with interest paid monthly. This line of credit matured July 1, 2023, and was replaced on November 1, 2023 with a variable rate revolving line of credit in the same amount, maturing on November 1, 2026. The variable rate adjusts every 30 days to the 30 Day SOFR plus 2.35%, secured by a UCC filing on all District assets. Each of the following shall constitute an event of default under these agreements: payment default, failure to comply with or to perform any other term contained in the agreement, default in favor of third parties, false statements, defective collateralization, insolvency, creditor or forfeiture proceedings, events affecting guarantor, adverse change and insecurity. If an event of default occurs under this agreement, the lender may exercise any one or more of the following rights and remedies: accelerate indebtedness, assemble collateral, sell the collateral, mortgage 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, 2024 and 2023, there was an outstanding balance of \$185,605 and \$236,089 on these two lines of credit, respectively.

The activity in the District's short-term debt during the years ended June 30, 2024 and 2023, included:

	<u>June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2024</u>
Lines of credit	\$ 236,089	\$ 1,496,427	\$ 1,546,911	\$ 185,605
	<u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2023</u>
Lines of credit	\$ -	\$ 236,089	\$ -	\$ 236,089

13. Pension Plan

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases and death benefits to plan members and beneficiaries. The District's plan is managed by IMRF, the administrator of a multi-employer public pension fund. IMRF is an agent multiple-employer plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

There have been no changes in benefits between measurement dates.

Employees Covered by Benefit Terms

As of December 31, 2024 and 2023 the following employees were covered by the benefit terms:

	2024	2023
Retirees and beneficiaries currently receiving benefits	227	218
Inactive plan members entitled to but not yet receiving benefits	262	212
Active plan members	356	335
Total	845	765

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rates for calendar years 2023 and 2022 were 8.87% and 10.48%, respectively. For calendar years 2023 and 2022, the District contributed \$2,301,137 and \$2,641,278 to the plan, respectively. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

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

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2023 and 2022:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for Mortality for nondisabled 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, 2023:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	34.50 %	5.00 %
International equity	18.00	6.35
Fixed income	24.50	4.75
Real estate	10.50	6.30
Alternative investments	11.50	6.05-8.65
Cash equivalents	1.00	3.80
	<u>100 %</u>	

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

As of December 31, 2022:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	35.50 %	6.50 %
International equity	18.00	7.60
Fixed income	25.50	4.90
Real estate	10.50	6.20
Alternative investments	9.50	6.25-9.90
Cash equivalents	1.00	4.00
	<u>100 %</u>	

The investment rate of return assumption between the December 31, 2022 and December 31, 2023 measurement dates remained at 7.25%.

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability at December 31, 2023 and 2022. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, which resulted in a single discount rate of 7.25%.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Changes in the Net Pension Liability (Asset)

For the fiscal years ended June 30, 2024 and 2023:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2022	\$ 108,517,027	\$ 91,880,523	\$ 16,636,504
Changes for the year:			
Service cost	1,972,213	-	1,972,213
Interest on the total pension liability	7,701,493	-	7,701,493
Changes on benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	1,438,226	-	1,438,226
Changes of assumptions	(225,255)	-	(225,255)
Contributions, employer	-	2,301,137	(2,301,137)
Contributions, employees	-	1,066,209	(1,066,209)
Net investment income	-	10,214,240	(10,214,240)
Benefit payments, including refunds of employee contributions	(6,551,274)	(6,551,274)	-
Other (net transfer)	-	2,248,469	(2,248,469)
Net changes	4,335,403	9,278,781	(4,943,378)
Balances at December 31, 2023	\$ 112,852,430	\$ 101,159,304	\$ 11,693,126
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2021	\$ 104,190,591	\$ 109,456,504	\$ (5,265,913)
Changes for the year:			
Service cost	1,820,391	-	1,820,391
Interest on the total pension liability	7,404,592	-	7,404,592
Changes on benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	1,038,430	-	1,038,430
Changes of assumptions	-	-	-
Contributions, employer	-	2,641,278	(2,641,278)
Contributions, employees	-	959,851	(959,851)
Net investment income	-	(14,119,159)	14,119,159
Benefit payments, including refunds of employee contributions	(5,936,977)	(5,936,977)	-
Other (net transfer)	-	(1,120,974)	1,120,974
Net changes	4,326,436	(17,575,981)	21,902,417
Balances at December 31, 2022	\$ 108,517,027	\$ 91,880,523	\$ 16,636,504

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25% for 2023 and 2022, respectively, 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-percentage-point lower or 1-percentage-point higher:

	December 31, 2023		
	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
Net pension liability (asset)	\$ 24,833,423	\$ 11,693,126	\$ 1,098,104
	December 31, 2022		
	1% Decrease to Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase to Discount Rate (8.25%)
Net pension liability (asset)	\$ 29,653,393	\$ 16,636,504	\$ 6,168,111

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

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$(483,550) and \$3,794,476, respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 2,355,186	\$ 220,169
Changes of assumptions	-	308,918
Net difference between projected and actual earnings on pension plan investments	5,423,080	
Total deferred amounts to be recognized in pension expense in future periods	7,778,266	529,087
Pension contributions made subsequent to the measurement date	1,225,459	-
Total deferred amounts related to pensions	\$ 9,003,725	\$ 529,087

Champaign-Urbana Mass Transit District

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June 30, 2024 and 2023

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 1,861,786	\$ 397,753
Changes of assumptions	241,055	234,731
Net difference between projected and actual earnings on pension plan investments	7,937,513	-
Total deferred amounts to be recognized in pension expense in future periods	10,040,354	632,484
Pension contributions made subsequent to the measurement date	1,110,909	-
Total deferred amounts related to pensions	\$ 11,151,263	\$ 632,484

The \$1,225,459 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the years ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Plan Year Ending December 31:	Net Deferred Inflows and Outflows of Resources
2024	\$ 1,164,307
2025	2,536,196
2026	4,118,737
2027	(570,061)
Total	\$ 7,249,179

Payables to the Pension Plan

At June 30, 2024 and 2023 the District had \$2,414 and \$1,669, respectively, reported as accrued expenses payable to IMRF for legally required employer contributions or legally required employee contributions. In addition, at June 30, 2024 \$87,689 of accelerated payments were accrued in accrued expenses on the statement of net position.

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.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

15. Postemployment 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, 2024 and 2023, the following employees were covered by the combined benefit terms:

	2024	2023
Active employees	306	282
Retired employees	16	16
Total participants covered by OPEB plan	322	298

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.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined based on the June 30, 2024, actuarial valuation. The District's total OPEB liability was \$1,395,771 as of June 30, 2024.

As of June 30, 2023 the District's total OPEB liability was \$1,421,639, measured as of June 30, 2023. The total OPEB liability was determined based on the June 30, 2022, actuarial valuation updated to June 30, 2023.

Actuarial Assumptions and Other Inputs

The actuarial assumptions used in valuing the OPEB liability for June 30, 2024 include:

Actuarial cost method	Entry age normal
Discount rate	3.97 %
Salary increases	3.50 %
Monthly health plan premium costs (blended)	

Coverage	LCDHP	AETNA HMO
Employee only	\$ 1,081	\$ 1,298
Employee + 1	1,794	2,155
Employee +2 or more	2,076	2,492

Coverage	AETNA OAP	Health Alliance OAP
Employee only	\$ 1,184	\$ 1,407
Employee + 1	1,965	2,336
Employee +2 or more	2,273	2,701

Coverage	Health Alliance HMO	BC/BS OAP	LCHP
Employee only	\$ 1,226	\$ 1,298	\$ 1,350
Employee + 1	2,035	2,155	2,241
Employee +2 or more	2,354	2,492	2,592

Health Care Cost Inflation Rates

Period	Inflation Rate
2024	6.75 %
2025	6.50 %
2026	6.25 %
2027	5.75 %
2028	5.50 %
2029	5.25 %
2030 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.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

The Discount Rate was based on the 20-year Muni index rate as of June 30, 2024. The Discount rate was 3.97% and 3.86% at June 30, 2024 and 2023, respectively.

The actuarial assumptions used in valuing the OPEB liability for June 30, 2023 include:

Actuarial cost method	Entry age normal
Discount rate	3.86 %
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

Coverage	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
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, 2024. The Discount rate was 3.86%.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Changes in the Total OPEB Liability

For fiscal years ended June 30, 2024 and 2023:

	Total OPEB Liability
Balances at July 1, 2023	<u>\$ 1,421,639</u>
Changes for the year:	
Service cost	91,178
Interest on the total OPEB liability	53,271
Changes on benefit terms	-
Differences between expected and actual experience of the total OPEB liability	(113,453)
Changes of assumptions	26,283
Contributions, employer	-
Contributions, employees	-
Net investment income	-
Difference between projected and actual investment	-
Benefit payments, including refunds of employee contributions	(83,147)
Other (net transfer)	
Net changes	<u>(25,868)</u>
Balances at June 30, 2024	<u><u>\$ 1,395,771</u></u>
	Total OPEB Liability
Balances at July 1, 2022	<u>\$ 1,373,998</u>
Changes for the year:	
Service cost	97,184
Interest on the total OPEB liability	49,176
Changes on benefit terms	-
Differences between expected and actual experience of the total OPEB liability	-
Changes of assumptions	(16,100)
Contributions, employer	-
Contributions, employees	-
Net investment income	-
Difference between projected and actual investment	-
Benefit payments, including refunds of employee contributions	(82,619)
Other (net transfer)	
Net changes	<u>47,641</u>
Balances at June 30, 2023	<u><u>\$ 1,421,639</u></u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

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

The June 30, 2024 valuation was prepared using a discount rate of 3.97%. If the discount rates were 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate the Total OPEB Liability would be as follows:

	2024		
	1% Decrease to Discount Rate (2.97%)	Current Discount Rate (3.97%)	1% Increase to Discount Rate (4.97%)
Total OPEB liability	\$ 1,488,640	\$ 1,395,771	\$ 1,308,131

The June 30, 2023 valuation was prepared using a discount rate of 3.86%. If the discount rates were 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate the Total OPEB Liability would be as follows:

	2023		
	1% Decrease to Discount Rate (2.86%)	Current Discount Rate (3.86%)	1% Increase to Discount Rate (4.86%)
Total OPEB liability	\$ 1,516,264	\$ 1,421,639	\$ 1,331,971

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

The June 30, 2024 valuation was prepared using an initial trend rate of 6.75% decreasing to 5.00%. If the trend rates were 1-percentage-point lower (5.75% decreasing to 4.00) or 1-percentage-point higher (7.75% decreasing to 6.00%) than the current trend rates the Total OPEB Liability would be as follows:

	2024		
	1% Lower 5.75% Decreasing to 4.00%	Current Trend Rates 6.75% Decreasing to 5.00%	1% Higher 7.75% Decreasing to 6.00%
Total OPEB liability	\$ 1,268,268	\$ 1,395,771	\$ 1,544,584

The June 30, 2023 valuation was prepared using an initial trend rate of 6.50% decreasing to 5.00%. If the trend rates were 1-percentage-point lower (5.50% decreasing to 4.00%) or 1-percentage-point higher (7.50% decreasing to 6.00%) than the current trend rates the Total OPEB Liability would be as follows:

	2023		
	1% Lower 5.50% Decreasing to 4.00%	Current Trend Rates 6.50% Decreasing to 5.00%	1% Higher 7.50% Decreasing to 6.00%
Total OPEB liability	\$ 1,286,141	\$ 1,421,639	\$ 1,579,603

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

OPEB Expense

For the years ended June 30, 2024 and 2023, the District recognized an OPEB expense as follows:

	2024	2023
Service cost	\$ 91,178	\$ 97,184
Interest on the total OPEB liability	53,271	49,176
Current-period benefit changes		-
Recognition of outflow (inflow) of resources due to liabilities	(15,074)	(8,959)
Total OPEB expense	<u>\$ 129,375</u>	<u>\$ 137,401</u>

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

At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in OPEB expense in future periods:		
Differences between expected and actual experience	\$ 38,240	\$ 113,241
Changes of assumptions	119,486	277,377
Total deferred amounts to be recognized in OPEB expense in future periods	<u>\$ 157,726</u>	<u>\$ 390,618</u>
	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in OPEB expense in future periods:		
Differences between expected and actual experience	\$ 43,997	\$ 8,540
Changes of assumptions	110,465	306,718
Total deferred amounts to be recognized in OPEB expense in future periods	<u>\$ 154,462</u>	<u>\$ 315,258</u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

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:

Years Ending June 30:	Net Deferred Outflows and Inflows of Resources
2025	\$ (15,074)
2026	(15,074)
2027	(15,074)
2028	(15,074)
2029	(17,727)
Thereafter	(154,869)
Total	<u>\$ (232,892)</u>

16. Unrestricted Net Position

Unrestricted net position consists of the following at June 30, 2024 and 2023:

	2024	2023
Board designated for capital reserves	\$ 47,094,606	\$ 40,616,554
Undesignated	2,670,653	5,122,678
Total unrestricted net position	<u>\$ 49,765,259</u>	<u>\$ 45,739,232</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. IPTRMA covers liability including public official and employment practices liability, but not workers compensation. The District's capital contribution to the IPTRMA loss reserve fund is considered to be a prepayment of future claims in excess of insured amounts and is amortized over the period for which the capital contribution relates. Losses and claims recognized for the years ended June 30, 2024 and 2023 totaled \$532,917 and \$401,572, respectively, including the amortization of the District's capital contribution to IPTRMA. There have been no settlement amounts that have exceeded insurance and IPTRMA loss reserve fund coverage in the past three years. As of the date of the independent auditors' report, the District has not been notified by IPTRMA of a reasonably possible or probable supplemental payment requirement.

The District is partially self-insured for worker's compensation and employer's liability claims. Losses and claims are accrued as incurred. Cannon Cochran Management Services, Inc. (CCMSI) covers workers compensation with a date of loss prior to 8/9/21. At June 30, 2024 and 2023, the District had a claims liability balance of \$307,832 and \$219,152 for expected additional claims payable related to the CCMSI claims, respectively.

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Illinois Public Risk Fund (IPRF) covers workers compensation for dates of loss after 8/9/21. It is a Guaranteed Cost policy versus a self-insured Excess Workers Compensation program. The policy does not have a deductible and has employee liability limits as follows:

Bodily Injury by Accident	\$3,000,000 each accident
Bodily Injury by Disease	\$3,000,000 policy Limit
Bodily Injury by Disease	\$3,000,000 each employee

The following is a summary of changes in self-insurance claims liability for the years ended June 30, 2024 and 2023:

	<u>June 30, 2023</u>	<u>Provision</u>	<u>Payment</u>	<u>June 30, 2024</u>
Self-insurance claims liability	\$ 219,152	\$ 461,288	\$ 372,608	\$ 307,832
	<u>June 30, 2022</u>	<u>Provision</u>	<u>Payment</u>	<u>June 30, 2023</u>
Self-insurance claims liability	\$ 202,794	\$ 265,680	\$ 249,322	\$ 219,152

18. Concentration of Revenue

The revenue recognized related to operating and capital grants from IDOT for the years ended June 30, 2024 and 2023 was \$30,815,043 and \$30,187,756, which was 42.40% and 49.21% of the District's revenue, respectively. At June 30, 2024 and 2023, amounts due from IDOT were \$2,396,184 and \$6,706,211, respectively.

The revenue recognized related to operating and capital grants from the U.S. Department of Transportation (USDOT) for the years ended June 30, 2024 and 2023 was \$18,866,652 and \$10,411,561, which was 25.96% and 17.56% of the District's revenue, respectively. At June 30, 2024 and 2023, amounts due from USDOT were \$1,389,554 and \$4,044,150, respectively.

19. Commitments

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

Construction and Property and Equipment Acquisitions

<u>Purpose</u>	<u>Contract Amount</u>	<u>Incurred Through June 30, 2024</u>	<u>Remaining Commitment</u>
New Flyer buses	\$ 20,452,172	\$ 632,239	\$ 19,819,933
Downtown Urbana Transit Center	133,404	29,655	103,749
High Speed Rubber Door Replacement	499,190	307,456	191,734
Intelligent Transportation System Software Upgrade	374,265	-	374,265
Total	<u>\$ 21,459,031</u>	<u>\$ 969,350</u>	<u>\$ 20,489,681</u>

Champaign-Urbana Mass Transit District

Notes to Financial Statements

June 30, 2024 and 2023

Other Contractual Commitments

The District is negotiating 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 City of Champaign, and the private entity. The District has committed \$32,680,000 of funding to the project. Post pandemic and hyperinflation, it is recognized that additional funds will need to be committed in the future. 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 determined when financial commitments are solidified. 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 in 2026 and completion is projected for 2028.

20. Contingent Liabilities

Litigation

The District is involved in several worker-compensation claims with current and former employees. As of June 30, 2024 and 2023, the District has recorded a liability of \$307,832 and \$219,152 for anticipated additional claims expense as stated in Note 17, respectively. 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% 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, 2024 and 2023, the balance of PTA funds held by the District was \$458,688 and \$365,915, respectively, and is included in other current liabilities.

REQUIRED SUPPLEMENTARY INFORMATION

Champaign-Urbana Mass Transit District

Schedule of Changes in the Net Position Liability (Asset) and Related Ratios (Unaudited)

Illinois Municipal Retirement Fund

Last 10 Calendar Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,972,213	\$ 1,820,391	\$ 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	7,701,493	7,404,592	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	1,438,226	1,038,430	1,447,595	(892,189)	664,386	(104,374)	526,348	(971,731)	3,506,838	(1,219,049)
Changes of assumptions	(225,255)	-	-	(539,510)	-	2,626,345	(2,752,396)	(415,902)	204,603	2,539,109
Benefit payments, including refunds of employee contributions	(6,551,274)	(5,936,977)	(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	4,335,403	4,326,436	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	108,517,027	104,190,591	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)	\$ 112,852,430	\$ 108,517,027	\$ 104,190,591	\$ 99,121,591	\$ 96,439,190	\$ 91,944,096	\$ 85,635,633	\$ 83,973,337	\$ 81,111,505	\$ 73,289,707
Plan Fiduciary Net Position										
Contributions, employer	\$ 2,301,137	\$ 2,641,278	\$ 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	1,066,209	959,851	909,563	893,249	871,363	835,423	824,278	771,895	789,705	731,426
Net investment income	10,214,240	(14,119,159)	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	(6,551,274)	(5,936,977)	(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)	2,248,469	(1,120,974)	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	9,278,781	(17,575,981)	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	91,880,523	109,456,504	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)	\$ 101,159,304	\$ 91,880,523	\$ 109,456,504	\$ 94,674,074	\$ 84,966,129	\$ 72,484,337	\$ 78,031,484	\$ 69,629,742	\$ 62,868,027	\$ 62,293,215
Net Pension Liability (Asset), Ending (A) - (B)	\$ 11,693,126	\$ 16,636,504	\$ (5,265,913)	\$ 4,447,517	\$ 11,473,061	\$ 19,459,759	\$ 7,604,149	\$ 14,343,595	\$ 18,243,478	\$ 10,996,492
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.64%	84.67%	105.05%	95.51%	88.10%	78.84%	91.12%	82.92%	77.51%	85.00%
Covered Payroll	\$ 23,690,916	\$ 21,341,390	\$ 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	49.36%	77.95%	-26.40%	22.60%	59.35%	106.34%	43.66%	84.14%	103.96%	67.65%

See notes to required supplementary information

Champaign-Urbana Mass Transit District

Schedule of Employer Contributions (Unaudited)

Illinois Municipal Retirement Fund

Last 10 Fiscal Years

Fiscal Year (1)	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2024	\$ 2,101,384	\$ 2,301,137	\$ (199,753)	\$ 23,690,916	9.71%
2023	2,236,578	2,641,278	(404,700)	21,341,390	12.38%
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) Contribution information reflects contributions recognized by IMRF and included in the fiduciary net position liability at each fiscal year end.

Champaign-Urbana Mass Transit District

Notes to Required Supplementary Information

Schedule of Employer Contributions – Illinois Municipal Retirement Fund (IMRF)

June 30, 2024 and 2023

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 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 2023 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll closed
Remaining Amortization Period:	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 20-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.75% to 13.75% 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 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality:	For nondisabled 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.

Other Information:

Notes: There were no benefit changes during the year.

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

Champaign-Urbana Mass Transit District

Schedule of Changes in Total OPEB Liability and Related Ratios
Other Postemployment Benefits (Unaudited)
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 91,178	\$ 97,184	\$ 125,382	\$ 123,355	\$ 100,018	\$ 96,546	\$ 96,795
Interest on total OPEB liability	53,271	49,176	31,407	39,083	54,946	58,336	56,915
Changes in benefit terms	-	-	-	-	(147,536)	-	-
Difference between expected and actual experience of the total OPEB liability	(113,453)	-	(10,126)	-	67,025	-	-
Changes of assumptions	26,283	(16,100)	(329,984)	25,954	104,327	43,855	(27,379)
Benefit payments	(83,147)	(82,619)	(156,890)	(151,882)	(141,946)	(120,962)	(112,523)
Net Change in total OPEB liability	(25,868)	47,641	(340,211)	36,510	36,834	77,775	13,808
Total OPEB Liability, Beginning	<u>1,421,639</u>	<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>	<u>1,549,282</u>
Total OPEB Liability, Ending	<u>\$ 1,395,771</u>	<u>\$ 1,421,639</u>	<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>\$ 22,173,749</u>	<u>\$ 19,066,013</u>	<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	6.29%	7.46%	7.46%	10.74%	10.88%	12.08%	10.64%

NOTES: GASB Statement No. 75 requires 10 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, 2024

Measurement Date: June 30, 2024

Actuarial Cost Method: Entry age normal

Interest Rate Used to Discount the Liability: 3.97%

Healthcare Inflation Rates: 6.75% in fiscal year 2024 decreasing to 5.00% by fiscal year 2030 and thereafter

Participation Assumption for the Healthcare Benefit: 40%

Mortality: Probabilities of death for participants were according to the PubG-2010 base rates projected Fully Generating using scale MP2021.

Accumulation of Assets to Fund the Benefits:

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

See notes to required supplementary information

SUPPLEMENTARY INFORMATION

Champaign-Urbana Mass Transit District

Schedules of Operating Expenses
Years Ended June 30, 2024 and 2023

	2024	2023
Operations		
Wages:		
Operators	\$ 12,772,467	\$ 11,197,104
Street supervisors and dispatchers	1,291,461	1,294,820
Other supervisors	959,172	1,074,399
Clerical	205,725	206,661
Labor credit	(52,064)	(21,024)
Total wages	15,176,761	13,751,960
Fringe benefits:		
Health and dental insurance	4,009,427	3,700,483
Paid absences	2,081,712	1,808,398
Social Security tax	1,287,503	1,158,210
Workers' compensation insurance and claims	345,647	198,409
Early retirement plan	250,481	(6,152)
Uniform allowances	49,174	50,387
Unemployment insurance	50,920	45,893
Other fringe benefits	53,566	58,971
Illinois municipal retirement fund	(343,486)	2,624,751
Total fringe benefits	7,784,944	9,639,350
Services:		
ADA	970,343	921,673
Printing	32,092	39,533
Taxi	-	18,675
Other services	196,791	177,019
Total services	1,199,226	1,156,900
Materials and supplies consumed:		
Fuel and lubrications	1,736,647	2,033,292
Tires and tubes	161,583	187,926
Other materials and supplies consumed	59,756	26,892
Small equipment	14,703	1,640
Total materials and supplies consumed	1,972,689	2,249,750
Miscellaneous:		
Leased equipment	(410,292)	(373,389)
Other	38,129	28,451
Total miscellaneous	(372,163)	(344,938)
Total operations	\$ 25,761,457	\$ 26,453,022

Champaign-Urbana Mass Transit District

Schedules of Operating Expenses
Years Ended June 30, 2024 and 2023

	2024	2023
Maintenance		
Wages:		
Mechanics	\$ 1,647,118	\$ 1,572,421
Cleaners	1,196,686	1,034,107
Supervisors and clerical	842,103	829,840
Total wages	3,685,907	3,436,368
Fringe benefits:		
Health and dental insurance	1,017,508	895,009
Paid absences	589,726	522,064
Social Security tax	322,798	294,871
Early retirement plan	66,280	29,113
Uniform and tools allowance	36,550	38,885
Workers' compensation insurance and claims	52,033	40,783
Unemployment insurance	10,938	11,212
Other fringe benefits	17,767	15,822
Illinois municipal retirement fund	(118,759)	670,701
Total fringe benefits	1,994,841	2,518,460
Services:		
Contract maintenance	360,176	173,933
Other services	12,481	12,902
Total services	372,657	186,835
Materials and supplies consumed:		
Revenue vehicle repairs	2,339,692	2,167,222
Buildings and grounds repairs	471,054	440,501
Fuel and lubricants	178,857	206,003
Service supplies	77,026	104,830
Passenger shelter repairs	120,230	84,679
Service vehicles repairs	30,808	74,663
Shop tools	59,893	58,045
Garage equipment repairs	94,026	61,404
Other materials and supplies consumed	35,036	32,753
Total materials and supplies consumed	3,406,622	3,230,100
Miscellaneous:		
Leased equipment	241,178	180,442
Other	50,766	16,687
Total miscellaneous	291,944	197,129
Total maintenance	\$ 9,751,971	\$ 9,568,892

Champaign-Urbana Mass Transit District

Schedules of Operating Expenses
Years Ended June 30, 2024 and 2023

	2024	2023
General Administration		
Wages:		
Supervisors	\$ 1,922,287	\$ 1,781,997
Clerical	504,715	396,190
Total wages	2,427,002	2,178,187
Fringe benefits:		
Health and dental insurance	554,788	464,338
Social Security tax	179,616	153,409
Workers' compensation insurance and claims	30,507	23,382
Unemployment insurance	5,441	4,902
Other fringe benefits	44,419	13,395
Illinois municipal retirement fund	(41,347)	332,593
Total fringe benefits	773,424	992,019
Services:		
Contract maintenance	783,627	677,637
Professional and technical	575,307	577,446
Printing	3,959	1,026
Advertising	333,372	180,039
Other services	229,481	121,115
Total services	1,925,746	1,557,263
Materials and supplies consumed:		
Office supplies	17,999	13,042
Small equipment	16,078	45,925
Total materials and supplies consumed	34,077	58,967
Casualty and liability costs:		
Public liability and property damage insurance	583,842	507,392
Uninsured public liability	479,350	355,285
Physical damage insurance	173,394	96,141
Insurance and property damage recoveries	(20,375)	(27,946)
Other insurance	53,597	46,287
Total casualty and liability costs	1,269,808	977,159

Champaign-Urbana Mass Transit District

Schedules of Operating Expenses
Years Ended June 30, 2024 and 2023

	2024	2023
Miscellaneous:		
Utilities	\$ 744,975	\$ 762,960
Travel and meetings	99,877	155,312
Dues and subscriptions	94,873	100,180
Leased equipment	185,650	198,644
Other	334,830	327,605
Total miscellaneous	1,460,205	1,544,701
Total general administration	\$ 7,890,262	\$ 7,308,297
Illinois Terminal		
Wages:		
Supervisors	\$ 278,370	\$ 231,969
Security	143,965	149,314
Cleaners	155,107	143,707
Clerical	139,854	122,332
Total wages	717,296	647,322
Fringe benefits:		
Health and dental insurance	266,345	209,153
Paid absences	78,079	82,215
Social Security tax	57,477	54,652
Workers' compensation insurance and claims	12,402	9,745
Uniform and tool allowances	5,060	5,132
Other fringe benefits	3,292	3,236
Illinois municipal retirement fund	(18,727)	116,213
Total fringe benefits	403,928	480,346
Services:		
Contract maintenance	24,155	10,976
Professional services	8,842	46,142
Printing	1,193	-
Other services	3,286	2,999
Total services	37,476	60,117

Champaign-Urbana Mass Transit District

Schedules of Operating Expenses
Years Ended June 30, 2024 and 2023

	2024	2023
Materials and supplies consumed:		
Buildings and grounds repairs	\$ 130,629	\$ 116,756
Services supplies	26,685	25,418
Shop tools	11,535	2,462
Other materials and supplies consumed	6,084	2,453
Total materials and supplies consumed	174,933	147,089
Miscellaneous:		
Utilities	199,001	199,271
Other	25,115	18,267
Total miscellaneous	224,116	217,538
Total Illinois terminal	\$ 1,557,749	\$ 1,552,412
C-CARTS		
Wages:		
Operators	\$ 437,552	\$ 397,532
Supervisors	55,920	13,443
Clerical	8,947	14,759
Training	3,665	11,362
Total wages	506,084	437,096
Fringe benefits:		
Health and dental insurance	49,706	44,520
Illinois municipal retirement fund	42,401	39,767
Social Security tax	41,190	34,863
Paid absences	47,342	30,293
Unemployment allowance	3,740	1,595
Uniform and tool allowances	1,993	799
Other fringe benefits	683	470
Workers' compensation insurance and claims	6,693	4,409
Total fringe benefits	193,748	156,716
Services:		
Professional services	25,205	29,091
Contractual maintenance	23,659	19,297
Printing	-	423
Other services	3,909	3,714
Total services	52,773	52,525

Champaign-Urbana Mass Transit District

Schedules of Operating Expenses
Years Ended June 30, 2024 and 2023

	2024	2023
Materials and supplies consumed:		
Fuel and lubricants	\$ 124,426	\$ 125,815
Repairs and maintenance	87,711	109,938
Tires and tubes	8,783	8,749
Office supplies	545	505
Small tools and equipment	-	1,000
Total materials and supplies consumed	221,465	246,007
Miscellaneous:		
Leased equipment	30,783	26,254
Utilities	4,321	4,321
Travel and Meetings	244	-
Other	204	310
Total miscellaneous	35,552	30,885
Casualty and liability costs:		
Public liability and property damage insurance	3,630	7,453
Total C-CARTS	\$ 1,013,252	\$ 930,682
Depreciation		
Revenue vehicles, fareboxes and radios	\$ 5,317,720	\$ 5,531,582
Office and garage facilities	2,464,447	1,871,958
Office and garage equipment	241,045	169,014
Service vehicles	54,334	74,539
Other equipment	349,712	320,201
Total depreciation	8,427,258	7,967,294
Amortization		
Lease assets		
Leasehold improvements	8,424	8,594
Revenue vehicles	238,906	35,661
Service vehicles	163,569	152,214
Non-revenue	37,688	8,103
Other equipment	189,523	295,892
Subscription-based information technology arrangements	140,443	120,337
Total amortization	778,553	620,801
Total depreciation and amortization	\$ 9,205,811	\$ 8,588,095

ILLINOIS DEPARTMENT OF TRANSPORTATION

Champaign-Urbana Mass Transit District**Schedule of Revenues and Expenses**

Under Downstate Operating Assistance Grant OP-24-45-IL

Year Ended June 30, 2024

Operating Revenues

4111	Passenger paid fares	\$ 6,175,160
4112	Organization paid fares	1,102,147
4130	Nonpublic transportation revenue	69,648
4141	Advertising revenues	552,989
4142	Concessions	20,639
4150	Other transportation revenues	2,833,795
4190	Total recoveries	20,375
4500	Federal funds	-
4630	Sales and disposal of assets	25,216
Total operating revenues		<u>10,799,969</u>

Eligible Operating Expenses

5010	Labor	24,756,486
5015	Fringe benefits	8,207,623
5020	Services	2,131,439
5030	Materials and supplies	5,780,263
5040	Utilities	802,515
5050	Casualty and liability costs	1,290,183
5060	Taxes	33,422
5090	Miscellaneous expenses	925,566
5100	Purchased transportation expenses	970,343
5220	Operating lease expenses	714,798
517	Debt service on equipment/facilities	207,842
Total eligible operating expenses		<u>45,820,480</u>

Ineligible Operating Expenses

Expenses related to the non-transportation areas of Illinois Terminal	83,544
Other miscellaneous expenses of 1101 East University	95,219
Professional services not related to transportation services	85,500
APTA and IPTA dues	5,250

Total ineligible operating expenses 269,513

Total operating expenses \$ 46,089,993

Total eligible operating expenses \$ 45,820,480

Total operating revenues 10,799,969

Deficit \$ 35,020,511

65% of eligible operating expenses \$ 29,783,312

Maximum contract amount \$ 35,414,275

Eligible downstate operating assistance (deficit or 65% of eligible expense or maximum contract amount, whichever is less) \$ 29,783,312

Less fiscal year 2024 downstate operating assistance received through June 30, 2024 26,197,332

Less fiscal year 2024 downstate operating assistance received subsequent to June 30, 2024 3,639,995

Fiscal year 2024 downstate operating assistance under (over) paid \$ (54,015)

Champaign-Urbana Mass Transit District

Schedule of Prior Audit Findings - Downstate Operating Assistance Grant OP-24-45-IL
Year Ended June 30, 2024

No findings in the prior year.

**Report on Compliance
With Laws and Regulations Applicable to the
Financial Assistance Received From the
Illinois Department of Transportation**

Independent Auditors' Report

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

Report on Compliance

Opinion on Compliance

We have audited the Champaign-Urbana Mass Transit District's (District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19 and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2024. The District's state financial assistance is identified in the Schedule of Revenues and Expenses under Downstate Operating Assistance Grant. We also tested the calculation of the State's participation in the District's operating deficit and that State assistance claimed and paid are recorded and reported in accordance with the contract with the State of Illinois.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to state financial assistance received for the year ended June 30, 2024.

Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the Department of Transportation, State of Illinois (Act). Our responsibilities under those standards and provisions are further described in the Auditors' 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 laws and regulations applicable to the financial assistance received from the Illinois Department of Transportation.

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 GAAS, *Government Auditing Standards*, and the Act 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Act, 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, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Purpose of This Report

This report is intended solely for the information and use of the Champaign-Urbana Mass Transit District's Board of Trustees, management and the Illinois Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Madison, Wisconsin
November 15, 2024

C-CARTS SCHEDULES

Champaign County (Prepared by Champaign-Urbana Mass Transit District)

Section 5311 Annual Financial Report

Contract Number OP-24-05-FED

Period From July 1, 2023 to June 30, 2024

Revenue

<u>Line Item</u>	<u>Description</u>	<u>Total</u>
401	Passenger fares/donations	\$ 46,490
402	Special transit fares	-
405	Charter service	-
406	Auxiliary transportation	-
407	Nontransportation revenue	-
411	State cash grants	-
413	Federal cash grants & reimbursement	-
430	Contributed services	-
440	Subsidy from other sources	-
	Total revenue	46,490
	Less non-5311 operating revenues	-
	Section 5311 operating revenue	<u>\$ 46,490</u>

Expenses

<u>Line Item</u>	<u>Eligible Expenses</u>	<u>Actual Administrative Expenses</u>	<u>Actual Operating Expenses</u>	<u>Total</u>
501	Labor	\$ 11,814	\$ -	\$ 11,814
502	Fringe benefits	5,761	-	5,761
503	Services	5,630	-	5,630
504.01	Fuel and oil	-	-	-
504.02	Tires and tubes	-	-	-
504.99	Other materials	-	-	-
505	Utilities	-	-	-
506	Casualty and liability	-	-	-
507	Taxes	-	-	-
508	Purchase of service	-	684,748	684,748
509	Miscellaneous	-	-	-
511	Interest expense	-	-	-
512	Lease and rentals	-	-	-
	Other	-	-	-
	Total expenses	<u>\$ 23,205</u>	<u>\$ 684,748</u>	<u>\$ 707,953</u>

Champaign County (Prepared by Champaign-Urbana Mass Transit District)

Section 5311 Annual Financial Report

Contract Number OP-24-05-FED

Period From July 1, 2023 to June 30, 2024

	Administrative Expenses	Operating Expenses	Total	
1) Expenses per single audit	\$ 23,205	\$ 684,748	\$ 707,953	
2) Less ineligible expenses per single audit	-	-	-	
3) Net eligible expenses (1-2)	23,205	684,748	707,953	
4) Less section 5311 operating revenues (from page 1)		46,490	46,490	
5) Section 5311 operating deficit (3-4)		638,258		
6) Section 5311 deficit (3-4)			661,463	
7) Section 5311 reimbursement %	80%	50%		
				Grant Total
A) Eligible reimbursement per percentages	18,564	319,129	\$ 337,693	
B) Funding limits per contract			177,721	
C) Maximum Section 5311 reimbursement: (lesser of totals for A or B)			177,721	177,721
D) Less IDOT payments, Section 5311 reimbursement to grantee				167,323
E) Amount (over) under Paid (C-D)				10,398
F) Grantee local match requirement (operating deficit - (C))			483,742	
Grantee Match Sources			Amounts	
Downstate Operating Grant			\$ 460,169	
Local contracts			23,573	
In-kind services, subsidies, donations			-	
Total local match (must equal F)			\$ 483,742	
Local Transit Funds Retained (Carry Forward Account)				
Beginning carry forward (C.F.A) balance			\$ 362,317	
FY local transit (local contracts) amounts received			119,944	
Less expended for capital \$0 operating \$23,573			23,573	
Ending carry forward (C.F.A) balance			\$ 458,688	

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: Assistant Finance Director

Reviewed By/PCOM:

Date:

CPA Approval: See Independent Auditors' Report

Date: See Independent Auditors' Report

Champaign County (Prepared by Champaign-Urbana Mass Transit District)

Schedule of Revenues and Expenses Under Downstate Operating Assistance Grant OP-24-05-IL

Year Ended June 30, 2024

Operating Revenues		
401	Passenger fares for transit services	\$ 46,490
402	Special transit fares	-
413	Federal cash grants and reimbursement	-
413.99	Sec. 5307 capital funds applied to state eligible op. expenses	177,721
.99	Job Access Reverse Commute and New Freedom	-
430	Contributed services	-
440	Subsidy from other sectors of operations	-
Total operating revenues		<u>\$ 224,211</u>
Operating Expenses		
501	Labor	\$ 11,814
502	Fringe benefits	5,761
503	Professional services	5,630
504	Materials and supplies consumed	-
505	Utilities	-
506	Casualty and liability	-
507	Taxes	-
508	Purchased transportation	684,748
509	Miscellaneous expense	-
511	Interest expense	-
512	Leases, rentals and purchase-lease payments	-
Total operating expenses		707,953
Ineligible operating expenses:		-
Other		-
Less total ineligible operating expenses		<u>-</u>
Total eligible operating expenses		<u>\$ 707,953</u>

Champaign County (Prepared by Champaign-Urbana Mass Transit District)

Schedule of Revenues and Expenses Under Downstate Operating Assistance Grant OP-24-05-IL

Year Ended June 30, 2024

Total eligible operating expenses	\$ 707,953
Total operating revenues	<u>224,211</u>
Deficit	<u>\$ 483,742</u>
65% of eligible operating expenses	<u>\$ 460,169</u>
Maximum contract amount	<u>\$ 784,680</u>
Eligible Downstate Operating Assistance (deficit or 65% of eligible expense or maximum contract amount, whichever is less)	\$ 460,169
Fiscal year 2024 Downstate Operating Assistance received through June 30, 2024	159,789
Fiscal year 2024 Downstate Operating Assistance received subsequent to June 30, 2024	<u>300,380</u>
Fiscal year 2024 Downstate Operating Assistance over paid	<u>\$ -</u>

Prepared by:	<u>Nate Warman</u>	Title:	<u>Assistant Finance Director</u>
Reviewed by PCOM:	<u></u>	Date:	<u></u>
Reviewed by Grantee:	<u></u>	Date:	<u></u>
Authorized Representative			
CPA Approval:	<u>See Independent Auditors' Report</u>	Date:	<u>See Independent Auditors' Report</u>

Champaign-Urbana Mass Transit District

Schedule of Prior Audit Findings - Downstate Operating Assistance Grant OP-24-05-IL
Year Ended June 30, 2024

No findings noted in the prior year.

**Report on Compliance
With Laws and Regulations Applicable to the
Champaign County Area Rural
Transit System Program**

Independent Auditors' Report

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

Report on Compliance

Opinion on Compliance

We have audited the Champaign-Urbana Mass Transit District's (District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19 and the rules and regulations of the Illinois Department of Transportation as received for the Champaign County Area Rural Transit System (C-CARTS) program that are applicable to the financial assistance for the year ended June 30, 2024. The C-CARTS's state financial assistance is identified in the Schedule of Revenues and Expenses under Downstate Operating Assistance Grant. We also tested the calculation of the State's participation in the C-CARTS's operating deficit and that State assistance claimed and paid are recorded and reported in accordance with the contract with the State of Illinois.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to state financial assistance received for the year ended June 30, 2024.

Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the provisions of the "Downstate Operating Assistance Grant Program Agreement" with the Department of Transportation, State of Illinois (Act). Our responsibilities under those standards and provisions are further described in the Auditors' 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 laws and regulations applicable to the financial assistance received from the Illinois Department of Transportation.

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 GAAS, *Government Auditing Standards*, and the Act 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Act, 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, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Purpose of This Report

This report is intended solely for the information and use of the Champaign-Urbana Mass Transit District's Board of Trustees, management and Champaign County and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Madison, Wisconsin
November 15, 2024

SINGLE AUDIT

Champaign-Urbana Mass Transit District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number		Grant Number	Federal Expenditures
Federal Programs				
U.S. Department of Transportation				
<i>Direct awards:</i>				
Community Project Funding Congressionally Directed Spending Grant	20.534	*	IL-2023-028-00	\$ 3,785,080
<i>Federal transit cluster</i>				
Urbanized Area Formula Grants	20.507	*	IL-2023-009-00	4,047,716
COVID-19 Urbanized Area Formula Grants	20.507	*	IL-2022-014-00	2,499,271
COVID-19 Urbanized Area Formula Grants	20.507	*	IL-2021-008-01	8,051,564
Total Federal Transit Cluster				14,598,551
Total U.S. Department of Transportation				18,383,631
<i>Pass-through from the county of Champaign, Illinois</i>				
Formula Grants for Rural Areas	20.509		IL-24-05-FED	177,721
COVID-19 Formula Grants for Rural Areas	20.509		IL-2020-034-00	305,300
Total pass-through from the county of Champaign, Illinois				483,021
Total federal expenditures				\$ 18,866,652

* Denotes a major program

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

- 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-minimus indirect cost rate for the year ended June 30, 2024.
- 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.
- Subsequent to the issuance of the Report on Federal Awards for the year ended June 30, 2024, the District identified an error on one of the Assistance Listing Numbers (ALN) on the schedule of expenditures of federal awards. The difference between this report and the report previously issued includes grant IL-2023-028-00 reported with ALN 20.507 under the Federal Transit Cluster, updated to the correct ALN 20.534 - Community Project Funding Congressionally Directed Spending Grant. In addition, ALN 20.534 was tested as a major program and a significant deficiency, finding 2024-001, was reported.

Champaign-Urbana Mass Transit District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the
financial statements audited were prepared in
accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

 X no

Significant deficiency(ies) identified?

_____ yes

 X none reported

Noncompliance material to financial statements noted?

_____ yes

 X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes

 X no

Significant deficiencies identified that are not considered
to be material weakness(es)?

 X yes

_____ none reported

Noncompliance material to financial statements noted?

_____ yes

 X no

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section 2 CFR
200.516(a) of the Uniform Guidance or the *State
Single Audit Guidelines*?

_____ yes

 X no

Auditee qualified as low-risk auditee?

 X yes

_____ no

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Identification of major federal programs:

Assistance Listing Numbers

20.507

20.534

Name of Federal Program or Cluster

Federal Transit Cluster

Community Project Funding Congressionally
Directed Spending

Section II - Financial Statement Findings Required to Be Reported in Accordance With Government Auditing Standards

None reported.

Champaign-Urbana Mass Transit District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section III - Federal Awards Findings and Questioned Costs

Finding 2024-001: Schedule of expenditures of federal awards preparation

Assistance Listing Number: 20.534

Federal Program Title: Community Project Funding Congressionally Directed Spending Grant

Federal Agency: U.S. Department of Transportation

Pass-through Entity: Not Applicable

Award Number: IL-2023-028-00

Criteria: Nonfederal entities in receipt of federal funds must comply with the requirements of 2 CFR 200.303(a), which require an entity to establish and maintain effective internal control over the federal award to ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award. This includes properly identifying all federal awards subject to the Uniform Guidance and fairly presenting the required information, including the assistance listing number (ALN), in the schedule of expenditures of federal awards (SEFA).

Condition: The schedule of expenditures of federal awards was reissued after an error was identified by management in the schedule of expenditures of federal awards, specifically in the assistance listing number (ALN) under grant IL-2023-028-00, after the report was originally issued.

Cause: The District had a minor lapse in internal controls related to the preparation and review of the schedule of expenditures of federal awards. Management detected the error in the ALN number of grant IL-2023-028-00; however, the audit report had already been issued.

Effect: Without adequate internal controls over preparation and review of the schedule of expenditures of federal awards, it is possible that material errors would not be detected in a timely manner and could be reported.

Questioned Costs: None noted.

Recommendation: We recommend that the District review the control procedures around preparation and review of the schedule of expenditures of federal awards and implement an independent review of the ALN numbers per the grant agreements in the initial review of the SEFA.

Management's Response: We have reviewed the control procedures around preparation and review of the schedule of expenditures of federal awards (SEFA) and implemented an independent review of the assistance listing numbers (ALN) per the grant agreements in the initial review of the SEFA. The improved procedures will provide the needed structure to fulfill management's responsibility to accurately report the grantor agency / pass-through grantor, assistance listing number, federal program name and number, and expenditures. Identification of major programs, utilizing the guidelines in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are the responsibility of the auditor.

Champaign-Urbana Mass Transit District

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

No findings noted in the prior year.

OTHER REPORTS

**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***

Independent Auditors' Report

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

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 (*Government Auditing Standards*), the financial statements of the Champaign-Urbana Mass Transit District (the District), which comprise the District's statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2024.

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 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 from 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
November 15, 2024

**Report on Compliance
for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

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

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 each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' 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 each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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.

Other Matters

As discussed in Note 4 to the schedule of expenditures of federal awards, this report is replacing a previously issued report dated November 15, 2024. The difference between this report and the report previously issued includes grant IL-2023-028-00 reported with Assistance Listing Number (ALN) 20.507 under the Federal Transit Cluster, updated to the correct ALN 20.534 – Community Project Funding Congressionally Directed Spending Grant. In addition, ALN 20.534 was tested as a major program and finding 2024-001 was added to the schedule of findings and questioned costs.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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.

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2024, and have issued our report thereon dated November 15, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Madison, Wisconsin
January 2, 2025