

GREATER PEORIA MASS TRANSIT DISTRICT

Peoria, Illinois



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year 2020 and 2019

July 1, 2019 to June 30, 2020

and July 1, 2018 to June 30, 2019

GREATER PEORIA MASS TRANSIT DISTRICT

SERVING:

PEORIA, PEORIA HEIGHTS, WEST PEORIA, EAST PEORIA AND PEKIN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

July 1, 2019 to June 30, 2020
and July 1, 2018 to June 30, 2019

Prepared by: Finance Department

Mission Statement

The Greater Peoria Mass Transit District (CityLink) provides an environmentally friendly and customer-focused transportation service that connects people to places in an efficient and safe manner.

GREATER PEORIA MASS TRANSIT DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

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GREATER PEORIA MASS TRANSIT DISTRICT

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GREATER PEORIA MASS TRANSIT DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

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GREATER PEORIA MASS TRANSIT DISTRICT

Introductory Section

The Introductory Section Includes:

- Letter of Transmittal
- Certificate of Achievement in Financial Reporting
- Board of Trustees
- Organizational Chart
- General Information
- Service Area Maps



Transit Center – Passenger Transfer



Greater Peoria Mass Transit District ~ 2105 NE Jefferson Avenue ~ Peoria, IL 61603
Phone: 309-676-4040 Fax: 309-676-8373 website: www.ridecitylink.org

October 19, 2020

To the Board of Trustees
Greater Peoria Mass Transit District

We are pleased to respectfully submit the Greater Peoria Mass Transit District (GPMTD or CityLink) Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2020 to the GPMTD Board of Trustees, the citizens of this area and all others interested in its financial condition. GPMTD is a public agency providing economical public transit services to its surrounding communities which include the Peoria, Peoria Heights, West Peoria, East Peoria, and Pekin.

GPMTD is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules and statistical tables. Management is confident that the data, as presented and detailed, is accurate in all material respects; that it is presented in a manner designated to fairly set forth the financial position and results of GPMTD as measured by its financial activity; and that all disclosures necessary to enable the reader to gain an understanding of the GPMTD financial position have been included. GPMTD management has established a comprehensive internal control framework that is designed to protect the agency’s assets from loss, theft or misuse and has compiled sufficient reliable information for the preparation of GPMTD’s financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Public Accountants(AICPA). Because the cost of internal controls should not outweigh their benefit, GPMTD’s framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

GPMTD’s independent auditors Sikich LLP, a firm of licensed and Certified Public Accountants, have audited GPMTD’s financial statements for the year ended June 30, 2020. The goal of the independent audit is to provide reasonable assurance that GPMTD’s financial statements are free from material misstatement.

Board of Trustees

Art Bell Chair	Jennifer Lee Vice Chair	Maxine Wortham Treasurer	Sharon McBride Secretary	Joan Krupa Trustee
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Doug Roelfs, General Manager

The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosure in the financial statement, assessing the accounting principles used and any significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on their audit, that there was reasonable basis for rendering an unmodified opinion that GPMTD's financial statements for the years ended June 30, 2020 and 2019 are presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. GPMTD MD&A can be found in the financial section of this report immediately following the report of the independent auditors.



A BRIEF HISTORY OF GREATER PEORIA MASS TRANSIT DISTRICT

1970 –

- On May 4, residents of the City of Peoria, Village of Peoria Heights and West Peoria Township voted to form the Greater Peoria Mass Transit District (GPMTD). The federal government gave Peoria a grant to purchase new buses (33 to start). GPMTD provided 667,142 passenger rides during the first year.
- GPMTD contracted with First Transit to manage the daily operations of the District, and First Transit has been the sole management provider for GPMTD since then.

1987 – GPMTD began the Stuff-A-Bus food drive to benefit the community by filling a GP Transit bus with food donations that were donated to a local non-profit organization that provided a food pantry to those in need.

1990 - The Americans with Disabilities Act (ADA) was passed by Congress. GPMTD began to provide ADA Paratransit transportation for passengers with disabilities.

1991 - As part of the national ethanol project, the Greater Peoria community was the first transit system in the country to run ethanol-fueled buses in its fleet. GPMTD's ethanol project was the largest mass transit test fleet in the nation.

2000 - The moniker GP Transit changed to CityLink to more efficiently advertise GPMTD. The colors of the buses changed from orange and white to maroon and gray with gold striping.

2001 - GPMTD entered into a contract with MV Transportation to offer paratransit service, which previously had been provided by a private company. The Board also approved naming the new service CityLift.

2002 - On December 2, night service was added to the schedule, providing service to passengers from 6:00 a.m. to 1:00 a.m. on designated routes. This enabled night workers and travelers to have extended transportation opportunities.

2003 -

- A modern, off-street Transit Center located in the 400 block of SW Adams was completed.
- The YWCA partnered with CityLink by opening a day care center within the Transit Center. The arrangement was the first in the nation to provide this combination of onsite childcare and transportation. The current occupant of the daycare center is Myah's Just 4 Kids Learning Center.

2005 -

- Twelve new buses were added to the fleet replacing older buses. Seven were 40-foot, low-floor buses and five were 35-foot, low-floor buses. These buses made it easier for passengers to enter and leave at curb level.
- CityLink buses helped to relieve traffic congestion during the six-month closing of the I-74 Bridge over the Illinois River.
- Security cameras were added to the interiors of the buses to aid with the safety of passengers and CityLink employees.

2008 - CityLink began celebrating Passenger Appreciation Day on April 20, 2008. This day is in honor of former CityLink General Manager Jerome Lilly, who passed away unexpectedly in 2007. April 20 was chosen as the date for Passenger Appreciation Day because it was Lilly's birthday.

2009 - A record-breaking 3,026,541 passenger rides were provided during the 2009 Fiscal Year.

2010 - CityLink began the process to order 46 new 35-foot, low-floor transit coaches.

2011 - Twenty-six 35-foot, low-floor transit coaches were delivered.

2012 -

- Five 35-foot, low-floor transit coaches were delivered.
- GPMTD began to offer half-fares for eligible US military veterans.

2013 -

- The 15 remaining 35-foot, low-floor transit coaches arrived in January.
- CityLink launched a mobile website for the convenience of passengers, putting schedule and route information at their fingertips.

2014 -

- GPMTD purchased six supervisor vans and two light duty vans. Both types of vehicles are compliant with the Americans with Disabilities Act (ADA).
- On June 8, for the first time in its 40-plus year history, the GPMTD offered Sunday service, with 2,696 riders taking advantage of the new service. Since the inception of this service, the average ridership on Sundays has consistently remained at just under 3,000 rides each week.
- As a result of conversations with Bike Peoria, a group of citizens and cycling enthusiasts advocating for a more bike-friendly city and region, CityLink added “Bikes and CityLink” information to the website and the Rider’s Guide. This provides cyclists with information on how to use transit as part of their cycling experience.

2015 -

- The installation of new solar powered bus shelters was initiated. The shelters have solar power LED lighting which provides added safety and security for passengers and allows better visibility for CityLink operators.
- CityLink renewed its contract with MV Transportation to offer paratransit service. In addition, due to a change in the urbanized area, CityLink entered into an intergovernmental agreement with Peoria County to oversee rural transportation service provider, CountyLink. The addition of AVL technology and new routing software has provided better data and revenue tracking, and improved customer service.
- CityLink experienced record ridership of 3,420,705 for the 2015 Fiscal Year period of July 1, 2014 through June 30, 2015. The previous record fiscal year ridership of 3,408,232 was set in 2013.
- The \$3 Day Pass, which provides unlimited rides for one service day, and the \$40 30-Day Pass, which offers unlimited rides for 30 consecutive service days. Both passes can be activated for the first time at any time during a month.
- A Genfare self-service ticket vending machine was installed in the Transit Center lobby. It provides convenience and flexibility for passengers who wish to buy bus tickets in advance. It issues the \$3 Day Pass and the \$40 30-Day Pass.
- CityLink expanded its online presence by joining the social media sites Facebook and Twitter.



Ticket Vending Machine

2016 –

- CityLink eliminated several bus pass options and made changes to its bus fare system. The biggest of these changes was the elimination of the transfer. Passengers now pay a fare for each ride. Seniors aged 65 and older also pay \$0.50 per ride.
- Continued the installation program of new solar powered bus shelters. Thirty-eight new shelters were installed in 2016.
- GPMTD received a Paratransit Vehicles Grant from the Federal Transit Authority (FTA) through the Buses and Bus Facilities Grants Program – 5339 to replace its fleet of aging paratransit (CityLift) vehicles.
- CityLink received two 40-foot, New Flyer Xcelsior® diesel-electric hybrid buses. Diesel-electric hybrid buses reduce emissions by up to 90% when compared to conventional diesel-fueled buses and reduce vehicle noise throughout their entire operating range.
- GPMTD began offering advertising opportunities on its paratransit (CityLift and CountyLink) vehicles through a new partnership with Heller Outdoor Group, Inc.
- CityLink route and schedule information became available in Google Maps in late 2016.

2017 –

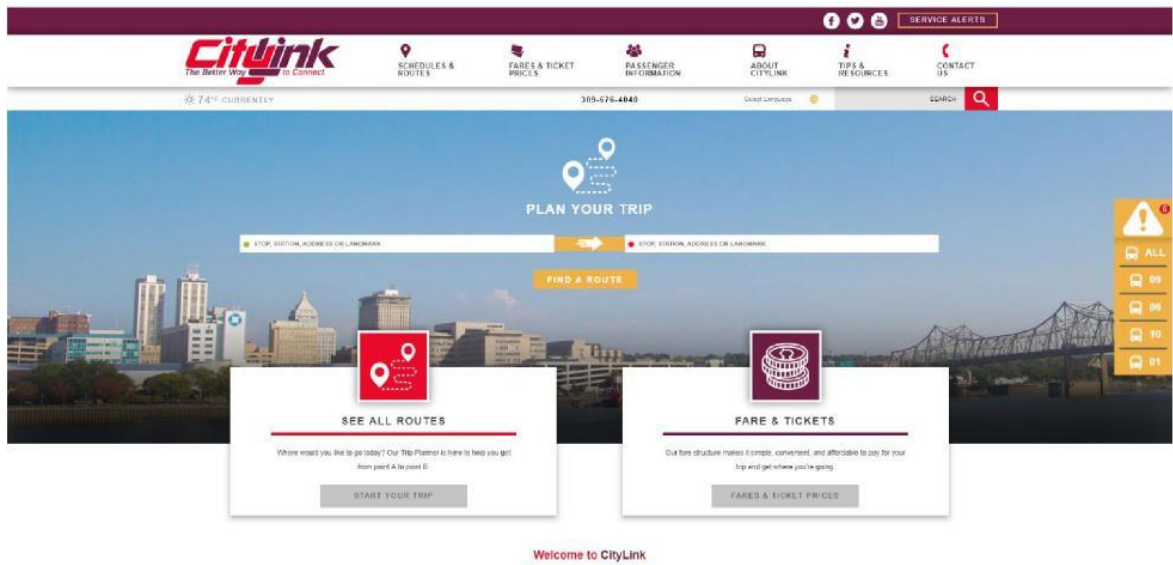
- GPMTD welcomed Doug Roelfs as General Manager and Jennifer Lee to the Board of Trustees.
- CityLink received two additional 40' New Flyer Xcelsior® diesel-electric hybrid buses. The new buses are identical to the hybrid buses CityLink received in late 2016.
- GPMTD received thirty-two new paratransit vehicles. Thirty-one of these vehicles are being used by the District's demand response paratransit service (CityLift), and one of the vehicles is being used by the CityLink Operations Department as a supervisor vehicle. They have the capacity to accommodate up to 14 passengers and numerous wheelchairs.
- The Peoria Public Library and CityLink collaborated to offer a Little Free Library at the Transit Center. This Little Free Library box was purchased by and is sponsored by the Friends of the Peoria Public Library.
- CityLink expanded on its partnership with the Peoria Rivermen by offering a discount for tickets to Friday and Sunday home games for the 2017-2018 season. Fans could receive up to four lower bowl tickets for \$10 each when they presented a CityLink bus pass at the Rivermen box office.
- Continued the installation program of new solar powered bus shelters. Twenty new shelters were installed in 2017.
- CityLink celebrated the 30th Anniversary of the Stuff-A-Bus food drive to benefit the Peoria Friendship House of Christian Service in 2017. More than 10 tons of donations were collected during the 30th Anniversary Celebration.



Picture of 2017 New Flyer Hybrid 40-ft Bus design

2018 –

- CityLink donated a 35-foot Gillig diesel bus to the Diesel-Powered Equipment Technology (DPET) program at Illinois Central College for educational purposes.
- CityLink continued its partnership with the Peoria Chiefs to offer a discount for Chiefs tickets on Monday through Thursday game days all season long. Fans that presented a bus pass at the box office at Dozer Park are able to receive up to 4 tickets at \$5 each all season long.
- New bus camera surveillance equipment was installed to update the camera surveillance system to high definition cameras for increased passenger and operator safety.
- Art Bell was named Chair of the GPMTD Board of Trustees for a one-year term in May 2018.
- CityLink offered free rides to passengers traveling with a bicycle on fixed route buses for the first time to celebrate National Bike to Work Week on May 14, 2018 - May 18, 2018. This celebration was in conjunction with CityLink's continued support of the local non-profit bicycle advocacy organization, Bike Peoria.
- Remodeling began at the Transit Center, including updates to the public restrooms; updates to the drivers' breakroom and restrooms; updates to the lobby, such as painting; new flooring, modified seating and the installation of new digital signage in the lobby area; reconfiguration of the CityLink and Burlington Trailways offices located at the Transit Center.
- GPMTD received \$3.6 Million Grant from the FTA for the construction of a new operations and maintenance facility.
 - One of 139 projects selected nationwide that will be funded by the FTA's Buses and Bus Facilities Infrastructure Investment Program.
- A new bus shelter was installed on Sterling Avenue near the new Portillo's restaurant.
- Received three sets of new mobile bus lifts that allows maintenance staff to raise buses inside or outside of the garage to facilitate repairs underneath the vehicles.
- GPMTD applied for Low-No grant money from the U.S. Department of Transportation to assist in the purchase of six new all-electric battery powered buses.
- Launched a newly redesigned website with a modern, user-friendly and innovative design that includes the use of Google Maps interactive features for a more user-focused experience on the schedules and routes page. It also features a trip planner on the homepage that utilizes Google Maps.



2019 –

- GPMTD welcomed Angel Marinich as Assistant General Manager of Operations and Nick Standefer as Assistant General Manager of Maintenance.
- CityLink buses began picking-up and dropping-off passengers only at signed bus stop locations, designated CityLink benches and shelters for the routes located in Peoria, Peoria Heights and West Peoria. This change was an effort to improve passenger safety and the overall customer satisfaction of bus service.
- CityLink participated in a study of downstate transportation operations completed by the Chaddick Institute for Metropolitan Development at DePaul University. Upon completion of the study, CityLink received praise for Municipal Excellence in transit planning, including:
 - Highest rates of transit ridership on a per person basis in the state
 - Commitment to starting and maintaining Sunday bus service
 - Downtown Peoria Transit Center is well maintained and in a good location for both work and entertainment
- GPMTD received a \$2.32 million grant from the Federal Transit Administration (FTA) as part of the Low or No Emission (Low-No) Bus Program.
 - CityLink plans to use these funds to purchase two battery-electric buses and a charging station.
- CityLink joined with public transportation systems nationwide to participate in the inaugural National Get on Board Day on April 25 by hosting a press conference/rally. Sponsored by the American Public Transportation Association (APTA), National Get on Board Day is a day that encourages people to support public transportation and showcase the benefits it brings to communities.
- GPMTD contracted with Nelson\Nygaard Consulting to complete a Comprehensive Operational Analysis transit study, called CityLink on the Move. The outcome of this study offered a five-year service improvement plan that GPMTD will use when evaluating future route and service changes.

- GPMTD entered into a contract with Avail Technologies for Intelligent Transportation System (ITS) Solutions, which includes:
 - Automatic Vehicle Location (AVL) Software – Provides the customer real-time information on the location of vehicles so they will be able to see when they will be arriving at their intended stop.
 - Automatic Voice Annunciation (AVA) Software – Verbally and digitally announces the next stop and offers a rolling digital sign telling the upcoming stop.
 - Automatic Passenger Counters (APC) Software – Has the ability to improve the accuracy and reliability of tracking transit ridership.
 - Interactive Voice Response (IVR) Software - Is an automated telephone system technology that interacts with the callers, gathers the required information and routes the calls to the appropriate recipient.
- Remodeling began at the Transit Center, including updates to the public restrooms; updates to the drivers' breakroom and restrooms; updates to the lobby, such as painting; new flooring, modified seating and the installation of new digital signage in the lobby area; reconfiguration of the CityLink and Burlington Trailways offices located at the Transit Center.
- District has signed inter-governmental agreement with Peoria County to take over its operation of public transportation service in rural / non-urbanized area. Effective Fiscal year 2019, DOAP (downstate Operating Assistance) and Section 5311 funding assistance previously provided to the County will be granted to District in the foreseeable future.



2020 – GPMTD celebrated its 50th Anniversary in 2020 with a video series featuring information on the transportation services provided and important milestones of its history. Due to COVID-19, all public events had to be postponed. The GPMTD Board of Trustees and management and staff at CityLink are hopeful they will be able to proceed with hosting events in 2021.

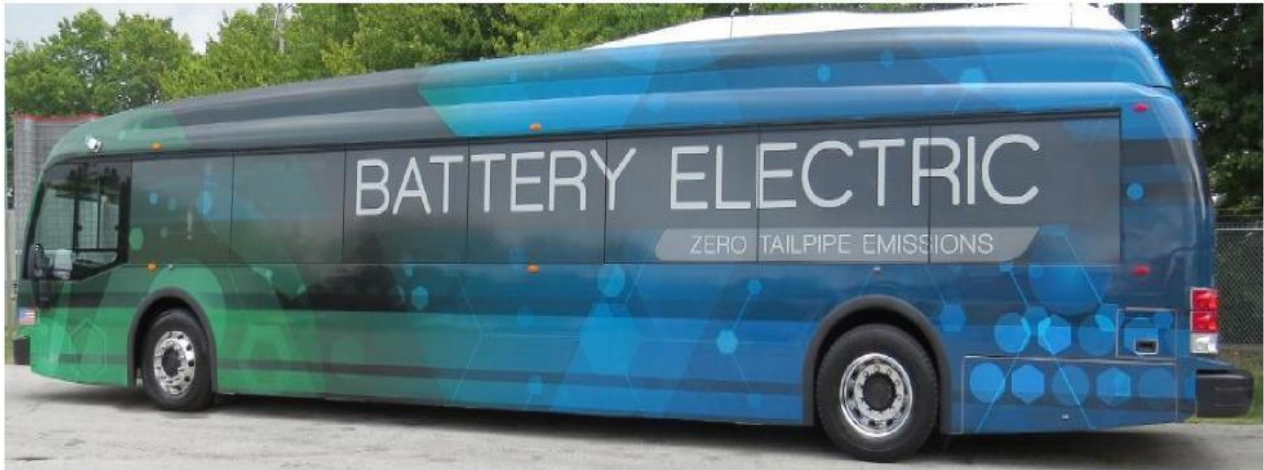
- Began Intelligent Transportation System (ITS) Solutions project with Avail Technologies.
 - Including: Automatic Vehicle Location (AVL) Software; Automatic Voice Annunciation (AVA) Software; and Automatic Passenger Counters (APC) Software
- Remodel project was completed at the Transit Center. This included updates to the public restrooms; remodel of the drivers' breakroom and restrooms; remodel of the Customer Service office; remodel of the Security office; remodel to the lobby, such as painting, new flooring, and updated vending machines; and remodel of the Mobility Management/Benefit Access offices.

- CityLink was selected as the recipient of \$1.23 million to fund the purchase of one 35-foot battery-electric bus, the battery lease and the accompanying charging equipment as part of the Edwards Settlement Fund Distribution.
- CityLink added a COVID-19 Resource page to its website to provide the most recent updates and information available regarding the steps being taken to ensure the safety and health of employees and passengers. The website is available at www.ridecitylink.org/covid19.
- Phase I of the bus maintenance and operations facilities rebuild/renovation project.
 - Completed the renovation of the bus wash located in the CityLink Maintenance garage.
- CityLink received a \$10 million grant from the FTA for the construction of bus maintenance and operations facilities.
 - One of 96 projects selected nationwide that will be funded by the FTA's Buses and Bus Facilities Infrastructure Investment Program.
- Received two CountyLink replacement vehicles that were purchased through the State of Illinois Consolidated Vehicle Procurement (CVP) Program.
- Began plans to implement route/schedule changes based on the outcome of the CityLink on the Move transit study that was completed in 2019.
- Purchased a new wrecker/tow truck that is expected to be delivered in fall 2020.

The Future

- Implementation of the aforementioned ITS Solutions.
- Receipt of the aforementioned battery-electric buses and charging stations are expected in summer 2021.
 - Two 40' Proterra battery-electric buses and charging station
 - One 35' Proterra battery-electric bus and charging station
- Planned implementation of a bus collision avoidance system, which has similar features to the collision avoidance systems found in many contemporary motor vehicles.
- Planned installation and deployment of new demand-response paratransit software.
- Micro-transit Study is expected to begin in early 2021 and it is expected to be completed by September 30, 2021.
 - The study is intended to determine how on-demand micro-transit solutions could be used to improve first mile, last mile mobility and fixed route transit ridership within the urbanized areas.
- New Paratransit Vehicles
 - Five CityLift vehicles and two CityLink Supervisor vehicles
 - Three CountyLink replacement vehicles

- Phase II of the bus maintenance and operations facilities rebuild/renovation project.
 - This phase is expected to be completed by July 2021 and it will include the design and construction of a rear building that will house the future paint and body shop.
- Continual updating of routes and service is a top priority to make CityLink synonymous with meeting regional bus transportation needs.



COMMITMENT TO THE COMMUNITY



- Under the oversight of the GPMTD Board of Trustees, the CityLink ADA committee is composed of private citizens and representatives of agencies who provide services to individuals with disabilities. The committee seeks to provide solutions for transportation issues and concerns that impact the disabled community.
- Since 2009, GPMTD has joined with local Peoria schools, nearby colleges and private donors in a nationally recognized program called the Peoria Promise program. Peoria Promise is a donor-supported program that offers higher education scholarships to local students who meet attendance and grade standards.
- In addition, GPMTD donates up to \$5,000 in bus passes per year to churches and non-profit agencies who provide social and employment services to residents in CityLink service area.
- GPMTD actively participates and engages with local government and transportation agencies to develop comprehensive transportation planning.
- GPMTD partners with schools and agencies to provide transportation training to individuals with disabilities.
- Through the annual Stuff-A-Bus food drive, GPMTD partners with local businesses and media organizations to collect food to benefit the Peoria Friendship House of Christian Service. The food drive was initiated 32 years ago. Since 1999 GPMTD has collected more than 244,000 pounds of food to feed hungry families in Peoria. (Picture below)



Picture of Stuff-A-Bus

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of the GPMTD's Financial Staff. We want to express our appreciation to all the staff members who assisted and contributed to the preparation of this report. In addition, credit must be given to the Board of Trustees for its continued support for maintaining the highest standards of professionalism in the management of GPMTD's finances.

Respectfully submitted,

Doug Roelfs
General Manager

Christine Feng, CPA, MBA, CGMA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Greater Peoria Mass Transit District
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

**GREATER PEORIA MASS TRANSIT DISTRICT
BOARD OF TRUSTEES**

GPMTD is currently governed by a five-member board. Each board member serves a four-year term with staggered expiration dates. The first Board of Directors formed the Greater Peoria Mass Transit District (GPMTD) on May 4, 1970. The District consists of the Village of Peoria Heights, West Peoria Township and the City of Peoria.

Mayors of each of the three jurisdictions making up the District (the City of Peoria, the City of West Peoria and the Village of Peoria Heights) are entitled to appoint one District Board member for each 100,000 citizens (or portion thereof) residing in their area.



Arthur Bell
Chair

Representing
City of Peoria
7/11/2005



Jennifer Lee
Vice Chair

Representing
City of Peoria
2/14/2017



Maxine Wortham
Treasurer

Representing
City of Peoria
2/7/2006



Sharon McBride
Secretary

Representing
West Peoria Township
5/5/1997

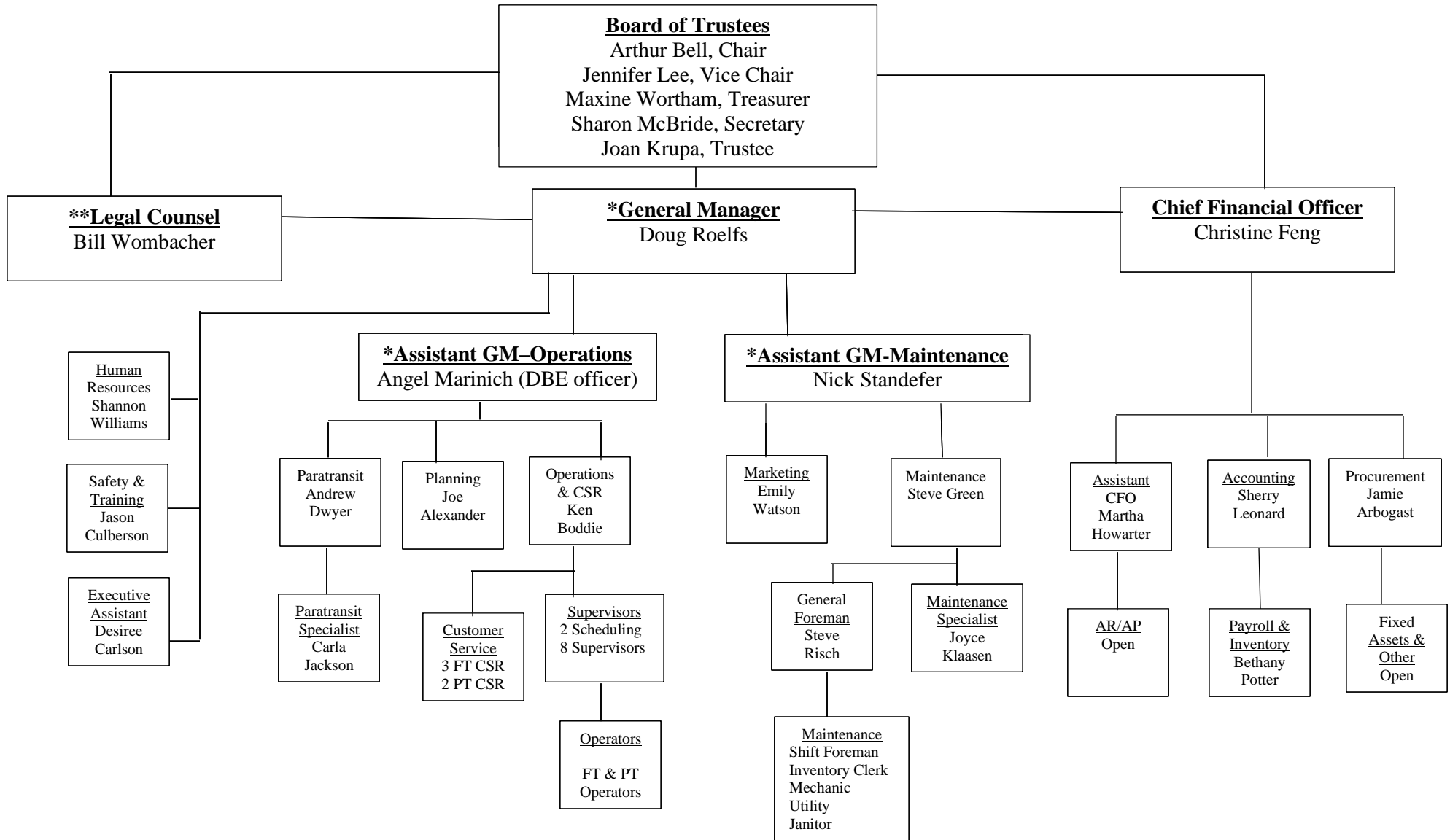


Joan Krupa
Trustee

Representing
Peoria Heights
2/3/2015

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FY2020 GREATER PEORIA MASS TRANSIT DISTRICT ORGANIZATIONAL CHART



***3 First Transit Management Team**
****Outsourced Attorney**

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GENERAL INFORMATION

Who We Serve...

People who work, take classes, go to church, need a doctor, want to shop, enjoy recreation and socializing, like to read, want to carpool and hate finding a place to park...kids to senior...those with vehicles and those without.

What We Do...

Take people where they want and need to go, pick them up and drop them off at designated places and times, offer interaction with friendly drivers and passengers and provide a link from one community to another.

Where We Go...

More than 25 shopping centers, 2 airports, 75 plus schools, 4 hospitals, multiple walk-in medical clinics, over 25 nursing homes and retirement centers, over 50 apartment complexes, 8 golf courses, public swimming pools, theaters, museums, and parks in 8 communities...just to name a few.

Mission Statement

The Greater Peoria Mass Transit District (CityLink) provides an environmentally friendly and customer-focused transportation service that connects people to places in an efficient and safe manner.

Vision Statement

Greater Peoria Mass Transit District is a regional leader in the movement of people focused on providing a safe environment and reliable transportation. We are proactive leaders in providing creative solutions by a dedicated, committed, highly motivated team, who produces delighted customers.

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GREATER PEORIA MASS TRANSIT DISTRICT CITYLINK ROUTE MAP

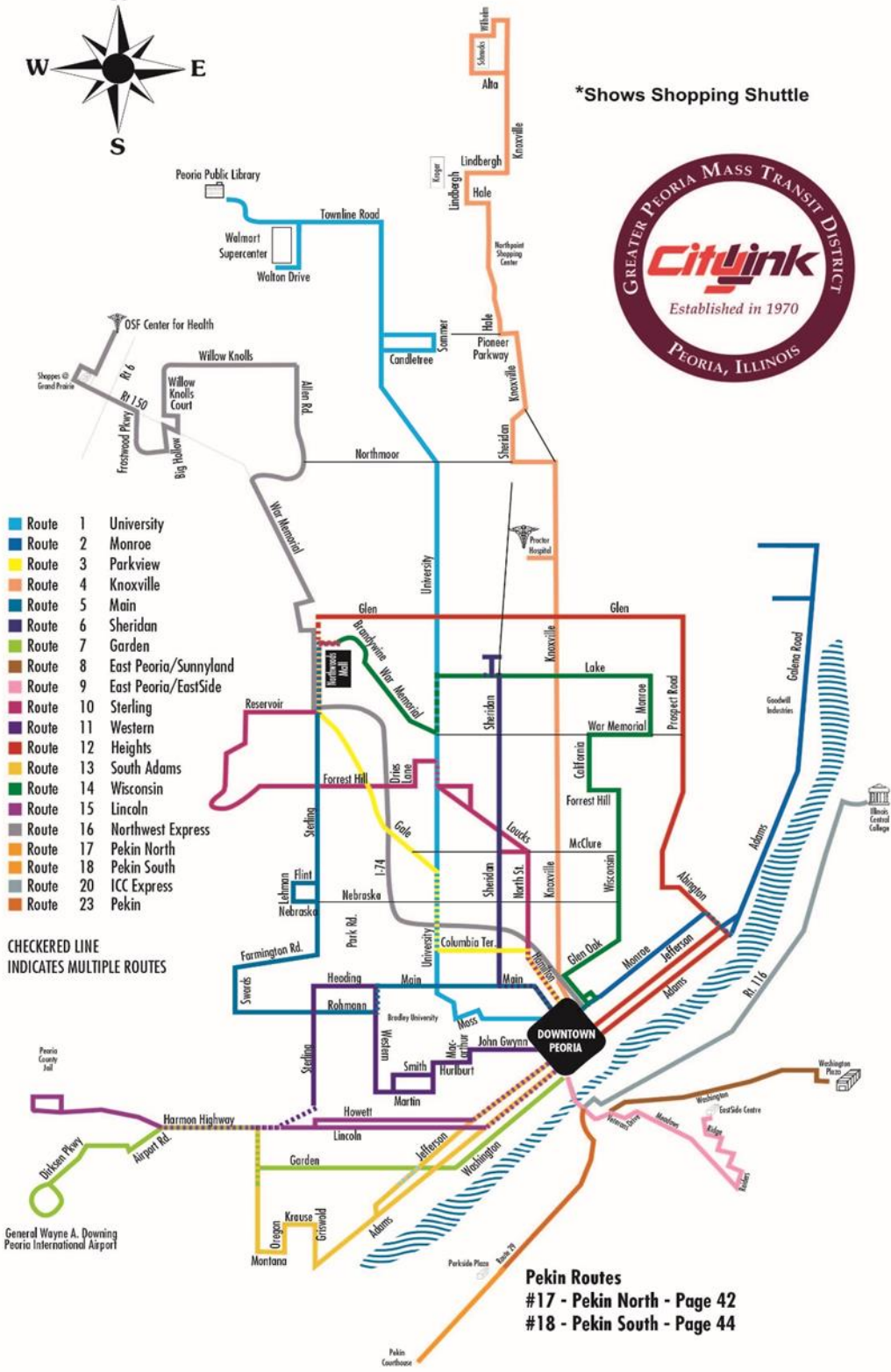


*Shows Shopping Shuttle



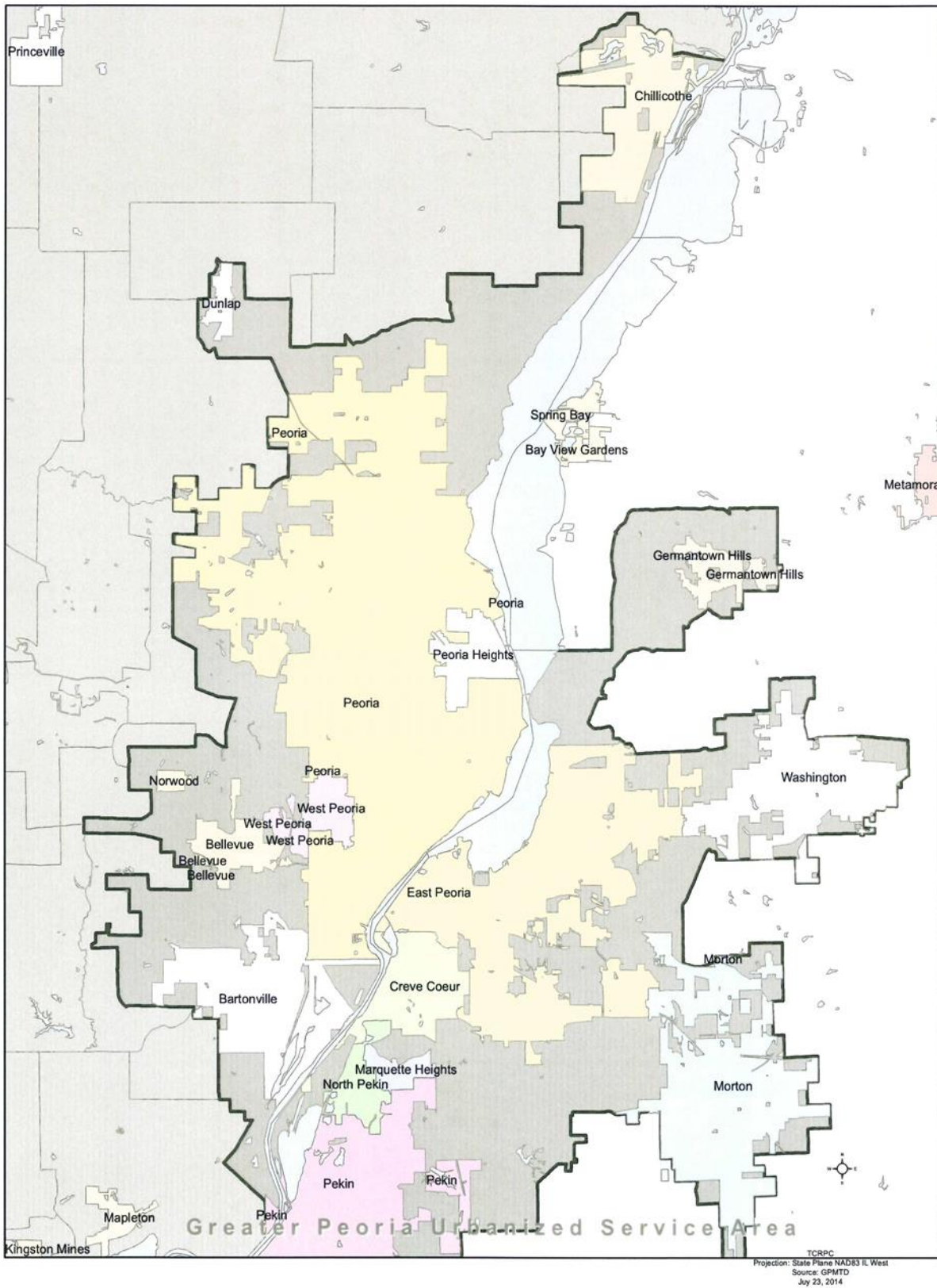
- Route 1 University
- Route 2 Monroe
- Route 3 Parkview
- Route 4 Knoxville
- Route 5 Main
- Route 6 Sheridan
- Route 7 Garden
- Route 8 East Peoria/Sunnyland
- Route 9 East Peoria/EastSide
- Route 10 Sterling
- Route 11 Western
- Route 12 Heights
- Route 13 South Adams
- Route 14 Wisconsin
- Route 15 Lincoln
- Route 16 Northwest Express
- Route 17 Pekin North
- Route 18 Pekin South
- Route 20 ICC Express
- Route 23 Pekin

CHECKERED LINE
INDICATES MULTIPLE ROUTES



Pekin Routes
#17 - Pekin North - Page 42
#18 - Pekin South - Page 44

Greater Peoria Urbanized Service Area



GPMTD signed an Intergovernmental Agreement to provide Urban Service to Bartonville, Dunlap and Chillicothe.



GREATER PEORIA MASS TRANSIT DISTRICT

Financial Section

The Financial Section Includes:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Revenue, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Required Supplementary Information



Entrance to Administrative Building

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3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Greater Peoria Mass Transit District
Peoria, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Peoria Mass Transit District (the District), as of and for the years ended June 30, 2020 and June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2020 and June 30, 2019, and the changes in financial position and the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, statistical section, and supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of those basic financial statements. The schedules of revenue and expense under Downstate Operating Assistance Grant OP-20-49-IL and the 5311 Operating Assistance Grant OP-20-44-FED are presented for purposes of additional analysis as required by the Illinois Department of Transportation, and are also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and schedules of revenue and expense are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedules of revenue and expense are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020, 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.

Sikich LLP

Springfield, Illinois
October 19, 2020

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2020 and 2019 UNAUDITED

The management of the Greater Peoria Mass Transit District (District) offers all persons interested in the financial position of the District this narrative overview and analysis of the District's financial performance during the fiscal years ending June 30, 2020 and 2019. You are invited to read this narrative in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Greater Peoria Mass Transit District provides economic, social, and environmental benefits to the community through progressive, customer-focused transportation service by combining state of the art equipment and facilities with professional, well trained staff.

The District provides bus service to several communities in the Greater Peoria area with a current active fleet of 53 transit buses. Passengers are provided access to a state of the art transit center in downtown Peoria that features both daycare services and intercity bus connections. The District also provides paratransit services through a purchase of service contract with the contractor using and maintaining the District's fleet of 36 paratransit vans.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. Management's Discussion and Analysis serves as an introduction to the District's basic financial statements. The District's financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded when incurred.

The basic financial statements are comprised of four components: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; Statements of Cash Flows; and Notes to the Financial Statements.

DISTRICT FINANCIAL HIGHLIGHTS

As of June 30, 2020, 2019 and 2018, total assets plus deferred outflows of the District exceeded total liabilities plus deferred inflows by \$41,550,439, \$40,109,788, and \$6,244,396 respectively. The amount of unrestricted net position as of June 30, 2020 was \$24,419,682 compared to \$22,057,714 as of June 30, 2019, and (\$13,462,732) as of June 30, 2018.

The District's net position at June 30, 2020, increased \$1.4 million to \$41,550,439 from \$40,109,788 June 30, 2019. The District's net position at June 30, 2019, increased \$33,865,392 from \$6,244,396 to \$40,109,788 from June 30, 2018. The significant increase at June 30, 2019 is due to a gain on change in the other post employment benefit plan provisions recognized in accordance with GASB Statement No.75.

The District's property tax and replacement tax revenue increased \$335,486 (5.76%) in FY 2020 from FY 2019 and \$270,819 (4.88%) in FY 2019 from FY 2018.

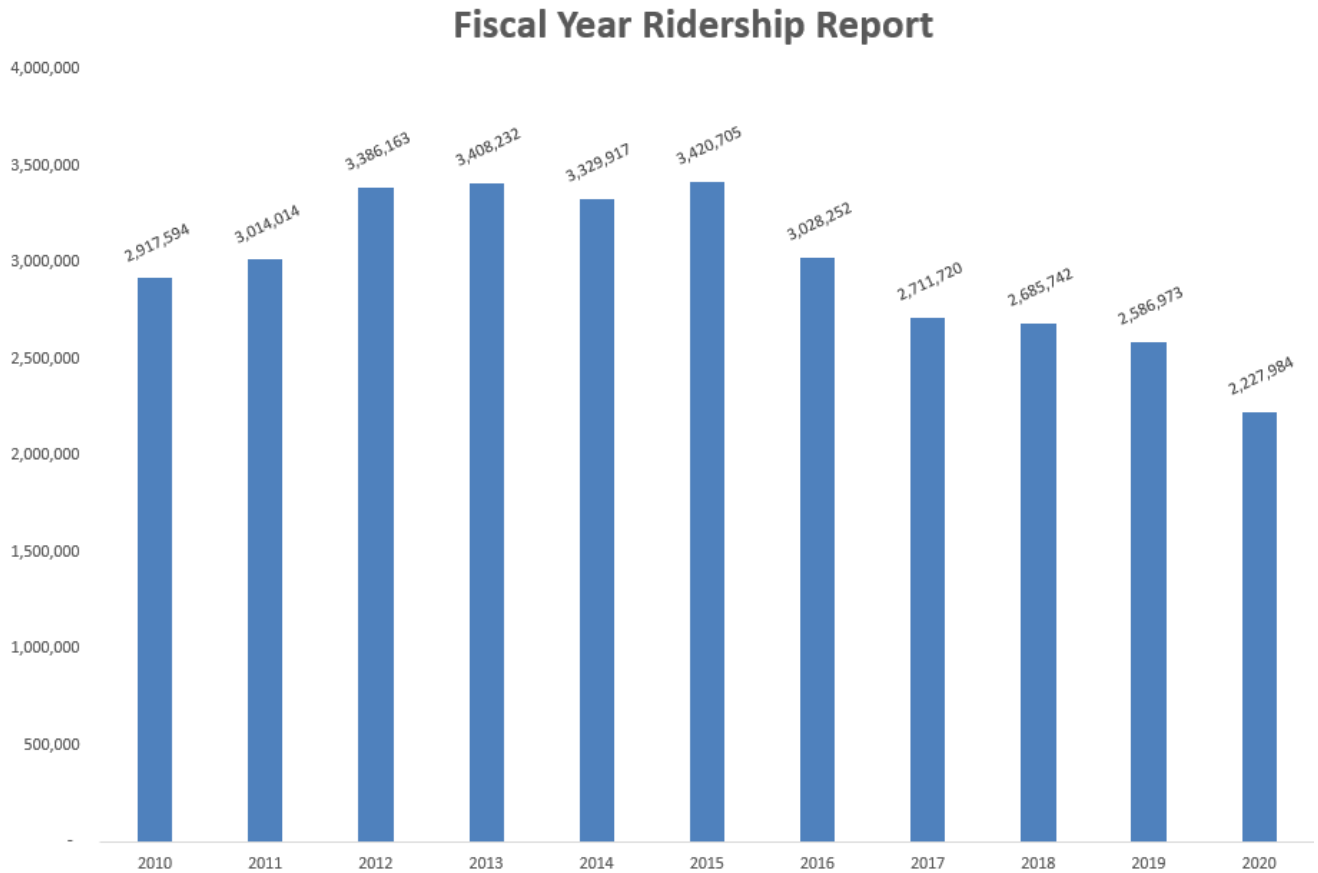
In FY 2020, total operating expenses exceeded total operating revenues resulting in a loss before non-operating revenue and expenses and depreciation expense of \$23,814,480 compared to a loss of \$25,718,307 in FY 2019. In FY 2019, total operating expenses exceeded total operating revenues resulting in a loss before non-operating revenue and expenses and depreciation expense of \$25,718,307 compared to a loss of \$23,527,963 in FY 2018. The District anticipates operating losses, as these losses are subsidized by non-operating property tax, state operating grant and Federal grant revenues.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

DISTRICT FINANCIAL HIGHLIGHTS (cont.)

The FY 2020 ended with 2,227,984 rides, down 14% from 2,586,973 in FY 2019. Chart 1 shows the District's yearly ridership over the past 11 years.



GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

FINANCIAL ANALYSIS

The Statements of Net Position include all the District's assets, deferred outflows of resources, and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

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

Table 1 - A
Condensed Statements of Net Position

	FY2020	FY2019	FY2018
Current and Other Assets	\$ 41,011,646	\$ 37,721,125	\$ 33,017,931
Restricted Assets	5,442,751	5,596,765	5,498,804
Capital Assets	16,414,403	17,009,23	18,690,807
Total Assets	62,868,800	60,327,125	57,207,542
Deferred Outflows	\$ 7,751,791	\$ 7,415,903	\$ 1,589,583
Current Liabilities	\$ 5,204,944	\$ 4,731,722	\$ 4,669,057
Liabilities Payable from Restricted Assets	992,479	793,261	574,893
Noncurrent Liabilities	20,171,708	20,762,223	43,715,593
Total Liabilities	\$ 26,369,131	\$ 26,287,206	\$ 48,715,593
Deferred Inflows	\$ 2,701,021	\$ 1,346,034	\$ 4,047,055
Net investment in capital assets	\$ 16,414,403	\$ 17,009,235	\$ 18,690,807
Restricted	716,354	1,042,839	1,016,321
Unrestricted	24,419,682	22,057,714	(13,462,732)
Total Net Position	\$ 41,550,439	\$ 40,109,788	\$ 6,244,396

The District's total assets increased from \$60.3 million in FY 2019 to \$62.9 million in FY 2020 and \$57.2 million in FY 2018 to \$60.3 million in FY 2019. The District's total liabilities increased from \$26.3 million in FY 2019 to \$26.4 million in FY 2020 and decreased from \$48.7 million in FY 2018 to \$26.3 million in FY 2019. Current and Other assets increased \$3.3 million (8.72%) from \$37.7 million in FY 2019 to \$41.0 million in FY 2020 and \$4.7 million (14.24%) from \$33.0 million in FY 2018 to \$37.7 million in FY 2019 primarily due to the increase of cash and cash equivalents. Capital assets, net of accumulated depreciation decreased \$0.6 million (3.5%) from \$17.0 million in FY 2019 to \$16.4 million in FY 2020 and \$1.7 million (9.00%) from \$18.7 million in FY 2018 to \$17.0 million in FY 2019. Noncurrent liabilities decreased \$0.6 million (2.84%) from \$20.8 million in FY 2019 to \$20.2 million in FY 2020. Noncurrent liabilities decreased \$22.7 million (52.24%) From FY 2018 to FY 2019 due to a decrease in the OPEB liability from a change in plan benefits.

The District's net position increased \$1.4 million in FY 2020 from FY2019 and increased \$33.9 million in FY 2019 from FY 2018 due to the OPEB adjustment in accordance with of GASB No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. The District made a change to its retiree health insurance benefits during FY 2019 causing the large increase in net position.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

FINANCIAL ANALYSIS (cont.)

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health.

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

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

	FY 2020	FY 2019	FY 2018
Operating Revenues	\$ 2,336,403	\$ 2,883,672	\$ 3,587,274
Non-Operating Revenues	26,280,192	27,179,440	24,593,261
Total Revenues	28,616,595	30,063,112	28,180,535
Depreciation Expense	3,165,854	3,148,012	2,866,015
Operation and Maintenance Expenses	26,150,883	28,601,979	27,115,237
Total Expenses	29,316,737	31,749,991	29,981,252
Change in Net Position Before Capital Contributions and Special Items	\$ (700,142)	\$ (1,686,879)	\$ (1,800,717)
Capital Contributions	2,212,187	794,693	2,021,042
Special Items	(71,394)	34,757,578	-
Changes in Net Position	1,440,651	33,865,392	220,325
Beginning Net Position	40,109,788	6,244,396	24,828,551
GASB 75 Implementation (change of NP)	-	-	(18,804,480)
Net Position End of Year	\$ 41,550,439	\$ 40,109,788	\$ 6,244,396

Operating Revenue decreased \$0.5 million in FY 2020 and decreased \$0.7 million in FY 2019. Non-operating revenue decreased \$0.9 million in FY 2020 and increased \$2.6 million in FY 2019.

The District's operating and maintenance expenses decreased by \$2.4 million (8.57%) in FY 2020 from FY 2019. During FY 2019 the District's operating and maintenance expenses increased \$1.5 million (5.48%) from FY 2018.

The information contained in the condensed information table is used as the basis for the revenue and expense discussion presented below; surrounding the District's activities for the fiscal years ended June 30, 2020, 2019, and 2018.

The District reported two special items during FY 2019. \$34.0 million of the total special items represents an infrequent change in the District's OPEB liability as a result of modification of its retiree health insurance plan provisions. The remaining \$0.7 million is the result of the District took full and complete ownership, operational control and management of the CountyLink program from Peoria County, Illinois. In FY 2020, there is adjustment of (\$71,394) for the Peoria County service transferred from Peoria County to Greater Peoria Mass Transit District.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

FINANCIAL ANALYSIS (cont.)

Table 3 - A
Detailed Revenues and Expenses

	FY 2020	FY 2019	FY 2018
Passenger Fares	\$ 1,105,604	\$ 1,520,291	\$ 1,621,219
Special transit services	215,652	314,012	286,373
East Peoria and Pekin Mass Transit	639,315	641,952	1,341,214
Advertising	234,741	283,822	241,072
Other	141,091	123,595	97,396
Total Operating Revenues	\$2,336,403	2,883,672	3,587,274
Federal	3,479,984	2,364,767	1,888,838
State	16,040,641	18,375,455	17,027,700
Investment income	565,531	602,021	
Property and Replacement Taxes	6,159,260	5,823,774	5,552,955
Gain on disposal of capital assets	25,845	2,500	
Other	8,931	10,923	123,768
Total Non-Operating Revenue	26,280,192	27,179,440	24,593,261
Total Revenues	\$ 28,616,595	\$ 30,063,112	\$ 28,180,535
Salaries and fringe benefits	16,842,864	18,418,976	17,801,086
Purchased Services	1,645,530	1,865,231	1,537,050
Fuel and lubricants	1,182,415	1,387,242	1,240,554
Materials and Supplies	1,376,523	1,469,197	1,211,866
Utilities	191,616	200,808	200,748
Casualty and Liability	602,528	535,852	506,948
Tires and lubes	99,379	135,989	103,073
Travel and business meeting expenses	67,287	81,121	102,920
Dues and Subscriptions	46,236	45,466	49,545
Purchased transportation	3,709,177	4,205,062	4,154,682
Other	387,328	257,035	206,765
Total Operating and Maintenance Expenses	\$ 26,150,883	\$ 28,601,979	\$ 27,115,237

REVENUES

Passenger fares provided 47.32% and 52.72% of the District's total operating revenues in FY 2020 and 2019, respectively. Farebox receipts, Day pass, 30-day pass, Agency pass revenue, and special service fares are included in passenger fares. Passenger fares decreased by \$414,687 in FY 2020 due to COVID-19 pandemic with ride free program compared to a decrease of \$100,928 in FY 2019.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

FINANCIAL ANALYSIS (cont.)

REVENUES (cont.)

Advertising income includes revenues from advertisements primarily on the inside of the District's buses and external wraps on outside of vehicles. Advertising revenue decreased \$49,081 in FY 2020 compared to a \$42,750 increase in FY2019.

Property tax and replacement tax provided 23.4% (\$6,159,260) and 21.4% (\$5,823,774) of the District's total non-operating revenues in FY 2020 and FY 2019 respectively.

State Grant operating assistance decreased \$2,334,814 in FY 2020 compared to an increase of \$1,347,755 in FY 2019. The decreased amount from the State was due to the assistance from Federal CARES Act funding in FY 2020.

EXPENSES

The employee salaries/wages and fringe expenses are the two largest expense categories. Salary and fringe expenses decreased by \$1,576,112 (8.56%) in FY2020 compared to an increase of \$617,890 (3.47%) in FY 2019. The decrease of benefit expenses is due to the insurance coverage of retirees recorded under GASB Statement No.75.

The materials and supplies expense category accounted for 5.26% and 5.14% of the total Operation Expenses in FY 2020 and FY 2019, respectively. Materials and supplies expenses decreased \$92,674 (6.31%) in FY 2020 due to the decrease of fuel cost and increased \$257,331 (21.23%) in FY 2019.

Total service expense category (purchased services and purchased transportation) accounted for 20.5% and 21.2% of the total District expenses in FY 2020 and FY 2019, respectively. Total service expense decreased \$715,586 (12%) in FY 2020 and increased \$378,561 in FY 2019. The decrease is due to the COVID-19 Pandemic service reduction.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2020 and 2019 UNAUDITED

FINANCIAL ANALYSIS (cont.)

The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for capital additions.

A summary of the District's Statements of Cash Flows is presented in Table 4 – A

**Table 4 - A
Condensed Statements of Cash Flows**

	FY 2020	FY 2019	FY 2018
Cash received for transit fares and other revenues	\$ 2,599,860	\$ 3,481,342	\$ 3,437,135
Payments to suppliers for goods and services	(9,353,389)	(9,749,913)	(9,203,048)
Payments for salaries and benefits	(15,801,466)	(15,672,170)	(15,044,018)
Cash Flows from Operating Activities	<u>(22,554,995)</u>	<u>(21,940,741)</u>	<u>(20,809,931)</u>
State operating aids	9,416,940	18,246,154	21,137,463
Federal operating aids	3,258,870	2,010,992	1,303,349
Property and income taxes received	5,874,691	5,550,356	5,297,570
Cash Flows from Noncapital Financing Activities	<u>18,550,501</u>	<u>25,807,502</u>	<u>27,738,382</u>
Capital grants received	2,212,187	794,693	2,621,467
Purchase of capital assets	(2,571,023)	(1,099,334)	(2,349,565)
Proceeds from sale of capital assets	25,845	2,500	64,282
Cash Flows from Capital and Related Financing Activities	<u>(332,991)</u>	<u>(302,141)</u>	<u>336,184</u>
Cash Flows from Investing Activities	<u>924,195</u>	<u>(7,836,591)</u>	<u>46,448</u>
Net Change in Cash and Cash Equivalent	(3,413,290)	(4,271,971)	7,311,083
CASH AND CASH EQUIVALENTS Beginning of Year	<u>24,758,669</u>	<u>29,030,640</u>	<u>21,719,557</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 21,345,379</u>	<u>\$ 24,758,669</u>	<u>\$ 29,030,640</u>

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

CAPITAL ASSET ANALYSIS

A summary of the District's Condensed Statement of Capital Assets is presented in Table 5 - A.

Table 5 - A
Condensed Statement of Capital Assets

	FY 2020	FY 2019	FY 2018
Land	\$ 1,952,617	\$ 1,881,735	\$ 1,855,709
Building	11,786,576	11,786,576	11,801,164
Building and Improvements	3,276,523	1,888,465	1,873,532
Revenue Vehicles	23,610,419	23,610,419	22,849,157
Service Vehicles	682,765	682,765	682,765
Shop & Garage Equipment	1,097,187	961,500	807,441
Furniture & Office	264,817	264,817	264,817
Communication Equipment	1,073,303	1,073,303	1,073,303
Miscellaneous	1,494,053	1,449,798	1,207,172
Construction in progress	823,151	236,499	-
	<u>46,061,411</u>	<u>43,835,877</u>	<u>42,415,060</u>
Less: Accumulated Depreciation	29,647,008	26,826,642	23,724,253
Total Net Capital Assets	<u>\$ 16,414,403</u>	<u>\$ 17,009,235</u>	<u>\$ 18,690,807</u>

Capital Assets consist of land, buildings, vehicles, office and shop supplies, miscellaneous equipment and construction in progress, net of accumulated depreciation. As of June 30, 2020, 2019 and 2018, the District had invested \$46.0 million, \$43.8 million, and \$42.4 million, respectively. Accumulated depreciation at June 30, 2020, 2019 and 2018 was \$29.6 million, \$26.8 million, and \$23.7 million, respectively. In FY2020 the District completed/purchased the following projects/items: Purchased land at 2111 NE Jefferson, HVAC Admin building, service line renovations, transit center remodel. Purchased loader, electric scissor narrow, trailer, disc brake lathe, sweeper, forklift, 2 parts washers, power washer oil fired burner, compressor, bus vacuum, bus wash equipment, 8 mobile lifts, Genfare server, and veeder root system

The District has also identified capital projects that are in progress at the end of FY20 or are planned to begin in the future:

- Maintenance Facility
- Maintenance Facility A&E - Prebuild
- Bus wash renovation
- Transit Center Upgrade / Remodel
- Collision Avoidance System
- Voice Paging – Emergency Systems
- Paratransit Software
- Electric Bus Charging System

For further details regarding capital assets, please see Note 4 to the financial statements.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2020 and 2019
UNAUDITED

CURRENT KNOWN ECONOMIC CONDITIONS AND FACTS

The District's two most significant financial partners face some uncertainty regarding their willingness and/or ability to maintain financial commitments at existing levels.

The State of Illinois "Transit Downstate Operating Assistance Program" has traditionally reimbursed 65% of eligible operating assistance.

The District has adopted the policy of assuming that future federal and state funding levels will remain constant until advised otherwise. The District has taken steps to improve operating efficiencies, closely examine options to filling existing and future positions and reduce non-essential spending. Other options including seeking additional revenues from operations and further cost savings options are currently under review depending on the future of federal and state programs.

In fiscal year 2020, the District faced the same challenges as other agencies in the nation. Due to the COVID-19 Pandemic, the ridership decreased significantly and the District also implemented the ride-free program to all passengers. Financial strategies were revised as needed to adapt to this special circumstance.

Financial Planning

The District is current planning and implementing the project of replacement of maintenance, operation and administration facilities. The District's short-term and long-term plans include a staggered vehicle replacement schedule to avoid major financial impacts in any given year and incremental facility upgrades and minor capital item replacements or improvements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our interested parties with a general overview of the District's finances and to demonstrate District's accountability for the fund it receives. If you have questions about this report, or need additional financial information, an inquiry should be addressed, in writing to: General Manager or Chief Financial Officer, Greater Peoria Mass Transit District, 2105 NE Jefferson Avenue, Peoria, IL 61603.

GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION

As of June 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and repurchase agreement	\$ 19,437,161	\$ 22,703,656
Investments	8,073,022	8,437,039
Restricted assets		
Cash and repurchase agreement	1,908,218	2,055,013
Certificates of deposit	426,360	421,006
Property taxes receivable	2,919,495	3,058,000
Interest receivable	105	4,151
Prepaid expenses	188,573	58,595
Accounts receivable		
Property and replacement taxes receivable	3,109,883	2,686,809
Federal grants receivable	2,401,416	2,180,302
State operating grants receivable	7,168,361	544,660
Due from other governments	207,680	482,169
Other receivables	50,807	98,192
Materials and supplies inventories	563,316	588,298
Total current assets	46,454,397	43,317,890
CAPITAL ASSETS		
Capital assets, not being depreciated	2,775,768	2,118,234
Property and equipment	43,285,643	41,717,643
Less: accumulated depreciation	(29,647,008)	(26,826,642)
Total capital assets	16,414,403	17,009,235
Total Assets	62,868,800	60,327,125
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	3,539,837	5,107,974
OPEB deferred outflows	4,211,954	2,307,929
Total deferred outflows of resources	7,751,791	7,415,903
Total assets and deferred outflows of resources	\$ 70,620,591	\$ 67,743,028

This statement is continued on the following page.

GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF NET POSITION (Continued)

As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 963,073	\$ 1,102,666
Payable to State of Illinois	1,839,654	1,839,654
Accrued payroll and compensated absences	1,399,954	1,060,838
Estimated payable for claims and losses employee health insurance	72,454	88,952
Payable from restricted assets Estimated payable from claims and losses workers' compensation	881,295	715,331
Other accrued expenses	111,184	77,930
Current portion of total OPEB liability	929,809	639,612
Total current liabilities	<u>6,197,423</u>	<u>5,524,983</u>
NONCURRENT LIABILITIES		
Total OPEB liability, net of current portion	16,018,112	13,511,213
Net pension liability	4,153,596	7,251,010
Total Noncurrent Liabilities	<u>20,171,708</u>	<u>20,762,223</u>
Total Liabilities	<u>26,369,131</u>	<u>26,287,206</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	2,666,082	1,346,034
OPEB deferred inflows	34,939	-
Total deferred outflows of resources	<u>2,701,021</u>	<u>1,346,034</u>
NET POSITION		
Net investment in capital assets	16,414,403	17,009,235
Restricted for self insurance	422,531	735,519
Restricted for employee benefits	292,710	302,652
Restricted for audit	1,113	4,668
Unrestricted	24,419,682	22,057,714
TOTAL NET POSITION	<u>\$ 41,550,439</u>	<u>\$ 40,109,788</u>

See accompanying notes to financial statements.

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GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Passenger fares	\$ 1,105,604	\$ 1,520,291
Special transit services	215,652	314,012
East Peoria Mass Transit District, City of Pekin & Peoria County	639,315	641,952
Advertising	234,741	283,822
Other	141,091	123,595
Total operating revenues	<u>2,336,403</u>	<u>2,883,672</u>
OPERATING EXPENSES		
Salaries and fringe benefits	16,842,864	18,418,976
Purchased services	1,645,530	1,865,231
Fuel and lubricants	1,182,415	1,387,242
Materials and supplies	1,376,523	1,469,197
Utilities	191,616	200,808
Casualty and liability costs	602,528	535,852
Tires and tubes	99,379	135,989
Travel and business meeting expenses	67,287	81,121
Dues and subscriptions	46,236	45,466
Purchased transportation	3,709,177	4,205,062
Other	387,328	257,035
Total operating expenses	<u>26,150,883</u>	<u>28,601,979</u>
Operating loss before depreciation	(23,814,480)	(25,718,307)
DEPRECIATION	3,165,854	3,148,012
Operating loss	<u>(26,980,334)</u>	<u>(28,866,319)</u>
Sales commissions	8,931	10,923
Grants		
State of Illinois - Downstate Public Transportation Assistance		
Program Operating assistance	16,040,641	18,375,455
Federal Transit Administration		
Maintenance assistance	1,518,988	1,490,515
Operating assistance	1,813,253	726,509
Rural transportation assistance	147,743	147,743
Investment income	565,531	602,021
Property and replacement taxes	6,159,260	5,823,774
Gain on disposal of capital assets	25,845	2,500
Total non-operating revenues	<u>26,280,192</u>	<u>27,179,440</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS	(700,142)	(1,686,879)
CAPITAL CONTRIBUTIONS	2,212,187	794,693
SPECIAL ITEMS		
Transfer of rural transit operations	(71,394)	706,259
Gain on change in OPEB plan	-	34,051,319
Total special items	<u>(71,394)</u>	<u>34,757,578</u>
CHANGE IN NET POSITION	1,440,651	33,865,392
NET POSITION - Beginning of Year	40,109,788	6,244,396
NET POSITION - END OF YEAR	<u>\$ 41,550,439</u>	<u>\$ 40,109,788</u>

See accompanying notes to financial statements.

GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares and other revenues	\$ 2,599,860	\$ 3,481,342
Payments for salaries and benefits	(15,801,466)	(15,672,170)
Payments to suppliers for goods and services	<u>(9,353,389)</u>	<u>(9,749,913)</u>
Net Cash Flows From Operating Activities	<u>(22,554,995)</u>	<u>(21,940,741)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State operating aids	9,416,940	18,246,154
Federal operating aids	3,258,870	2,010,992
Property and income taxes received	<u>5,874,691</u>	<u>5,550,356</u>
Net Cash Flow Form Noncapital Financing Activities	<u>18,550,501</u>	<u>25,807,502</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received	2,212,187	794,693
Purchase of capital assets	(2,571,023)	(1,099,334)
Proceeds from sale of capital assets	<u>25,845</u>	<u>2,500</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(332,991)</u>	<u>(302,141)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of certificates of deposit	421,006	419,432
Purchase of certificates of deposit	(426,360)	(421,006)
Purchase of other investments	364,017	(8,437,039)
Interest received	<u>565,532</u>	<u>602,022</u>
Net Cash Flows From Investing Activities	<u>924,195</u>	<u>(7,836,591)</u>
Net Change in Cash and Cash Equivalentents	(3,413,290)	(4,271,971)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>24,758,669</u>	<u>29,030,640</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 21,345,379</u>	<u>\$ 24,758,669</u>

This statement is continued on the following page.

GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS (Continued)

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (26,980,334)	\$ (28,866,319)
Nonoperating Revenue		
Sales commissions	8,931	10,923
Noncash items included in operating loss		
Depreciation	3,165,854	3,148,012
Change in Assets and Liabilities		
Due from other governments and other receivables	254,526	586,747
Materials and supplies inventory	24,982	(31,220)
Prepaid expenses	(129,978)	4,685
Accounts payable	(139,593)	241,258
Post retirement obligations	718,781	2,712,635
Accrued wages and benefits	339,116	20,069
Other accrued expenses	33,254	(25,829)
Estimated payable for claims and losses	149,466	258,298
	<u> </u>	<u> </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (22,554,995)</u>	<u>\$ (21,940,741)</u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS		
Cash and repurchase agreement	\$ 19,437,161	\$ 22,703,656
Restricted cash and repurchase agreement	1,908,218	2,055,013
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS	<u>\$ 21,345,379</u>	<u>\$ 24,758,669</u>

See accompanying notes to financial statements.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The District was organized May 4, 1970 and approved by a subsequent voter referendum. The organization was formed in accordance with the state law entitled *Local Mass Transit District Act*. Revenues are substantially generated as a result of taxes assessed, charges for services performed, and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the District and nearby surrounding area and the appropriations of grant entitlements at the federal and state government level. Taxable industry within the area is primarily manufacturing and retail. The surrounding area has a substantial agricultural base. Additionally, there are large nonprofit employers such as hospitals and other local governments within the District.

The District does not meet the definition of a component unit of a primary government under the requirements of Government Accounting Standards board Statement No. 61, *The Financial Reporting Entity: an amendment of GASB Statements No. 14 and No. 34*. In addition, there are no organizations which are financially accountable to the District that would require consideration as component units of the District under the standards referred to above. Therefore, the District is considered a standalone government, fiscally independent of other units of government.

The governing Board of the District consists of five appointed trustees. Three trustees are appointed by one municipality and one trustee is appointed by each of two additional municipalities. The municipalities’ responsibilities do not extend beyond the appointment process. None of the appointing municipalities has the ability to impose its will on the District after the appointment of the trustees, in that appointing municipalities cannot (1) remove appointed trustees at will, (2) modify or approve the budget of the District, (3) modify or approve rate or fee changes of the District, (4) veto, overrule, or modify the decisions of the District Board of Trustees, or (5) appoint, hire, reassign, or dismiss persons responsible for day-to-day operations (management) of the District. Therefore, the District is considered to be a special purpose government with the financial reporting properties of a primary government.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounts of the District are organized and maintained in a single fund, the enterprise fund (proprietary fund type). Periodic determination of revenues earned, expenses incurred, and net income (loss) is deemed appropriate for management accountability.

Basis of accounting defines when revenue and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of their recognition. The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider are met. Expenses are recorded at the time liabilities are incurred.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (cont.)

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's on-going operations. The principal operating revenues of the District are charges for services (fares) and contracts with other local governments for services provided. Operating expenses for the District include costs of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In June 2015, the GASB issued Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57 OPEB Measurements by Agent Employers and Agent Multi-Employer Plans, for OPEB. This standard was implemented July 1, 2017.

ESTIMATES

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

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Cash and Investments

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity, at the date of purchase, of three months or less are considered to be cash equivalents. Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses on marketable securities are computed using the specific identification method. Certificates of deposit, money market mutual funds and repurchase agreements are stated at fair value. (The repurchase agreements are overnight sweep accounts). Income is recognized on the accrual basis of accounting. At June 30, 2020 and 2019, the certificates of deposit are not considered cash equivalents. However, all of the U.S. Government security overnight repurchase agreements and the money market mutual fund are considered cash equivalents. The types of investments allowed are regulated by Illinois State laws and are listed in Note 3.

Property Taxes Receivable

Property taxes receivable represents amounts payable to the District as of year-end for fiscal 2020 and 2019 revenues.

Accounts Receivable

Substantially all District receivables are due from government units and are considered to be fully collectible. See Note 8 for a description of the allowance for potentially uncollectible grants.

Inventories

Material and supplies inventories consist of mechanical parts and supplies, and fuel and are reported at cost using the weighted-average cost method of inventory valuation.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Prepaid Expenses

This represents amounts paid for services or insurance coverage to be provided in future periods.

Capital Assets and Depreciation

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives three to forty years. The cost of maintenance and repairs is expensed as incurred; significant renewals and improvements are capitalized. The useful lives of capital assets are estimated as follows:

	YEARS
Building	40
Building Improvements	10-20
Service Vehicles	5-12
Major Movable Equipment/Machinery	5-10
Computers/Software	5
Furniture/Equipment	3-10

The District records all capital items, which are individually greater than \$5,000, with a useful life of at least one year, as capital assets.

Other Post-employment Benefit Obligation (OPEB)

The District provides post- employment health insurance benefits to all eligible employees. The obligation for these benefits, as computed by an actuary, is recorded in accordance with the provisions of GASB Statement No. 75; see Note 6.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF or the "Fund") and additions to /deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Details are included in Note 5.

Provision for Uninsured Claims

Claims for uninsured losses are reported in the financial statements based upon the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In addition, claims adjustment expenses expected to be incurred in connection with the settlement of unpaid claims are accrued at the time the liability for the underlying claim is recognized; see Note 7.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Compensated Absences

District personnel earn vacation and sick time in varying amounts depending on length of service with the District. Vested or accumulated vacation and sick leave is recorded as an expense and liability as the benefits accrue to employees.

Payable to State of Illinois

The District has recorded a payable to the State of Illinois for costs reimbursed by the Illinois Department of Transportation (IDOT) from FY 2015 through FY 2018, which were later deemed ineligible. At June 30, 2020 and 2019 the payable is shown net of operating receivables from IDOT related to other fiscal years.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate 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/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate 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. Deferred outflows and inflows relate to the implementation of GASB Statement No. 68 for pensions and GASB Statement No. 75 for OPEB. Details of the accounts are included in Notes 5 and 6.

Net Position

GASB No. 34 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The District has no outstanding debt as of June 30, 2020 and 2019.
- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislations.
- *Unrestricted* – The component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

REVENUE AND EXPENSES

Property Taxes

The District's property taxes are levied each year on all taxable real property located within the District on or before the last Tuesday in December. The annual tax levy ordinance for 2019 taxes due and payable by the taxpayers in 2020 was passed in July 2019. Property taxes attach an enforceable lien and are extended against the assessed valuation of the District on January 1. Normally, taxes are due and payable in two installments in June and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30 or shortly thereafter by the County Collector's office. Final distribution to all taxing bodies is usually made no later than the first quarter of the next calendar year by the County Collector's office. Revenue from property taxes are recognized in the period they are intended to finance, which is the fiscal year after the tax levy year. Property tax revenue recognized in fiscal year 2020 by the District represents the 2019 tax levy due and payable by the taxpayers in 2019, which was budgeted for fiscal year 2020. The 2020 tax levy has not been recorded as a receivable at June 30, 2019. Although the tax attached as a lien on property as of January 1, 2020, the tax will not be levied until December 2020, and, accordingly, is not measurable at June 30, 2020.

Property taxes levied for specific restricted purposes are credited to restricted net assets.

Federal and State Grants

The Federal Transit Administration (FTA) and the Illinois Department of Transportation (IDOT) provide financial assistance through grants to the District for operations, planning, capital acquisitions, and maintenance.

Operating assistance, planning, maintenance, and capital grants are included in non-operating revenues as related eligible expenditures are incurred.

Passenger Fares

Passenger fares are recorded as revenue at the time such services are performed. Fare passes, when issued, are recorded as revenue.

The District has service contracts with East Peoria Mass Transit District, the City of Pekin and Peoria County to provide mass transportation services within those service areas. The District collects revenues from each entity in an amount equal to the cost of operations for these routes.

SPECIAL ITEMS

Significant transactions or other events within the control of management that is either unusual in nature or infrequent in occurrence are special items. Special items are reported separately in the statement of revenues, expenses and changes in net position after capital contributions. During fiscal year 2019, the District modified its retiree health insurance plan provisions resulting in a significant decrease in the District's total OPEB liability. GASB Statement No. 75 requires changes in benefits terms to be recognized in the reporting period in which the change occurred. Accordingly, due to the significant decrease being infrequent in occurrence, it has been reported as a special item for the year ended June 30, 2019.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

SPECIAL ITEMS (cont.)

In addition, during fiscal year 2019, the District took full and complete ownership, operational control and management of the CountyLink program from Peoria County, Illinois. In accordance with GASB Statement No. 69, as of the effective date of a transfer of operations from one government to an existing government the net position received or assumed by the District should be reported as a special item. The receivable recorded in fiscal year 2019 was an estimate based on information available at the report date. During fiscal year 2020, this estimate was updated for actual amounts transferred from Peoria County, Illinois, resulting in a special item presented on the financial statements for the change in estimate.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

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

GASB issued Statement No. 84, "Fiduciary activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for FY 2020; however, the District does not have any fiduciary activities and therefore there is no impact to its financial statements.

GASB issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." The objective of this Statement is to improve information that is disclosed in the notes to financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for FY 2020; however, the District does not carry any debt and therefore does not fall within the scope of Statement No. 88. There is no impact on its financial statements.

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

GASB issued Statement No. 90, "Majority Equity Interests-An Amendment of GASB Statements No.14 and No.61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for FY20; however, there is no impact to District's financial statements.

GASB issued Statement No. 91, "Conduit Debt Obligation." The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for the year ending June 30, 2020; however, the District does not carry any debt and therefore does not fall within the scope of Statement No. 91. There is no impact on its financial statements.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS (cont.)

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

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

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

GASB Issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The objective of this Statement is to provide temporary relief to governments in light of the COVID-19 pandemic. This statement provides optional postponement of certain provisions contained in Statements No.84, 89, 90, 91, 92 and 93 for one year from the original effective date and Statement No.87 for 18 months. The District has not elected to postpone the implementation of any of these statements.

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

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

CARES ACT FUNDING

On Friday, March 27, 2020, President Trump signed the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) into law. The CARES Act provides emergency assistance and health care response for individuals, families and businesses affected by the [COVID-19 pandemic](#) and provide emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic.

Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients, even those in large urban areas, are also eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. The grants of 5307 CARES ACT (\$10,259,898) and 5311 CARES Act (\$556,747) were awarded to Greater Peoria Mass Transit in FY 2020.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 2 – RESTRICTED ASSETS, LIABILITIES, AND RESTRICTED NET POSITION

The restricted assets, liabilities, and net position represent net proceeds from grants or tax levies for specific purposes. The District currently carries a Self-Insurance Reserve, a Social Security Reserve, an Illinois Municipal Retirement Reserve, and a State Unemployment Reserve. Funds within the Self-Insurance Reserve are used to purchase claims services and to pay costs incurred by the District under both normal operating-type claims and catastrophic claims. Funds within the Social Security Reserve, Illinois Municipal Retirement Reserve, and State Unemployment Reserve are used to pay employer contributions made to Social Security Administration, Illinois Municipal Retirement Fund, and State Unemployment Agency.

Restricted assets and liabilities at June 30, 2020 and 2019 are summarized as follows:

June 30, 2020						
Restricted assets (liabilities):	Self- Insurance Reserve	Social Security Reserve	Illinois Municipal Retirement Reserve	State Unemployment Reserve	Audit Reserve	Total
Cash and repurchase agreement	\$ 1,908,218	\$ -	\$ -	\$ -	\$ -	\$ 1,908,218
Certificate of deposit	426,360	-	-	-	-	426,360
Property tax receivable	1,000,000	785,000	1,080,000	21,495	33,000	2,919,495
Interest receivable	6,317	-	-	-	-	6,317
Prepaid expenses	55,565	-	-	-	-	55,565
Estimate payable for Claims and losses	(881,295)	-	-	-	-	(881,295)
Accrued expenses	-	-	(109,638)	(1,546)	-	(111,184)
Due from (to) Unrestricted fund	(2,092,634)	(741,389)	(746,403)	5,191	(31,887)	(3,607,122)
Restricted net position	\$ 422,531	\$ 43,611	\$ 223,959	\$ 25,140	\$ 1,113	\$ 716,354

June 30, 2019						
Restricted assets (liabilities):	Self- Insurance Reserve	Social Security Reserve	Illinois Municipal Retirement Reserve	State Unemployment Reserve	Audit Reserve	Total
Cash and repurchase agreement	\$ 2,055,013	\$ -	\$ -	\$ -	\$ -	\$ 2,055,013
Certificate of deposit	421,006	-	-	-	-	421,006
Property tax receivable	950,000	780,000	1,250,000	42,000	36,000	3,058,000
Interest receivable	4,151	-	-	-	-	4,151
Prepaid expenses	58,595	-	-	-	-	58,595
Estimate payable for Claims and losses	(715,331)	-	-	-	-	(715,331)
Accrued expenses	-	-	(76,233)	(1,697)	-	(77,930)
Due from (to) Unrestricted fund	(2,037,915)	(738,810)	(933,928)	(18,680)	(31,332)	(3,760,665)
Restricted net position	\$ 735,519	\$ 41,190	\$ 239,839	\$ 21,623	\$ 4,668	\$ 1,042,839

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 3 – CASH AND INVESTMENTS

The investment and deposit of the District monies is governed by the provisions of the Illinois Compiled Statutes and the District's investment policy. In accordance with these provisions, all District monies must be invested in one or more of the following:

- a. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Illinois Compiled Statutes and as shall have compiled with the requirements thereof;
- b. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Deposit Insurance Corporation;
- c. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issues, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- d. Short-term discount obligations of the Federal National Mortgage Association.
- e. Short-term obligations of U.S. corporations with more than \$500 million in assets. The obligation must be rated with the three highest classifications by two standard rating services, must mature within 180 days of purchase, and such purchase cannot exceed 10 percent of the corporation's outstanding obligations.
- f. Repurchase agreements which are collateralized by full faith and credit U. S. Treasury securities.
- g. Insured accounts of credit unions whose principal office is in Illinois.
- h. Various tax-exempt securities.

Custodial Credit Risk

A reconciliation of cash and investments as shown on the Statements of Net Position follows:

	2020		2019	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Petty cash	\$ -	\$ 2,400	\$ -	\$ 6,526
Demand deposits*	894,337	898,299	284,025	298,937
Illinois Funds	14,934,083	14,904,873	16,110,298	16,022,123
U.S. Government security overnight repurchase agreements	5,720,313	5,539,807	8,575,871	8,431,083
Certificates of deposit	5,257,628	5,257,628	4,622,165	4,622,165
U.S. Treasuries	1,584,381	1,584,381	3,467,318	3,467,318
U.S. Agencies	1,657,373	1,657,373	768,562	768,562
Total cash and investments	\$ 30,048,115	\$ 29,844,761	\$ 33,828,239	\$ 33,616,714
Cash and repurchase agreement Investments		\$ 19,437,161		\$ 22,703,656
Restricted:				
Cash and repurchase agreement		1,908,218		2,055,013
Certificates of deposit		426,360		421,006
Total cash and investments		\$ 29,844,761		\$ 33,616,714

*Includes money market mutual fund totaling \$762,261 and \$153,386 in 2020 and 2019, respectively.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 3 – CASH AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. To guard against custodial credit risk for deposits with financial institutions, the District investment policy requires that deposits with financial institution in excess of FDIC be collateralized at 100% of the uninsured deposits. As of June 30, 2020 and 2019, none of the District's bank balance of \$6,151,965 and \$4,906,190 respectively, was exposed to custodial credit risk.

In addition, the District has entered into an agreement with the primary depository institution whereby excess funds are invested overnight in repurchase agreements for various U.S. Government securities. Under the agreement, the depository institution purchases fractionalized interests in obligations of the United States Government or any agency thereof on behalf of the District. The securities underlying the repurchase agreement are held by a third party. The depository institution may substitute the underlying securities. At June 30, 2020 and 2019, the District had \$5,720,313 and \$8,575,871, respectively, invested in such agreements. Such amounts are subject to custodial credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. The District's investment policy requires third party safekeeping acting as an agent to safe-keep the assets of the funds.

Credit Risk, Concentration of Credit Risk and Interest Rate Risk

The District utilizes sweep investments, which are swept nightly into securities which are explicitly backed by the US Government. Credit risk is the risk counterparty to an investment will not fulfill its obligations. The District's investment policy addresses this risk by requiring issuers to be a US Corporation with more than \$500 million in assets with a rating within the three highest classifications by two standards rating services. The underlying investments of the US Government security over night repurchase agreements, U.S. treasuries and U.S. agencies were rated Aaa by Moody's and AA+ by Standard and Poor's investment rating agencies as of June 30, 2020 and 2019. The money market mutual fund was rated Aaa by Moody's and AAAm by Standard and Poor's investment rating agencies as of June 30, 2020 and 2019.

Credit Risk, Concentration of Credit Risk and Interest Rate Risk (cont.)

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single user. The District's investment policy addresses this risk by requiring diversification of its investment portfolio. As of June 30, 2020, the District 36% of its investments in US Government Agency Securities, issued by the Federal National Mortgage Association, and 5% of its investments in US Government Agency Securities, issued by the Federal Home Loan Mortgage Corporation. As of June 30, 2019, the District held 46% of its investments in US Government Agency Securities, issued by the Federal National Mortgage Association, and 20% of its investments in US Government Agency Securities, issued by the Federal Home Loan Mortgage Corporation.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Due to the highly liquid nature of the District's repurchase agreements, the exposure to interest rate risk is minimal. The District's investment policy addresses this risk by limiting investment maturities to a maximum of 8 years, with various sub-limits depending on the anticipated use of the funds.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 3 – CASH AND INVESTMENTS (cont.)

At June 30, 2020, the District's investment balances subject to interest rate risk were as follows:

Investment Type	Fair Value	Maturity	
		<1 Year	1-5 Years
U.S. Government security overnight repurchase agreements	\$ 5,539,807	\$ 5,539,807	\$ -
Money Market Mutual Fund	762,261	762,261	-
U.S. Treasuries	1,584,381	865,292	719,089
U.S. Agencies	1,657,373	-	1,657,373
Certificates of Deposit	5,257,628	3,917,639	1,339,989
Total	\$ 14,801,450	\$ 11,084,999	\$ 3,716,451

At June 30, 2019, the District's investment balances subject to interest rate risk were as follows:

Investment Type	Fair Value	Maturity	
		<1 Year	1-5 Years
U.S. Government security overnight repurchase agreements	\$ 8,431,083	\$ 8,431,083	\$ -
Money Market Mutual Fund	153,386	153,386	-
U.S. Treasuries	3,467,318	1,903,904	1,563,414
U.S. Agencies	768,563	-	768,563
Certificates of Deposit	4,622,165	2,462,133	2,160,032
Total	\$ 17,442,515	\$ 12,950,506	\$ 4,492,009

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Money market mutual funds are valued based on quoted prices in active markets for identical assets, which is a level 1 input. Negotiable certificates of deposit, U.S. treasuries, U.S. Government securities held through repurchase agreements and U.S. agencies are valued by pricing services using models that incorporate marketable observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data, which is a level 2 input.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 4 – CHANGES IN CAPITAL ASSETS

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

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,881,735	\$ 70,882	\$ -	\$ 1,952,617
Construction in progress	236,499	816,042	(229,390)	823,151
Total capital assets not being depreciated	<u>2,118,234</u>	<u>886,924</u>	<u>(229,390)</u>	<u>2,775,768</u>
Capital assets being depreciated:				
Building and building improvements	13,675,041	1,388,058	-	15,063,099
Transit Vehicles	24,293,184	-	-	24,293,184
Machinery, equipment, and furniture	3,749,418	525,430	(345,488)	3,929,360
Total capital assets being depreciated	<u>41,717,643</u>	<u>1,913,488</u>	<u>(345,488)</u>	<u>43,285,643</u>
Less accumulated depreciation for:				
Building and building improvements	(11,139,713)	(489,582)	-	(11,629,295)
Transit Vehicles	(13,560,152)	(2,089,095)	-	(15,649,247)
Machinery, equipment, and furniture	(2,126,777)	(587,177)	345,488	(2,368,466)
Total accumulated despreciation	<u>(26,826,642)</u>	<u>(3,165,854)</u>	<u>345,488</u>	<u>(29,647,008)</u>
Capital assets, net	<u>\$ 17,009,235</u>	<u>\$ (365,442)</u>	<u>\$ (229,390)</u>	<u>\$ 16,414,403</u>

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 1,855,709	\$ 26,026	\$ -	\$ 1,881,735
Construction in progress	-	236,499	-	236,499
Total capital assets not being depreciated	<u>1,855,709</u>	<u>262,525</u>	<u>-</u>	<u>2,118,234</u>
Capital assets being depreciated:				
Building and building improvements	13,674,696	14,933	(14,588) *	13,675,041
Transit Vehicles	23,531,922	761,262	-	24,293,184
Machinery, equipment, and furniture	3,352,733	836,464	(439,779)	3,749,418
Total capital assets being depreciated	<u>40,559,351</u>	<u>1,612,659</u>	<u>(454,367)</u>	<u>41,717,643</u>
Less accumulated depreciation for:				
Building and building improvements	(10,673,303)	(466,410)	-	(11,139,713)
Transit Vehicles	(11,038,134)	(2,522,018)	-	(13,560,152)
Machinery, equipment, and furniture	(2,012,816)	(553,740)	439,779	(2,126,777)
Total accumulated despreciation	<u>(23,724,253)</u>	<u>(3,542,168)</u>	<u>439,779</u>	<u>(26,826,642)</u>
Capital assets, net	<u>\$ 18,690,807</u>	<u>\$ (1,666,984)</u>	<u>\$ (14,588)</u>	<u>\$ 17,009,235</u>

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years 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 *lesser of*:

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2019 and 2018, the following employees were covered by the benefit terms:

	<u>2019</u>	<u>2018</u>
Retirees and Beneficiaries currently receiving benefits	127	116
Inactive Plan Members entitled to but not yet receiving benefits	39	45
Active Plan Members	155	153
Total	<u>321</u>	<u>314</u>

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

CONTRIBUTIONS

As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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 contribution for the fiscal years ended June 30, 2020 and 2019 was 10.62% and 10.33%, respectively, of covered payroll. For the fiscal years ended June 30, 2020 and 2019 the District contributed \$1,084,230 and \$991,686, respectively, to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTION

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflations Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25% (3.35% - 14.25% in 2018), including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from the years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

ACTUARIAL ASSUMPTION (cont.)

- 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. The 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 percentage 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:

Asset Class	Portfolio Target Percentage
Domestic Equity	37%
International Equity	18%
Fixed Income	28%
Real Estate	9%
Alternate Investments	7%
Cash Equivalents	1%
Total	100%

The actuarial assumptions as of December 31, 2019, detailed above, have not significantly changed from assumptions as of December 31, 2018.

SINGLE DISCOUNT RATE

A Single Discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine the 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 the rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%. For the purpose of the prior year valuation, the expected rate of return on plan investments was 7.25%, the municipal bond rate was 3.71%, and the resulting single discount rate was 7.25%.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

CHANGES IN THE NET PENSION LIABILITY

	Liability (A)	Net Position (B)	Liability (A) - (B)
Balances at December 31, 2017	\$ 43,488,507	\$ 41,492,804	\$ 1,995,703
Changes for the year			
Service Cost	882,646	-	882,646
Interest on Total Pension Liability	3,204,485	-	3,204,485
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	460,766	-	460,766
Changes of Assumptions	1,286,262	-	1,286,262
Contributions - Employer	-	1,032,060	(1,032,060)
Contributions - Employees	-	605,810	(605,810)
Net Investment Income	-	(1,563,408)	1,563,408
Benefit Payments, including Refunds of Employee Contributions	(2,406,736)	(2,470,799)	64,063
Other (Net Transfers)	-	568,453	(568,453)
Net Changes	3,427,423	(1,827,884)	5,255,307
Balances at December 31, 2018	\$ 46,915,930	\$ 39,664,920	\$ 7,251,010
Changes for the year			
Service Cost	963,867	-	963,867
Interest on Total Pension Liability	3,336,709	-	3,336,709
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	2,030,024	-	2,030,024
Changes of Assumptions	-	-	-
Contributions - Employer	-	963,671	(963,671)
Contributions - Employees	-	661,960	(661,960)
Net Investment Income	-	7,930,960	(7,930,960)
Benefit Payments, including Refunds of Employee Contributions	(2,748,585)	(2,835,824)	87,239
Other (Net Transfers)	-	(41,338)	41,338
Net Changes	3,582,015	6,679,429	(3,097,414)
Balances at December 31, 2019	\$ 50,497,945	\$ 46,344,349	\$ 4,153,596

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

Employer's Net Pension Liability/(Asset)	(6.25%)	(7.25%)	(8.25%)
12/31/2019	\$ 10,397,957	\$ 4,153,596	\$ (1,022,268)
12/31/2018	\$ 13,064,744	\$ 7,251,010	\$ 2,446,352

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the years ended June 30, 2020 and 2019, the District recognized pension expense of \$874,877 and \$236,126, respectively. At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30,	
	2020	2019
<i>Deferred outflow of resources</i>		
Differences between expected and actual experience	\$ 2,172,644	\$ 888,844
Changes of Assumptions	770,115	1,103,212
Net differences between projected and actual earnings on pension plan investments	-	2,639,398
Pension Contributions made subsequent to the Measurement Date	597,078	476,520
Total Deferred Outflows of Resources	\$ 3,539,837	\$ 5,107,974
<i>Deferred inflow of resources</i>		
Differences between expected and actual experience	\$ 250,383	\$ 487,455
Changes of Assumptions	589,757	858,579
Net difference between projected and actual earnings on pension plan investments	1,825,942	-
Total Deferred Inflows of Resources	\$ 2,666,082	\$ 1,346,034

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

OUTSTANDING EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (cont.)

\$597,078 and \$476,520 reported as deferred outflows of resources related to pensions as of June 30, 2020 and 2019, respectively, represent contributions made after the measurement date of the net pension liability but before the end of the reporting period and will be recognized as a reduction of the net pension liability in the years ended June 30, 2021 and 2020, respectively. 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:

Year Ending June 30	Net Deferred Outflows of Resources
2021	\$ (81,642)
2022	(3,609)
2023	896,000
2024	(534,072)
2025	-
Thereafter	-
Total	<u>276,677</u>

OUTSTANDING PAYABLES

At June 30, 2020 and 2019, the District had outstanding payables to IMRF of \$181,929 and \$129,939, respectively, related to June 2020 and 2019 employer, employee, and voluntary contributions, which are payable in the following month.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

In addition to the pension benefit described in Note 5, the District pays the medical insurance premiums for certain retired employees and their spouses provided their spouses were enrolled in the District's health plan for one year prior to the date of retirement. All employees who meet the IMRF retirement eligibility requirements and qualified for health insurance benefits prior to retirement may participate in the medical insurance program. Regardless of tier, the District will pay full cost of coverage for retirees and spouses if they retire between ages 55 and 59 with a combined age and service that is greater than or equal to 88 at the time of retirement. For IMRF Tier 1 employees who retire under age 60 but do not have a combined age and service that is greater than or equal to 88, the retiree is responsible for the full cost of coverage, including spousal coverage (unless the spouse is over age 60, at which time the District will pay the spousal premium). The District pays the cost of coverage for life of Tier 1 retirees over age 60, including spousal coverage once the spouse attains age 60. For IMRF Tier 2 employees who retire between the ages of 62 and 65, the retiree pays a portion of the premium based on years of service until 25 years of service is attained. Spousal coverage for IMRF Tier 2 employees is the responsibility of the retiree until the spouse attains age 60. Upon Medicare eligibility, the District will provide supplemental Medicare coverage at no cost to the retiree or spouse.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

PLAN DESCRIPTION (cont.)

Monthly premiums as of June 30, 2020 and June 30, 2019 are as follows:

	June 30, 2020		June 30, 2019	
	Pre-65	Post-65	Pre-65	Post-65
Single	\$ 949.45	N/A	\$ 954.22	N/A
Employee plus one	\$1,823.35	N/A	\$1,832.51	N/A
Humana Group Medicare Advantage	N/A	\$ 161.32	N/A	\$ 148.40

The District Board determines the benefits to be provided and contribution requirements. The District currently funds these benefits on a pay-as-you-go basis and has not established a separate trust fund. Effective January 1, 2019, the District contracted with Humana to provide a fully insured Medicare Advantage Plan for Medicare Eligible retirees rather than providing coverage under the self-insured plan under Blue Cross/Blue Shield of Illinois. Sixty-nine (69) retirees and eligible spouses were receiving benefits under the Humana Group Medicare Advantage Plan and thirty-six (36) retirees and eligible spouses were receiving benefits under the Blue Cross/Blue Shield of Illinois PPO Plan as of June 30, 2020. Sixty-seven (67) retirees and eligible spouses were receiving benefits under the Humana Group Medicare Advantage Plan and thirty-three (33) retirees and eligible spouses were receiving benefits under the Blue Cross/Blue Shield of Illinois PPO Plan as of June 30, 2019. The Active Plan Members consist of one hundred fifty-four (154) and one hundred fifty (150) under the Blue Cross/Blue Shield of Illinois Plan as of June 30, 2020 and June 30, 2019, respectively.

The District's OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated in accordance with the parameters of GASB Statement No. 75.

The total OPEB liabilities are an unfunded obligation. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits. During fiscal years 2020 and 2019 the District provided \$929,809 and \$639,612, respectively, in benefits on a pay-as-you-go basis (contributions and benefit payments).

STATEMENT OF TOTAL OPEB LIABILITY

	2020	2019
Total Active Employees	\$ 9,927,812	\$ 9,963,237
Inactive Employees Currently Receiving Benefit Payments	7,020,109	4,187,588
Inactive Employee Entitled to But Not Yet Receiving Benefit Payments	-	-
Total Inactive Employees	7,020,109	4,187,588
Total OPEB Liability	\$ 16,947,921	\$ 14,150,825

The Total OPEB Liability has been determined for GASB 75 reporting purposes only. The resulting Total OPEB Liability is intended to be used in the financial statement reporting of the postretirement plan. The resulting liability is not intended to be a representation of the postretirement plan liability for other purposes, including but not limited to determination of cash funding requirements and recommendations, if applicable.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

STATEMENT OF CHANGES IN TOTAL OPEB LIABILITY

	2020	2019
Changes in Total OPEB Liability		
Service Cost	\$ 701,937	\$ 2,108,614
Interest	484,759	1,621,934
Changes of Benefit Terms	-	(34,051,319)
Differences Between Expected and Actual Experience	(39,535)	-
Changes in Assumptions	2,579,744	2,683,814
Benefit Payments	(929,809)	(639,612)
Net Change in Total OPEB Liability	2,797,096	(28,276,569)
Total OPEB Liability - Beginning	14,150,825	42,427,394
Total OPEB Liability - Ending (a)	<u>\$ 16,947,921</u>	<u>\$ 14,150,825</u>
OPEB Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>
Employer Net OPEB Liability - Ending (a) - (b)	\$ 16,947,921	\$ 14,150,825
OPEB Plan Net Position as a Percentage of the Total OPEB Liability	0%	0%
Covered-Employee Payroll	\$ 9,523,393	\$ 9,165,241
Employer's Net OPEB Liability as a Percentage of Employee Payroll	177.96%	154.40%

The Employer's Net OPEB Liability is the excess of the Total OPEB Liability over the OPEB Plan Net Position. The current year valuation was updated for changes in member demographics/population, claims and premium experience over the course of two years, discount rate and assumption changes.

Total OPEB liability may be dependent on the net position of the post retirement plan. Changes in the net position could change the determination of the total OPEB liability. Any changes in net position can have an impact on net OPEB liability that extends beyond the dollar-for-dollar change in net position.

Covered employee payroll is based on total covered payroll for the postretirement plan members during the fiscal year.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

STATEMENT OF CHANGES IN TOTAL OPEB LIABILITY

The table below illustrates the change in the total OPEB liability from the prior measurement date to the current measurement date. Under Statement 75, the difference between the total OPEB liability from the prior measurement date to the current measurement date should be recognized as an expense, unless permitted to be recognized as a deferred outflow or inflow of resources.

	Increases (Decreases)		
	Total OPEB Liability (A)	OPEB Plan Total Position (B)	Total OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 42,427,394	\$ -	\$ 42,427,394
Changes for the year			
Service Cost	2,108,614	-	2,108,614
Interest	1,621,934	-	1,621,934
Actuarial Experience	-	-	-
Assumptions Changes	2,683,814	-	2,683,814
Plan Changes	(34,051,319)	-	(34,051,319)
Contributions - Employer	-	639,612	(639,612)
Contributions - Employees	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments From Trust	(639,612)	(639,612)	-
Administrative Expense	-	-	-
Net Changes	(28,276,569)	-	(28,276,569)
Balances at July 1, 2019	\$ 14,150,825	\$ -	\$ 14,150,825
Changes for the year			
Service Cost	701,937	-	701,937
Interest	484,759	-	484,759
Actuarial Experience	(39,535)	-	(39,535)
Assumptions Changes	2,579,744	-	2,579,744
Plan Changes	-	-	-
Contributions - Employer	-	929,809	(929,809)
Contributions - Employees	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments From Trust	(929,809)	(929,809)	-
Administrative Expense	-	-	-
Net Changes	2,797,096	-	2,797,096
Balances at June 30, 2020	\$ 16,947,921	\$ -	\$ 16,947,921

The changes in Total OPEB Liability above are described on the prior page. The employer's Net OPEB Liability is the excess of the Total OPEB Liability over the OPEB Plan Net Position.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (active and retired) in the postretirement plan. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below:

	June 30, 2020		June 30, 2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 34,939	\$ -	\$ -
Changes of Assumptions	4,211,954	-	2,307,929	-
Net Difference Between Projected and Actual Earnings on Postretirement Plan Investments	-	-	-	-
Total	<u>\$ 4,211,954</u>	<u>\$ 34,939</u>	<u>\$ 2,307,929</u>	<u>\$ -</u>

* Contributions subsequent to the measurement date may be recognized as a reduction to the net OPEB liability. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

Year ended June 30:	
2021	\$ 671,123
2022	671,123
2023	671,123
2024	671,123
2025	671,123
Thereafter	821,400
	<u>\$ 4,177,015</u>

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE DEVELOPMENT

The table below displays the OPEB expense development for the current year. The OPEB expense includes items that change the net OPEB liability from one year to the next, netted out for amounts that are deferred under GASB pronouncement, plus any amounts that are being recognized that were deferred previously.

See below for development of the OPEB expense:

	<u>2020</u>	<u>2019</u>
OPEB Expense/(Income) Under GASB 75		
Service Cost	\$ 701,937	\$ 2,108,614
Interest	484,759	1,621,934
Plan Changes	-	(34,051,319)
Contributions - Employee	-	-
Contributions - Other	-	-
Expected Investment Income	-	-
Administrative Expense	-	-
Other Changes	-	-
Initial OPEB Expense/(Income)	<u>1,186,696</u>	<u>(30,320,771)</u>
Recognition of Outflow/(Inflow) of Resources due to Liabilities	671,123	375,885
Recognition of Outflow/(Inflow) of Resources due to Assets	-	-
Total OPEB Expense/(Income)	<u>\$ 1,857,819</u>	<u>\$ (29,944,886)</u>

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTION

Assumptions (Economic)

Discount Rate used for the Total OPEB Liability	
Beginning of Year	3.50% (3.87% FY2019)
End of Year	2.21% (3.50% FY2019)
Long-Term Expected Rate of Return on Plan Assets	N/A
High Quality 20 Year Tax-Exempt G.O. Bond Rate	
Beginning of Year	3.50% (3.87% FY2019)
End of Year	2.21% (3.50% FY2019)
Total Payroll Increases	2.5%
Inflation	2.25%
Claims and Premium	Refer to Claims Table
Healthcare Trend Rates	Refer to Table
Retiree Contribution Rates	Same as Healthcare Trend Rates

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTION (cont.)

Claims Table See accompanying table for the PPO and Humana Plan data:

PPO					HUMANA				
Age	Retiree		Spouse		Age	Retiree		Spouse	
	Male	Female	Male	Female		Male	Female	Male	Female
50	\$ 8,722	\$10,435	\$ 15,012	\$ 15,176	50	N/A	N/A	N/A	N/A
55	\$ 11,081	\$ 11,898	\$ 14,989	\$ 14,410	55	N/A	N/A	N/A	N/A
60	\$ 13,855	\$ 14,317	\$ 15,900	\$ 15,206	60	N/A	N/A	N/A	N/A
64	\$ 16,396	\$ 17,131	\$ 17,192	\$ 17,542	64	N/A	N/A	N/A	N/A
65	\$ 6,933	\$ 7,244	\$ 7,270	\$ 7,418	65	\$ 1,548	\$ 1,618	\$ 1,623	\$ 1,656
70	\$ 8,288	\$ 8,660	\$ 8,691	\$ 8,867	70	\$ 1,851	\$ 1,934	\$ 1,941	\$ 1,980
75	\$ 8,999	\$ 9,403	\$ 10,154	\$ 9,628	75	\$ 2,009	\$ 2,100	\$ 2,267	\$ 2,150
80	\$ 9,647	\$ 10,080	\$ 10,801	\$ 10,321	80	\$ 2,154	\$ 2,251	\$ 2,412	\$ 2,305
85	\$ 10,089	\$ 10,541	\$ 11,243	\$ 10,794	85	\$ 2,253	\$ 2,354	\$ 2,511	\$ 2,410
90+	\$ 10,292	\$ 10,754	\$ 11,446	\$ 11,011	90+	\$ 2,298	\$ 2,401	\$ 2,556	\$ 2,459

	Annual Blended Premiums			
	Under Age 65		Age 65-&-Over	
	Retiree	Spouse	Retiree	Spouse
PPO	\$ 11,393	\$ 10,487	\$ 7,975	\$ 7,976
Humana	N/A	N/A	\$ 1,858	\$ 1,858
Dental	\$ 279	\$ 271	\$ 279	\$ 271
Vision	\$ 73	\$ 73	\$ 73	\$ 73

Health Care Trend Rates (FY = Fiscal Year)

Period	PPO		Humana		Dental		Vision	
	Under 65	65+	Under 65	65+	Under 65	65+	Under 65	65+
FY20 to FY21	-1.80%	-1.80%	N/A	8.70%	4.00%	4.00%	0.00%	0.00%
FY21 to FY22	6.00%	6.00%	N/A	5.00%	4.00%	4.00%	0.00%	0.00%
FY22 to FY23	6.00%	6.00%	N/A	5.00%	4.00%	4.00%	0.00%	0.00%
FY23 to FY24	5.50%	5.50%	N/A	4.50%	4.00%	4.00%	0.00%	0.00%
FY24 to FY25	5.50%	5.50%	N/A	4.50%	4.00%	4.00%	0.00%	0.00%
FY25 to FY26	5.00%	5.00%	N/A	4.00%	4.00%	4.00%	0.00%	0.00%
Ultimate	5.00%	5.00%	N/A	4.00%	4.00%	4.00%	0.00%	0.00%

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTION (cont.)

Assumptions (Demographic)

Election at Retirement

If an employee has waived active medical coverage they are still assumed to participate in the retiree medical plan. Coverage election at retirement is assumed at the following rates:

IMRF 100%

Spousal Election

50% of employees are assumed to elect spousal coverage. Female spouses are assumed to be 3 years younger than male spouses.

Plan Participation Rate

Of the employees that will elect coverage at retirement, as noted above, it is assumed they will elect coverage in the available insurance plans at the following rates:

	<u>IMRF</u>
PPO	100%
Dental	100%
Vision	100%
Humana	100%

Retiree Lapse Rates

0% of retirees receiving District medical coverage are expected to lapse all coverages at age 65.

Retirement Rates

2017 IMRF Experience Study dated November 8, 2017 for IMRF Employees.

Termination Rates

2017 IMRF Experience Study dated November 8, 2017 for IMRF Employees.

Disability Rates

2017 IMRF Experience Study dated November 8, 2017 for IMRF Employees.

Mortality Rates

IMRF employee mortality follows rates as developed in the RP-2014 table with blue collar adjustment and MP-2016 improvement, weighted per IMRF experience study dated November 8, 2017. All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

Assumption Changes

Assumption changes in the current year include changes to the inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates based on an IMRF experience study dated November 8, 2017.

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds from 3.50% to 2.21% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTION (cont.)

Assumption Changes (cont.) Since the Greater Peoria Mass Transit District does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 2.21%.

**Expected Return on OPEB
Plan Investments**

There is currently no expectation for future returns on OPEB plan assets since the OPEB obligation is an unfunded obligation. The Greater Peoria Mass Transit District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Municipal Bond Rate

The Municipal Bond Rate assumption is based on The Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each user in the indexes would yield if the bond was sold at par value. The indexes are simple averaged of the average estimated yields of the bonds.

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with Greater Peoria Mass Transit District, then only the municipal bond rate is used in determining the total OPEB liability.

**Development of Starting
Claims Costs**

Starting costs for the District's Plan were developed based on the blended premiums charged for coverage. The insurance carrier charges active and retirees the same premium rates. According to GASB, when an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees. As such, premiums were estimated for under-65 retirees and their spouses as if they were rated on a stand-alone basis. The results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (cont.)

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTION (cont.)

SENSITIVITY OF THE DISCOUNT RATE

The net OPEB liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the net OPEB liability to the discount rate assumption.

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer Net OPEB Liability/(Asset)			
06/30/20	\$20,099,228	\$16,947,921	\$14,456,464

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employer Net OPEB Liability/(Asset)			
06/30/19	\$16,308,041	\$14,150,825	\$12,390,405

The sensitivity of the net OPEB liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total OPEB liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

SENSITIVITY OF THE HEALTHCARE TREND RATES

Below is a table illustrating the sensitivity of the net OPEB liability to the healthcare trend rate assumption.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer's Net OPEB Liability/(Asset)			
06/30/20	\$14,026,681	\$16,947,921	\$20,764,731
06/30/19	\$12,224,990	\$14,150,825	\$16,551,893

NOTE 7 – RISK MANAGEMENT

The District participates in the Illinois Public Transit Risk Management Association (Risk Management Association) which is a public entity risk pool. The Risk Management Association was established by certain public transit districts pursuant to Article VII, Section 10 of the Illinois Constitution, the Local Mass Transit District Act, 70 ILCS 3610/5, the Intergovernmental Cooperation Act, 5 ILCS 220/6, and the Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/9-103, and 745 ILCS 10/9-107, as amended.

The Risk Management Association seeks the prevention and lessening of losses to Transit District properties and injuries to persons or properties which might result in claims being made against its participants. It is the intent of the Risk Management Association to administer a joint risk management pool and utilize such funds contributed by the participants to avert, defend, and protect, any participant of the Risk Management Association against stated liability and loss.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

NOTE 7 – RISK MANAGEMENT (cont.)

Specifically risk coverage provided by the Risk Management Association for its members includes auto liability, general liability, law enforcement liability, sexual abuse liability, property/inland marine/crime, excess liability and public official's liability. The Risk Management Association will jointly self-insure certain risks within an agreed scope and may purchase catastrophe, excess/reinsurance, or aggregate stop loss insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no reductions in coverage in the last year.

During the initial three years of the Risk Management Association's existence, each participant has agreed to fully fund the participant's Maximum Loss Fund allocation so as to fully fund the Risk Management Association's Maximum Loss Fund for each year.

Supplemental payments to fund losses from participants may be required from time to time when the contributions for any fiscal year are insufficient to fund payments within the Maximum Loss Fund for that year. Premium payments are accounted for as current year expenses in the financial statements of the District.

The District has from time to time elected to self-insure workers' compensation liabilities rather than purchasing commercial insurance. During fiscal 2002, the District returned to a self-insured plan for workers' compensation claims. The District has purchased specific excess insurance which provides coverage when claims exceed \$500,000 individually. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

At June 30, 2020 and 2019, the estimated amount of these claims liabilities was \$881,295 and \$715,331, respectively. Changes in the reported liability resulted from the following:

<u>Year Ended June 30</u>	<u>Liability at Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
2018	\$ 336,676	\$ 492,909	\$ (358,451)	\$ 471,134
2019	\$ 471,134	\$ 720,245	\$ (476,048)	\$ 715,331
2020	\$ 715,331	\$ 828,540	\$ (662,576)	\$ 881,295

As of July 1, 2004, the District began self-insurance for a portion of its employee's health insurance. Currently, the District has purchased specific excess insurance which provides coverage when claims exceed \$85,000 individually. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

At June 30, 2020 and 2019, the estimated amount of these claims liabilities was \$72,454 and \$88,953, respectively. Changes in the reported liability resulted from the following:

<u>Year Ended June 30</u>	<u>Liability at Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
2018	\$ 87,399	\$ 2,353,506	\$ (2,366,054)	\$ 74,851
2019	\$ 74,851	\$ 2,416,312	\$ (2,402,210)	\$ 88,953
2020	\$ 88,953	\$ 2,206,214	\$ (2,222,713)	\$ 72,454

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 7 – RISK MANAGEMENT (cont.)

The District continues to carry commercial insurance for risks in excess of amounts self-insured and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8 – CONTINGENCIES

The District is involved in certain legal proceedings and disputes considered by management to be ordinary and incidental or which have no foundation in fact. Management believes that valid defenses exist as to all such litigation and disputes and is of the opinion that these will not have a material effect on the District's financial statements.

The District also receives monies from federal and state government agencies under grants and contracts. The costs charged to these grants and contracts are subject to audit and disallowance by the granting agency. Any disallowances or adjustments that would have a material effect on the District's financial statements are not known at this time

Certain items claimed under state operating assistance grants that the State of Illinois had not made a final determination whether the costs will be reimbursed under the grants as of June 30, 2020.

NOTE 9 – COMMITMENTS

The District entered into a contract for management services with FIRST TRANSIT, INC. with an effective date of August 1, 2015. There are five optional years at the end of the contract. Annual payments under this contract are as follows:

Contract Period	Fee
8/1/2015 - 7/31/2016	\$ 469,296
8/1/2016 - 7/31/2017	\$ 485,724
8/1/2017 - 7/31/2018	\$ 502,728
8/1/2018 - 7/31/2019	\$ 520,320
8/1/2019 - 7/31/2020	\$ 538,536
	\$ 2,516,604
Option Years:	
8/1/2020 - 7/31/2021	\$ 557,376
8/1/2021 - 7/31/2022	\$ 576,888
8/1/2022 - 7/31/2023	\$ 597,084
8/1/2023 - 7/31/2024	\$ 617,976
8/1/2024 - 7/31/2025	\$ 639,600
	\$ 2,988,924

The District's Management Service contract expiring 07/31/2020 was not renewed. A Request for Proposals was issued in February 2020 for Management Services. Due to the COVID-19 Pandemic, the Request for Proposal was cancelled. A one-year extension Agreement with First Transit, Inc. was executed for the period from 08/01/2020 to 07/31/2021 at amount of \$545,005.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 9 – COMMITMENTS (cont.)

The District entered into a contract for paratransit services with MV Transportation with an effective date of December 1, 2014. There are two optional years at the end of the contract. The contract calls for monthly payments based on vehicle service hours plus a monthly fixed rate. Rates can be renegotiated for changes in vehicle service hours. Estimated payments based on estimated vehicle service hours under this contract are as follows:

<u>Contract Period</u>	<u>Amount</u>
12/1/2014-11/30/2015	\$ 3,185,964
12/1/2015-11/30/2016	\$ 3,258,788
12/1/2016-11/30/2017	\$ 3,351,770
12/1/2017-11/30/2018	\$ 3,454,680
12/1/2018-11/30/2019	\$ 3,563,368
	<u>\$ 16,814,570</u>
Option Years	
12/1/2019-11/30/2020	\$ 3,622,960
	<u>\$ 3,622,960</u>

District's Paratransit service contract expiring 11/30/20 will not be renewed. A Request for Proposals was issued in June 2020 for ADA Paratranist and Rural Transit Services Provider. At the September 14, 2020 Greater Peoria Mass Transit District Board Meeting, the Board of Trustees approved Transdev Services, Inc. as the referenced Service Provider for an initial five (5) year contract with two (2) one-year options, effective 12/01/2020. The final contract is currently being negotiated by the Greater Peoria Mass Transit District General Counsel.

NOTE 10 – TRANSFER OF OPERATIONS

Under an intergovernmental agreement between Peoria County (County) and the District, the County agreed to transfer the operations of rural/non-urbanized area public transportation service to the District effective July 1, 2018. In the Greater Peoria Mass Transit District Financial Statement ending June 30, 2019, the effect of taking over the operations resulted in \$706,259 being reported as a special item in accordance GASB Statement No. 69 was recorded. Of the \$706,259 reported as a special item, \$339,152 represents cash expected to be received as a result of the transfer operations and \$367,107 represents the carry value of capital assets received as a result of the transfer operations. The \$339,152 was recorded as Accounts Receivable from Peoria County plus an additional \$69,108 related to fares for a total of \$408,260 due from Peoria County. During the period July 1, 2019 through June 30, 2020, Peoria County turned over \$200,000 (July 3, 2019) leaving a balance of \$209,260. Peoria County paid outstanding obligations incurred for the period prior to June 30, 2019 from the balance that was to be transferred. As of June 30, 2020, Peoria County submitted a reconciliation of expenses and revenue for the period through June 30, 2020. The reconciliation indicated that a final transfer of \$99,892 was to be turned over to the Greater Peoria Mass Transit District. At June 30, 2020, the Greater Peoria Mass Transit District recorded a journal entry of \$71,394 to Special Item Income leaving an Accounts Receivable balance of \$99,892 to be transferred. Peoria County remitted the \$99,892 on August 13, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

GREATER PEORIA MASS TRANSIT DISTRICT

**DEFINED BENEFIT PENSION PLAN – REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED**

**Schedule of Changes in the Net Pension Liability and Related Ratios
Last Six Calendar Years**

Calendar Year December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension Liability						
1. Service Cost	\$ 963,867	\$ 882,646	\$ 941,383	\$ 1,019,925	\$ 942,403	\$ 989,369
2. Interest on the Total Pension Liability	3,336,709	3,204,485	3,128,294	3,061,747	2,877,192	2,732,162
3. Changes for benefit terms	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	2,030,024	460,766	565,454	(1,019,079)	695,296	(896,198)
5. Changes in assumptions	-	1,286,262	(1,272,257)	(152,776)	50,657	1,279,002
6. Benefit payments, including refunds of employee contributions	<u>(2,748,585)</u>	<u>(2,406,736)</u>	<u>(2,228,536)</u>	<u>(2,065,849)</u>	<u>(2,098,565)</u>	<u>(2,087,798)</u>
7. Net change in total pension liability	3,582,015	3,427,423	1,134,338	843,968	2,466,983	2,016,537
8. Total pension liability - beginning	46,915,930	43,488,507	42,354,169	41,510,201	39,043,218	37,026,681
9. Total pension liability - ending	<u>\$ 50,497,945</u>	<u>\$ 46,915,930</u>	<u>\$ 43,488,507</u>	<u>\$ 42,354,169</u>	<u>\$ 41,510,201</u>	<u>\$ 39,043,218</u>
B. Plan fiduciary net position						
1. Contributions - employer	\$ 963,671	\$ 1,032,060	\$ 1,017,690	\$ 1,053,729	\$ 1,133,521	\$ 1,140,253
2. Contributions - employee	661,960	605,810	402,721	390,592	401,219	383,779
3. Net investment income	7,930,960	(1,563,408)	6,447,877	2,386,559	169,538	2,002,165
4. Benefit payments, including refunds of employee contributions	(2,835,824)	(2,470,799)	(2,228,536)	(2,065,849)	(2,098,565)	(2,087,798)
5. Other (Net Transfer)	<u>(41,338)</u>	<u>568,453</u>	<u>(479,505)</u>	<u>73,131</u>	<u>699,139</u>	<u>(353,113)</u>
6. Net change in plan fiduciary net position	6,679,429	(1,827,884)	5,160,247	1,838,162	304,852	1,085,286
7. Plan fiduciary net position - beginning	<u>39,664,920</u>	<u>41,492,804</u>	<u>36,332,557</u>	<u>34,494,395</u>	<u>34,189,543</u>	<u>33,104,257</u>
8. Plan fiduciary net position - ending	<u>\$ 46,344,349</u>	<u>\$ 39,664,920</u>	<u>\$ 41,492,804</u>	<u>\$ 36,332,557</u>	<u>\$ 34,494,395</u>	<u>\$ 34,189,543</u>
C. Net pension liability/(asset)	\$ 4,153,596	\$ 7,251,010	\$ 1,995,703	\$ 6,021,612	\$ 7,015,806	\$ 4,853,675
D. Plan fiduciary net position as a percentage of the total pension liability	91.77%	84.54%	95.41%	85.78%	83.10%	87.57%
E. Covered Valuation payroll (Calendar Year)	\$ 9,773,509	\$ 9,122,534	\$ 8,942,807	\$ 8,679,802	\$ 8,909,465	\$ 8,496,674
F. Net position liability as a percentage of covered valuation payroll	42.50%	79.48%	22.32%	69.37%	78.75%	57.12%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. See accompanying independent auditors' report.

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GREATER PEORIA MASS TRANSIT DISTRICT

**DEFINED BENEFIT PENSION PLAN – REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED**

Schedule of Employer Contributions

Last Six Fiscal Years

<u>Fiscal Year Ending June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Fiscal Year Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	\$ 1,084,230	\$ 1,084,230	\$ -	\$ 10,207,730	10.62%
2019	991,687	991,687	-	9,598,588	10.33%
2018	1,006,764	1,006,764	-	8,941,699	11.26%
2017	1,063,507	1,063,507	-	9,042,159	11.76%
2016	1,080,534	1,080,534	-	8,983,498	12.03%
2015	1,166,393	1,166,393	-	8,718,035	13.38%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. See accompanying independent auditors' report.

GREATER PEORIA MASS TRANSIT DISTRICT

DEFINED BENEFIT PENSION PLAN – REQUIRED SUPPLEMENTARY INFORMATION UNAUDITED

NOTES TO SCHEDULES

Summary of Actuarial Methods and Assumptions Used in the Calculations of the 2019 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2019 Contribution Rate:

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): 24-year closed Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer group upon adoption of ERI.
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers financed over 28 years and four employers were financed over 29 years)

Asset Valuation Method 5-Year Smoothed Market; 20% corridor

Wage Growth 3.25% (3.50% in 2018)

Price Inflation 2.50% (2.75% in 2018)

Salary Increases 3.35% to 14.25% including inflation (3.75% to 14.50% in 2018)

Investment Rate of Return 7.50%

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016 (2014 valuation study for the period of 2011-2013 in 2018).

Mortality Rates For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP2017 (base year 2015). The IMRF specific rates were developed from the RP-2017 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. Updated from MP-2014 (base year 2012) in 2018.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

GREATER PEORIA MASS TRANSIT DISTRICT

OTHER POST-EMPLOYMENT BENEFIT PLAN – REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED

Schedule of Changes in the Total OPEB Liability
Last Three Fiscal Years

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 701,937	\$ 2,108,614	\$ 2,030,051
Interest	484,759	1,621,934	1,522,853
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(39,535)	(34,051,319)	-
Changes in Assumptions	2,579,744	2,683,814	-
Benefit Payments	<u>(929,809)</u>	<u>(639,612)</u>	<u>(951,454)</u>
Net Change in Total OPEB Liability	2,797,096	(28,276,569)	2,601,450
Total OPEB Liability - Beginning	<u>14,150,825</u>	<u>42,427,394</u>	<u>39,825,944</u>
Total OPEB Liability - Ending	<u>\$ 16,947,921</u>	<u>\$ 14,150,825</u>	<u>\$ 42,427,394</u>

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

Year Ended June 30, 2020 - The assumptions were changed from the prior year. The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 2.21% for the current year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 2.21%. See the Assumptions (Economic) section for more details. Assumption changes were also made to the inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates based on rates from an IMRF experience study report dated November 8, 2017.

Year Ended June 30, 2019 - The assumptions were changed from the prior year. The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.87% to 3.50% for the current year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.87% to 3.50%. See the Assumptions (Economic) section for more details. The plan provisions were also changed from the prior year. Medicare eligible retirees must move to the new Humana plan and cannot remain on the PPO plan. There are also new provisions in place for Tier II members regarding explicit benefits.

GREATER PEORIA MASS TRANSIT DISTRICT

OTHER POST-EMPLOYMENT BENEFIT PLAN – REQUIRED SUPPLEMENTARY INFORMATION
UNAUDITED

Schedule of Total OPEB Liability and Related Ratio

Last Three Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability - Ending (a)	<u>\$ 16,947,921</u>	<u>\$ 14,150,825</u>	<u>\$ 42,427,394</u>
OPEB Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer Net OPEB Liability - Ending (a) - (b)	<u>\$ 16,947,921</u>	<u>\$ 14,150,825</u>	<u>\$ 42,427,394</u>
OPEB Plan Net Position as a Percentage of the Total OPEB Liability	0%	0%	0%
Covered-Employee Payroll	\$ 9,523,392	\$ 9,165,241	\$ 8,941,699
Employer's Net OPEB Liability as a Percentage of Covered-Employee Payroll	177.96%	154.40%	474.49%

Covered employee payroll shown for the current year is the total covered payroll for the fiscal for all plan members.

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



GREATER PEORIA MASS TRANSIT DISTRICT

Statistical Section

The Statistical Section Includes

FINANCIAL TRENDS:

These tables contain trend information to assist the reader in understanding how GPMTD's financial performance and financial condition have changed over time:

Table 1 - Condensed Statement of Net Position

Table 2 - Change in Net Position

Table 3 - Detailed Report of Revenues and Expenses

Table 4 - Change in Revenues and Expenses

REVENUE CAPACITY:

These tables contain trend information to assist the reader in understanding the GPMTD's most significant local revenue sources:

Table 5 - Funding Sources (Operating and Capital)

Table 6 - Operating Revenues & Operating Expenses

Table 7 - Property Tax Levies Collected

Table 8 - Principal Property Tax Payers

DEMOGRAPHIC AND ECONOMIC INFORMATION:

These tables offer demographic and economic indicators to assist the reader in understanding the environment within which GPMTD's financial activities take place:

Table 9 - Population Trends

Table 10 - Principal Employers

OPERATING INFORMATION:

These tables contain information to assist the reader in understanding GPMTD's operations:

Table 11 - Budgetary Comparison Schedule

Table 12 - Ridership Report

Table 13 - Employee by Major Function

Table 14 - Condensed Statement of Capital Assets

Table 15 - Change in Capital Assets

GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 1
CONDENSED STATEMENT OF NET POSITION
10 YEARS ENDED JUNE 30

A historical summary of GPMTDs statement of net position is presented below:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Assets	\$ 16,433,220	\$ 20,759,720	\$ 24,399,515	\$ 31,742,091	\$ 35,351,831	\$ 40,318,585	\$ 37,667,887	\$ 38,516,735	\$ 43,317,890	\$ 46,454,397
Capital Assets	16,882,755	16,900,573	22,017,045	20,064,176	18,896,721	17,111,018	19,207,257	18,690,807	17,009,235	16,414,403
Total Assets	33,315,975	37,660,293	46,416,560	51,806,267	54,212,552	57,429,603	56,875,144	57,207,542	60,327,125	62,868,800
Deferred Outflows of Resources	-	-	-	-	1,222,576	4,087,858	3,327,189	1,589,583	7,415,903	7,751,791
Current Liabilities	2,189,887	3,496,857	4,134,438	8,856,318	10,376,011	12,755,535	6,937,042	5,243,950	5,524,983	6,197,423
Noncurrent Liabilities	5,386,174	8,572,453	11,687,931	14,639,089	21,364,608	25,685,512	27,100,003	43,471,643	20,762,223	20,171,708
Total Liabilities	7,576,061	12,069,310	15,822,369	23,495,407	31,740,619	38,441,047	34,037,494	48,715,593	26,287,206	26,369,131
Deferred Inflows of Resources	-	-	-	-	-	555,678	1,336,289	3,837,136	1,346,034	2,701,021
Net Investment in Capital Assets	16,882,755	16,900,573	22,017,045	20,064,176	18,896,721	17,111,018	19,207,257	18,690,807	17,009,235	16,414,403
Restricted	1,375,668	1,205,018	860,369	471,885	232,643	38,844	515,089	1,016,321	1,042,839	716,354
Unrestricted	7,481,491	7,485,392	7,716,777	7,774,799	4,565,145	5,370,874	5,106,208	(13,462,729)	22,057,714	24,419,682
Total Net Position	\$ 25,739,914	\$ 25,590,983	\$ 30,594,191	\$ 28,310,860	\$ 23,694,509	\$ 22,520,736	\$ 24,828,554	\$ 6,244,400	\$ 40,109,788	\$ 41,550,439

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 2

**CHANGE IN NET POSITION
10 YEAR COMPARISON**

Presented in table 2 is a 10 year comparison of GPMTD changes in net position.

	2010	2020	% CHANGE	\$ CHANGE
Current Assets	\$ 15,460,670	\$ 46,454,397	200%	\$30,993,727
Capital Assets	10,363,269	16,414,403	58%	6,051,134
Deferred Outflows of Resources	-	7,751,791		7,751,791
Total Assets and Deferred Outflows ^a	25,823,939	70,620,591	173%	44,796,652
Current Liabilities	2,547,201	6,197,423	143%	3,650,222
Noncurrent Liabilities	3,657,019	20,171,708	100%	16,514,689
Deferred Inflows of Resources	-	2,701,021		2,701,021
Total Liabilities and Deferred Inflows ^b	6,204,220	29,070,152	369%	22,865,932
Net Investment in Capital Assets	10,363,269	16,414,403	58%	6,051,134
Restricted	1,615,599	716,354	-56%	(899,245)
Unrestricted	7,640,851	24,419,682	220%	16,788,831
Total Net Position	\$ 19,619,719	\$ 41,550,439	112%	\$ 21,930,720

NOTE:

- a) The increase of GPMTD's total assets is due to a significant increase in cash and cash equivalents. Capital assets has increased by purchasing of new fleet in 2016, service vehicles in 2016, and the impact of revised capitalization policy in 2010.
- b) The increase of GPMTD's Total Liabilities is due to the increase of OPEB GASB 75 & 68 obligations.

GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 3
DETAILED REPORT OF REVENUES AND EXPENSES
PAST 10 YEARS, FOR YEAR ENDING JUNE 30

A historical summary of GPMTDs Revenues and Expenses is provided in the following table:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Passenger Fares	\$ 1,792,696	\$ 1,946,591	\$ 1,935,253	\$ 1,881,052	\$ 1,935,655	\$ 1,995,170	\$ 1,866,225	\$ 1,907,592	\$ 1,834,303	\$ 1,321,256
(East Peoria, Pekin)	391,792	423,981	407,544	439,827	1,003,575	1,042,511	1,230,942	1,341,214	641,952	639,315
Advertising	54,963	97,035	70,768	133,289	165,355	126,197	134,517	241,072	283,822	234,741
Other	65,689	193,630	164,059	155,059	90,632	81,721	79,080	97,396	123,595	141,091
Total Operating Revenues	2,305,140	2,661,237	2,577,624	2,609,227	3,195,217	3,245,599	3,310,764	3,587,274	2,883,672	2,336,403
Federal	893,244	1,954,049	1,794,986	1,543,328	1,345,815	1,662,903	1,826,485	1,888,838	2,364,767	3,479,984
State	14,231,100	15,025,374	15,509,601	16,314,231	16,691,025	16,183,484	16,596,667	17,027,700	18,375,455	16,040,641
State Assistance	1,085,388	(106,968)	236,361	-	-	-	-	-	-	-
Property and Replacement Taxes	4,027,330	4,204,106	4,413,092	4,649,380	4,865,793	5,037,610	5,350,856	5,552,955	5,823,774	6,159,260
Other	100,896	60,888	57,609	52,152	412,142	56,902	125,340	123,768	615,444	600,307
Total Non-Operating Revenue	20,337,958	21,137,449	22,011,649	22,559,091	23,314,775	22,940,899	23,899,348	24,593,261	27,179,440	26,280,192
Total Revenues	22,643,098	23,798,686	24,589,273	25,168,318	26,509,992	26,186,498	27,210,112	28,180,535	30,063,112	28,616,595
Salaries and Fringe Benefits	14,606,001	16,045,127	16,459,222	17,187,325	17,114,716	16,310,104	17,563,318	17,801,086	18,418,976	16,842,864
Professional Services	3,233,162	3,238,147	3,429,270	3,631,117	5,002,202	5,467,983	5,382,418	5,691,732	6,070,293	5,354,707
Materials and Supplies	3,190,496	3,520,983	3,558,847	3,562,111	3,318,962	2,680,486	2,286,106	2,555,493	3,193,236	2,849,933
Casualty and Liability	600,397	440,250	504,930	546,141	533,314	494,630	527,781	506,948	535,852	602,528
Other	386,095	286,083	367,210	454,676	324,822	501,247	544,726	559,978	383,624	500,851
Operating and Maintenance Expenses	22,016,151	23,530,590	24,319,479	25,381,370	26,294,015	25,454,450	26,304,349	27,115,237	28,601,981	26,150,883
Depreciation Expense	1,391,884	2,024,121	2,285,792	2,436,845	2,285,026	2,391,281	2,493,158	2,866,015	3,148,012	3,165,854
Total Expenses	23,408,035	25,554,711	26,605,271	27,818,215	28,579,041	27,845,731	28,797,507	29,981,252	31,749,993	29,316,737
Capital Contribution	6,885,132	1,607,094	7,019,206	366,566	840,058	484,459	3,895,211	2,021,042	794,693	2,212,187
Special Item	-	-	-	-	-	-	-	-	34,757,587	(71,394)
Changes in Net Position	6,120,195	(148,931)	5,003,208	(2,283,331)	(1,228,991)	(1,174,774)	2,307,816	220,325	33,865,392	1,440,651
Beginning Net Position	19,619,719	25,739,914	25,590,983	30,594,191	28,310,860	23,695,509	22,520,735	24,828,551	6,244,396	40,109,788
Change in Accounting Principle	-	-	-	-	(3,387,360)	-	-	(18,804,480)	-	-
Net Position End of Year	\$25,739,914	\$25,590,983	\$30,594,191	\$28,310,860	\$23,694,509	\$22,520,735	\$ 24,828,551	\$ 6,244,396	\$40,109,788	\$ 41,550,439

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 4

CHANGE IN REVENUES AND EXPENSES

10 YEAR COMPARISON

Presented in the table below is a 10 year comparison of the changes in revenues and Expenses. The historical section of the letter of transmittal in the Introductory Section highlights several factors that contributed to the increase in revenues and expenses.

	2010	2020	% CHANGE	\$ CHANGE
Passenger Fares	\$ 1,666,415	\$ 1,321,256	-21%	\$ (345,159)
Contractual Revenues (East Peoria, Pekin)	355,438	639,315	80%	283,877
Advertising	64,109	234,741	266%	170,632 (a)
Other	64,231	141,091	120%	76,860
Total Operating Revenues	2,150,193	2,336,403	9%	186,210
Federal	2,055,538	3,479,984	69%	1,424,446
State	10,337,122	16,040,641	55%	5,703,519 (b)
Property and Replacement Taxes	3,812,157	6,159,260	62%	2,347,103
Other	146,415	600,307	310%	453,892
Total Non-Operating Revenue	16,351,232	26,280,192	61%	9,928,960
Total Revenues	\$ 18,501,425	\$ 28,616,595	55%	\$ 10,115,170
Salaries and Fringe Benefits	\$ 13,336,763	\$ 16,842,864	26%	\$ 3,506,101
Professional Services	3,047,784	5,354,707	76%	2,306,923
Materials and Supplies	3,112,858	2,849,933	-8%	(262,925)
Casualty and Liability	552,430	602,528	9%	50,098
Other	336,423	500,851	49%	164,428
Depreciation Expense	1,225,834	3,165,854	158%	1,940,020
Total Expenses	\$ 21,612,092	\$ 29,316,737	36%	\$ 7,704,645

a) District has outsourced 3rd party to sell bus advertising.

b) Downstate Operating Assistance is 65% of total eligible expenses.

GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 5
FUNDING SOURCES (OPERATING AND CAPITAL)
FOR THE YEAR ENDED JUNE 30

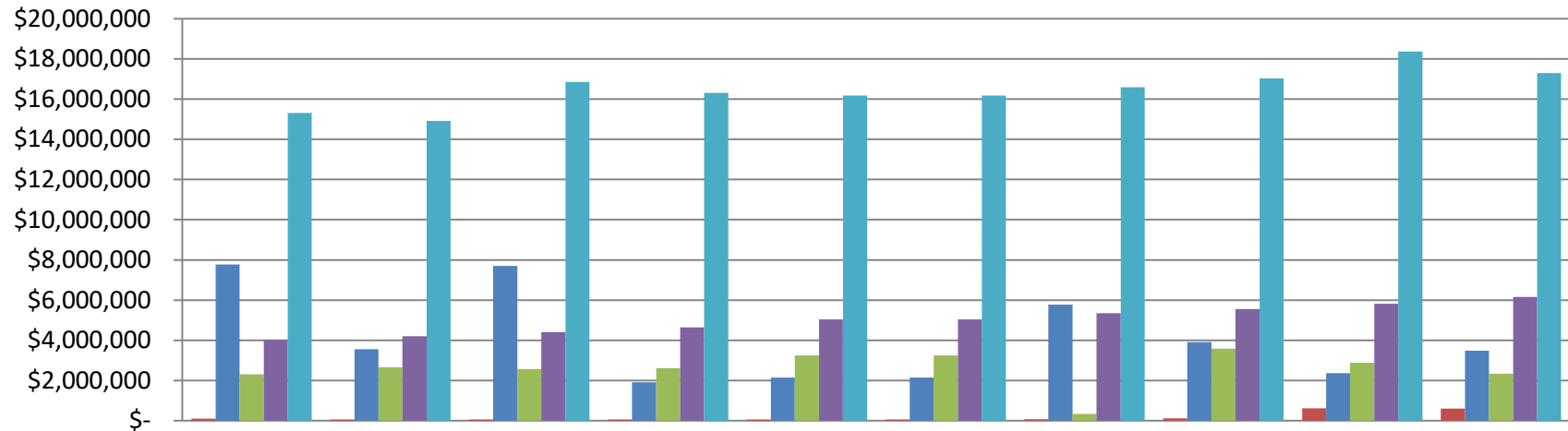
The table below shows trends in GPMTDs Funding Sources.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Local Operating Revenues	\$ 2,305,140	\$ 2,661,237	\$ 2,577,624	\$ 2,609,227	\$ 3,195,217	\$ 3,245,599	\$ 3,310,765	\$ 3,587,274	\$ 2,883,672	\$ 2,336,403
Non Operating Revenues	100,896	60,888	57,609	52,152	65,761	56,902	72,536	123,768	615,444	600,307
Federal Revenue	* 7,778,376	3,561,143	7,705,674	1,909,894	2,185,873	2,148,361	5,774,500	3,909,880	2,364,767	3,479,984
Local Tax Revenue	4,027,330	4,204,106	4,413,092	4,649,380	4,865,793	5,037,610	5,350,856	5,552,955	5,823,774	6,159,260
State Operating Assistance	15,316,488	14,918,406	16,854,480	16,314,231	16,691,025	16,183,484	16,596,667	17,027,700	18,375,455	16,040,641
Total Funding Sources	\$ 29,528,230	\$ 25,405,780	\$ 31,608,479	\$ 25,534,884	\$ 27,003,669	\$ 26,671,956	\$ 31,105,324	\$ 30,201,577	\$ 30,063,112	\$ 28,616,595

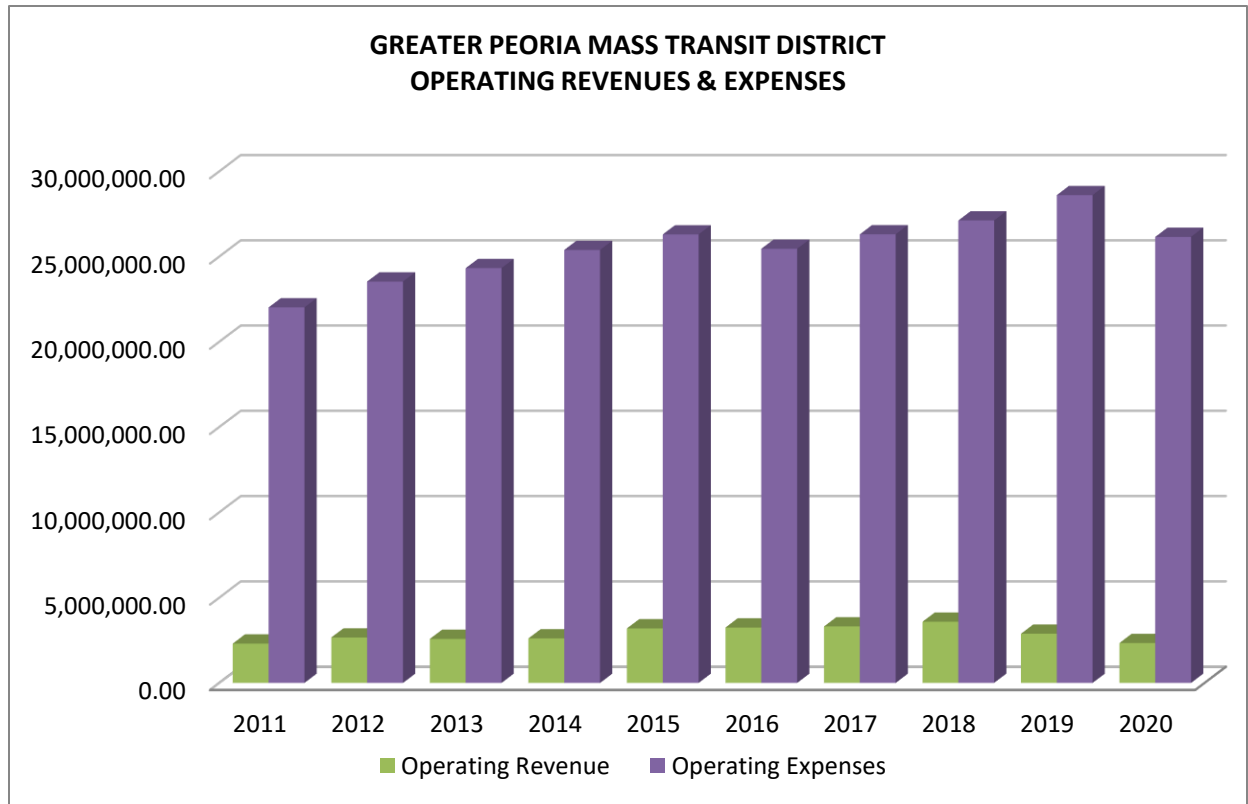
*Includes American Recovery and Reinvestment Act (ARRA) Grants

GREATER PEORIA MASS TRANSIT DISTRICT
FUNDING SOURCES

■ Non Operating ■ Federal ■ Operating ■ Local Tax ■ State



GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 6
OPERATING REVENUES & OPERATING EXPENSES
10 YEARS ENDED JUNE 30



	2011	2012	2013	2014	2015
Operating Revenue	\$ 2,305,140	\$ 2,661,237	\$ 2,577,624	\$ 2,609,227	\$ 3,195,217
Operating Expenses	\$ 22,016,151	\$ 23,530,590	\$ 24,319,479	\$ 25,381,370	\$ 26,294,015

	2016	2017	2018	2019	2020
Operating Revenue	\$ 3,245,599	\$ 3,310,765	\$ 3,587,274	\$ 2,883,672	\$ 2,336,403
Operating Expenses	\$ 25,454,450	\$ 26,304,347	\$ 27,115,237	\$ 28,601,979	\$ 26,150,883

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 7

PROPERTY TAX LEVIES COLLECTED

10 YEARS ENDED JUNE 30

A summary of tax levies collected including the tax rate for the past 10 years is provided in the following table.

Fiscal Year	Tax Levy	(a) (MIL rate)	Assessed Value	Total Collected as of 06/30	% Collected	Collected within 1st year
2020	\$ 5,999,563	13.67	\$ 2,252,756,150	\$ -	0.00%	
2019	\$ 5,713,870	11.50	\$ 2,309,833,112	\$ 5,649,153	98.87%	Yes
2018	\$ 5,441,782	9.97	\$ 2,250,956,435	\$ 5,357,333	98.45%	Yes
2017	\$ 5,182,650	9.40	\$ 2,243,037,333	\$ 5,119,189	98.78%	Yes
2016	\$ 4,935,857	8.80	\$ 2,219,202,955	\$ 4,892,134	99.11%	Yes
2015	\$ 4,700,816	8.85	\$ 2,170,902,458	\$ 4,610,155	98.07%	Yes
2014	\$ 4,476,968	9.13	\$ 2,077,424,101	\$ 4,431,931	98.99%	Yes
2013	\$ 4,263,779	8.32	\$ 2,102,244,198	\$ 4,240,431	99.45%	Yes
2012	\$ 4,060,742	8.37	\$ 2,132,351,602	\$ 4,016,777	98.92%	Yes
2011	\$ 3,867,373	10.05	\$ 2,152,420,767	\$ 3,821,514	98.81%	Yes

NOTE:

(a) GPMTD's maximum tax levy rate is 15 MIL

MIL rate = Total Funds Levied / Equalized Assessed Valuation

* 13.67 MIL rate means 13.67 cents levied per \$100 Assessment Valuation.

** GPMTD's IMRF (pension) fund, audit, worker compensation fund, social securities fund, and unemployment fund are not included in the total Funds levied against MIL calculation.

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 8

PRINCIPAL PROPERTY TAX PAYERS

A summary of the top ten tax payers for the current year and 9 years earlier is provided in the following table.

Taxpayer	2019			2010		
	Rank	Assessed Valuation	Percent Of Total Assessed	Rank	Assessed Valuation	Percent Of Total Assessed
Caterpillar Inc.	1	\$ 42,610,000	1.25%	1	\$ 44,707,000	1.34%
Pere Marquette Hotel LLC	2	\$ 13,320,000	0.39%			
MCRIL LLC				2	\$ 16,008,000	0.48%
Northwoods Development Company	3	\$ 9,158,000	0.26%	3	\$ 9,517,000	0.29%
Peoria New Mall LLC	4	\$ 7,787,000	0.22%			
PV Peoria LLC Stark Management LLC	5	\$ 7,370,000	0.22%	4	\$ 7,768,000	0.23%
Illinois American Water SSC	6	\$ 7,216,000	0.20%			
Wal-Mart Real Estate Business Trust	7	\$ 6,955,000	0.20%			
Willow Knolls LTD	8	\$ 6,718,000	0.19%	5	\$ 7,744,000	0.23%
Gateway Taylor Inc.				6	\$ 7,177,000	0.22%
Methodist Services Inc.	9	\$ 6,240,000	0.16%			
Ameren CILCO	10	\$ 6,159,000	0.16%	7	\$ 5,278,000	0.16%
Lexington House Corporation				8	\$ 5,246,000	0.16%
Knoxville3 Pointe SPE-123				9	\$ 4,950,000	0.15%
Edward Rose Development				10	\$ 4,780,000	0.14%
		<u>\$ 113,533,000</u>	<u>3.34%</u>		<u>\$ 113,175,000</u>	<u>3.39%</u>
All Other Taxpayers		<u>\$3,285,536,000</u>	<u>96.66%</u>		<u>\$3,224,776,000</u>	<u>96.61%</u>
		<u><u>\$3,399,069,000</u></u>	<u><u>100.00%</u></u>		<u><u>\$3,337,951,000</u></u>	<u><u>100.00%</u></u>

NOTES:

Assessed Valuation is determined in the year preceding the years paid.

SOURCES:

- (a) Peoria County Supervisor of Assessments (2019). Year 2020 data is not available.
- (b) Peoria County Comprehensive Annual Financial Report (CAFR)

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 9

POPULATION TRENDS

SERVICE AREA (PEORIA, PEORIA HEIGHTS, WEST PEORIA, EAST PEORIA AND PEKIN ILLINOIS)

The table below shows the historical total population, personal income, per capita personal income and the weighted average of the unemployment rate for the service area.

CALENDAR YEAR	POPULATION (2)	PERSONAL INCOME (4)	PER CAPITA (4) PERSONAL INCOME	UNEMPLOYMENT RATE % (3)
2010	172,337	15,249,409	40,243	11.1%
2011	172,713	16,763,844	44,151	9.4%
2012	173,161	17,657,307	46,412	8.5%
2013	173,834	17,529,345	45,875	10.0%
2014	183,809	16,679,535	43,889	8.2%
2015	181,804	17,061,000	45,132	6.3%
2016	180,786	17,327,026	46,052	6.5%
2017	183,011	17,666,000	46,977	5.4%
2018	180,621	19,705,312	48,870	6.2%
2019	184,661	(1)	(1)	4.7%

SOURCES:

US Census Bureau (www.census.gov)

Bureau of Economic Analysis (www.bea.gov)

Bureau of Labor Statistics (www.bls.gov)

Illinois Department of Employment Security (www.ides.illinois.gov)

City Data (www.city-data.com)

NOTES:

- (1) Information of personal income and per capita personal income for 2019 has not yet been released.
- (2) Population totals for Peoria, Peoria Heights West Peoria, East Peoria, and Pekin Illinois
- (3) Weighted average of Peoria, Peoria Heights, West Peoria, East Peoria, and Pekin unemployment rate.
- (4) Per Capita Personal Income and Personal Income based on Peoria Metropolitan Statistical Area and only available to 2018.

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 10

PRINCIPAL EMPLOYERS

REVENUE SERVICE AREA (PEORIA, PEORIA HEIGHTS, WEST PEORIA, EAST PEORIA AND PEKIN ILLINOIS)

The table below shows the top employers in the revenue service area ranked by number of employees.

EMPLOYER	2019		% of Total Employment	EMPLOYER	2010		% of Total Employment
	EMPLOYEES (1)	RANK			EMPLOYEES (3)	RANK	
Caterpillar (2)	12,000	1	7.27%	Caterpillar (2)	15,904	1	8.57%
OSF Saint Francis Medical Center	12,000	1	7.27%	Methodist Medical Center (4)	3,000	2	1.62%
UnityPoint Health	4,991	3	3.02%	OSF Saint Francis Medical Center	2,947	3	1.59%
Peoria Public Schools District 150	2,891	4	1.75%	Peoria Public Schools District 150	2,500	4	1.35%
Illinois Central College	1,625	5	0.98%	SC2	1,500	5	0.81%
Bradley University	1,300	6	0.79%	Bradley University	1,400	6	0.75%
Advanced Technology Services	1,073	7	0.65%	Proctor Hospital (4)	1,200	7	0.65%
Liberty Steel & Wire Co. (was Keystone)	912	8	0.55%	Affina, LLC	1,014	8	0.55%
Pekin Insurance	900	9	0.55%	County of Peoria	917	9	0.49%
City of Peoria	888	10	0.54%	Keystone Steel & Wire (now Liberty)	865	10	0.47%

SOURCES:

- (1) Illinois Economic Development Association (IEDA)
- (2) Caterpillar figure reflects tri-county employment.
- (3) 2010 data from Peoria County 2010 CAFR
- (4) Methodist Medical Center and Proctor Hospital are aligned under Unity Point Health for 2019.

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 11

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2020

A comparative analysis of District's actual results compared to approved budget is presented below

	2020 APPROVED/ FINAL BUDGET	2020 ACTUAL	VARIANCE
OPERATING REVENUES			
Passenger Fares	\$ 1,595,500	\$ 1,105,604	\$ (489,895)
Special Transit Services	310,000	215,652	(94,348)
East Peoria and Pekin Mass Transit Districts	567,915	639,315	71,400
Advertising	375,000	234,741	(140,259)
Other	101,500	141,091	39,591
Total Operating Revenues	<u>2,949,915</u>	<u>2,336,403</u>	<u>(613,511)</u>
OPERATING EXPENSES			
Salaries and Fringe Benefits	19,872,572	16,842,864	(3,029,708)
Purchased Services	1,780,743	1,645,530	(135,213)
Fuel and Lubricants	2,148,175	1,182,415	(965,760)
Materials and Supplies	1,360,550	1,376,523	15,973
Utilities	255,500	191,616	(63,884)
Casualty and Liability Costs	580,400	602,528	22,128
Tires and Tubes	150,000	99,379	(50,621)
Travel Expenses	117,600	67,287	(50,313)
Dues and Subscriptions	55,660	46,236	(9,424)
Purchased Transportation	4,750,000	3,709,177	(1,040,823)
Other	728,800	387,328	(341,472)
Total Operating Expenses	<u>31,800,000</u>	<u>26,150,883</u>	<u>(5,649,117)</u>
Operating Loss Before Depreciation	<u>(28,850,085)</u>	<u>(23,814,480)</u>	<u>(5,035,606)</u>
DEPRECIATION	3,024,284	3,165,854	141,570
Loss From Operations	<u>(31,874,369)</u>	<u>(26,980,334)</u>	<u>(4,894,035)</u>
NONOPERATING REVENUES (EXPENSES)			
Sales Commissions	13,200	8,931	(4,269)
Grants			
State of Illinois			
Downstate Public Transportation Assistance Program			
Operating Assistance	20,571,065	16,040,641	(4,530,424)
Federal Transit Administration			
Maintenance Assistance	1,270,000	1,518,988	248,988
Operating Assistance	560,000	1,813,253	1,253,253
Rural Transportation Assistance	-	147,743	147,743
Investment Income	258,767	565,531	306,764
Property and Replacement Taxes	6,174,553	6,159,260	(15,293)
Gain on disposal of capital assets	2,500	25,845	23,345
Total Non-Operating Revenues	<u>28,850,085</u>	<u>26,280,192</u>	<u>(2,569,893)</u>
Net Income Before Contributions	<u>(3,024,284)</u>	<u>(700,142)</u>	<u>2,324,142</u>
Capital Contributions	-	2,212,187	2,212,187
Special Items	-	(71,394)	(71,394)
Change in Net Position	\$ (3,024,284)	1,440,651	\$ 4,464,935
Net Position- Beginning of Year		<u>40,109,788</u>	
Net Position- End of Year		<u>\$ 41,550,439</u>	

GREATER PEORIA MASS TRANSIT DISTRICT

**TABLE 12
RIDERSHIP REPORT
2010-2020**

FARE COLLECTION	2010	2020	
Adults (7-64)	\$1.00	\$1.00	1)
Seniors (64+)	\$1.00	*\$0.50	2)
Children (7 and Under)	**Free	**Free	3)
Paratransit Services (Door-to-Door)	\$2.00	\$2.00	
Students/Persons with Disabilities (with ID)	\$0.50	\$0.50	
Veterans (with ID)	N/A	\$0.50	
Urbanized Area Transportation	N/A	\$6.00	
Day Pass (Unlimited rides in one day)	N/A	\$3.00	
30 Day Pass (Unlimited rides in thirty days)	N/A	\$40.00	

**When accompanied by a paying adult

NOTE: Public hearing is required if District's planning to increase the fare price.

- 1) Cash fare
- 2) Each ride, all day
- 3) Children 54 inches and shorter

Effective January 2, 2016 New Fare Structure

RIDERSHIP FY2020

Adult	722,453	
Child	512,450	
Senior	46,315	
Student	92,631	
Day Pass	380,578	
30 Day Pass	473,557	
Total Regular Route		2,227,984
Paratransit Services	115,600	
GRAND TOTAL (Fixed Route and Paratransit)		2,343,584

FY2020	Actual Vehicle Miles	Actual Vehicle Hours	Actual Peak Vehicles
Regular Route	2,092,473	151,141	44
Special Routes	26,966	1,219	2
Paratransit Services	971,014	86,179	31
Total	3,090,453	238,539	77

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 13

EMPLOYEE BY MAJOR FUNCTION

AS OF JUNE 30

The table below documents the number of employees by major function from 2011 to 2020.

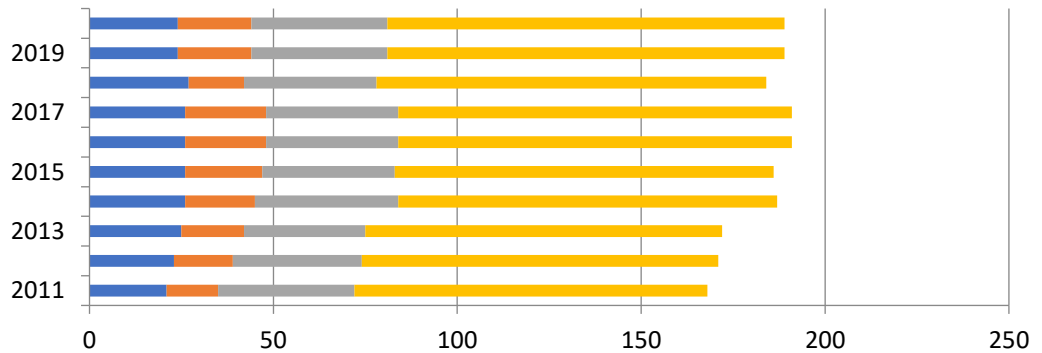
YEAR	ADMINISTRATION	POLICE OFFICERS	MAINTENANCE	OPERATIONS	TOTAL
2011	21	14	37	96	168
2012	23	16	35	97	171
2013	25	17	33	97	172
2014	26	19	39	103	187 *
2015	26	21	36	103	186 *
2016	26	22	36	107	191
2017	26	22	36	107	191
2018	27	15	36	106	184
2019	24	20	37	108	189
2020	24	20	37	108	189

10 Year Change	 3	 6 **	 0	 12	 21
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* Sunday Service Added 06/08/2014

** Part-Time Employees

**GREATER PEORIA MASS TRANSIT DISTRICT
EMPLOYEE COUNT AS OF JUNE 30**



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
■ ADMINISTRATION	21	23	25	26	26	26	26	27	24	24
■ POLICE OFFICERS	14	16	17	19	21	22	22	15	20	20
■ MAINTENANCE	37	35	33	39	36	36	36	36	37	37
■ OPERATIONS	96	97	97	103	103	107	107	106	108	108

■ ADMINISTRATION ■ POLICE OFFICERS ■ MAINTENANCE ■ OPERATIONS

GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 14
CONDENSED STATEMENT OF CAPITAL ASSETS
10 YEARS ENDED JUNE 30

A historical summary of GPMTDs capital assets is presented below:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Land	\$ 1,854,492	\$ 1,855,709	\$ 1,855,709	\$ 1,855,709	\$ 1,855,709	\$ 1,855,709	\$ 1,861,749	\$ 1,855,709	\$ 1,881,735	\$ 1,952,617
Building	11,997,170	11,997,171	11,786,576	11,786,576	11,786,576	11,786,576	11,786,576	11,801,164	11,786,576	11,786,576
Building and Improvements	334,968	353,321	177,347	188,548	682,494	1,116,191	1,669,232	1,873,532	1,888,465	3,276,523
Revenue Vehicles	20,282,582	18,419,368	23,496,719	23,639,287	23,956,533	23,956,533	25,467,358	22,849,157	23,610,419	23,610,419
Service Vehicles	426,540	426,540	438,195	631,165	631,165	672,585	609,396	682,765	682,765	682,765
Shop & Garage Equipment	569,330	630,331	422,280	430,506	498,014	504,171	807,441	807,441	961,500	1,097,187
Furniture & Office	686,910	672,344	360,117	365,407	377,994	448,734	264,817	264,817	264,817	264,817
Communication Equipment	685,840	535,783	482,455	482,455	635,810	682,335	1,030,713	1,073,303	1,073,303	1,073,303
Miscellaneous	620,230	633,731	566,095	566,095	880,096	880,096	1,204,549	1,207,171	1,449,798	1,494,053
Construction in Progress	-	-	-	-	-	-	-	-	236,499	823,151
	37,458,062	35,524,298	39,585,493	39,945,748	41,304,391	41,902,930	44,701,832	42,415,060	43,835,877	46,061,411
Less Accumulated Depreciation	20,575,307	18,623,725	17,568,448	19,881,572	22,407,669	24,791,911	25,494,575	23,724,253	26,826,642	29,647,008
Total Net Capital Assets	\$ 16,882,755	\$ 16,900,573	\$ 22,017,045	\$ 20,064,176	\$ 18,896,722	\$ 17,111,019	\$ 19,207,257	\$ 18,690,807	\$ 17,009,235	\$ 16,414,403

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 15
CHANGE IN CAPITAL ASSETS
10 YEAR COMPARISON

Presented in the table below is a 10 year comparison of GPMTD's capital assets.

	2010	2020	% CHANGE	\$ CHANGE
Land	\$ 1,821,577	\$ 1,952,617	7%	\$ 131,040
Building	\$ 11,997,170	\$ 11,786,576	-2%	\$ (210,594)
Building and Improvements	\$ 334,968	\$ 3,276,523	878%	\$ 2,941,555 1)
Revenue Vehicles	\$ 14,808,232	\$ 23,610,419	59%	\$ 8,805,187 2)
Service Vehicles	\$ 426,540	\$ 682,765	60%	\$ 256,225 3)
Shop & Garage Equipment	\$ 569,330	\$ 1,097,187	93%	\$ 527,857 4)
Furniture & Office	\$ 686,910	\$ 264,817	-61%	\$ (422,093)
Communication Equipment	\$ 635,478	\$ 1,073,303	69%	\$ 437,825 5)
Miscellaneous	\$ 620,230	\$ 1,494,053	141%	\$ 873,823 6)
Construction in Progress	\$ -	\$ 823,151	N/A	\$ 823,151
	<u>31,900,435</u>	<u>46,061,411</u>	44%	14,160,976
Less Accumulated Depreciation	<u>21,537,166</u>	<u>29,647,008</u>	38%	8,109,842
Total Net Capital Assets	<u><u>\$ 10,363,269</u></u>	<u><u>\$ 16,414,403</u></u>	58%	\$ 6,051,134

NOTE:

- 1) Remodel of Transit Center in 2020. HVAC Purchased for Administration Building in 2020.
- 2) 4 Hybrid buses purchased in 2017. Transfer of 14 vehicles from Peoria County in 2019.
- 3) In 2010, GPMTD's Capitalization policy was amended with adjustment of non depreciable items.
- 4) 2 electric bus lifts purchased. Upgrade fuel island. Purchase of Bus Wash Equipment in 2020.
- 5) Video surveillance system purchased and installed.
- 6) Radio system for fixed routes and paratransit vehicles. Veeder root system purchase.

REPORT ON FEDERAL AWARDS

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Springfield, IL 62704
217.793.3363

SIKICH.COM

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

To the Board of Trustees
Greater Peoria Mass Transit District
Peoria, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater Peoria Mass Transit District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 19, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Springfield, Illinois
October 19, 2020

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

SIKICH.COM

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

To the Board of Trustees
Greater Peoria Mass Transit District
Peoria, Illinois

Report on Compliance for Each Major Federal Program

We have audited Greater Peoria Mass Transit District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 19, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of those basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Siskich LLP

Springfield, Illinois
October 19, 2020

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

<u>Federal Agency/Pass-Through Agency/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Local Agency Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation			
Federal Transit Cluster:			
Direct Program:			
Federal Transit Formula Grants	20.507*	IL-2020-040-00	\$ 358,988
Federal Transit Formula Grants (CARES Act)	20.507*	IL-2020-025-00	1,237,877
Federal Transit Formula Grants	20.507*	IL-2020-001-00	1,830,503
Federal Transit Formula Grants	20.507*	IL-2018-031-00	289,102
Federal Transit Formula Grants	20.507*	IL-2016-026-00	369,236
Federal Transit Formula Grants	20.507*	IL-90-X736-01	238,388
Federal Transit Formula Grants	20.507*	IL-90-X734-00	<u>1,125,998</u>
Total Federal Transit Formula Grants			<u>5,450,092</u>
Total Federal Transit Cluster			<u>5,450,092</u>
Transit Services Cluster:			
Passed Through:			
Tri-County Regional Planning Commission			
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	IL-2018-035-00	20,280
Job Access and Reverse Commute Program	20.516	IL-37-X088-00	8,950
New Freedom Program	20.521	IL-57-X029-00	<u>5,662</u>
Total Transit Services Cluster			<u>34,892</u>
Highway Planning and Construction Cluster:			
Passed Through:			
Illinois Department of Transportation			
Federal Highway Administration	20.205	19-1439-9910	<u>49,242</u>
Total Highway Planning and Construction Cluster			<u>49,242</u>
Passed Through:			
Illinois Department of Transportation			
Federal Formula Grants for Rural Services	20.509	20-0338-15788	147,743
Federal Formula Grants for Rural Services	20.509	CARES-2410-23386	<u>10,241</u>
Total Federal Formula Grants for Rural Services			<u>157,984</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,692,210</u></u>

*Denotes Major Federal Program

See accompanying notes to schedule of expenditures of federal awards.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2020

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the Greater Peoria Mass Transit District under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the district, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 3 – DESCRIPTION OF MAJOR PROGRAM

There was one major program for the year ended June 30, 2020, the Federal Transit Cluster. This grant was awarded by the Federal Transit Administration – U.S. Department of Transportation to the Greater Peoria Mass Transit District for the purposes of financing capital projects and supporting public transportation services in urbanized areas.

NOTE 4 – RECONCILIATION OF THE FINANCIAL STATEMENTS

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

Maintenance assistance	\$ 1,518,988
Operating assistance	
Feasibility operating assistance	489,440
CARES Act	1,229,477
Intergovernmental Passed through	
Tri-County Regional Planning Commission	34,892
Feasibility study	49,242
5311 Rural service operating assistance	147,743
5311 Rural service CARES Act	10,241
Capital contributions	<u>2,212,187</u>
	<u>\$ 5,692,210</u>

NOTE 5 – INDIRECT COST RATE

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

NOTE 6 – ADDITIONAL INFORMATION

As of and during the year ended June 30, 2020, the District did not receive any federal insurance or federal loans or loan guarantees. In addition, the District did not pass through any federal awards to sub-recipients.

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____ Yes X No
_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

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

unmodified

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____ Yes X No
_____ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?

_____ Yes X No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Formula Grants

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

_____ \$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questions Costs

None

Section IV – Summary of Prior Audit Findings

None

ILLINOIS DEPARTMENT OF TRANSPORTATION

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS APPLICABLE TO THE
FINANCIAL ASSISTANCE RECEIVED UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-20-49-IL**

To the Board of Trustees
Greater Peoria Mass Transit District
Peoria, Illinois

Report on Compliance

We have audited Greater Peoria Mass Transit District's (the District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2020. The District's financial assistance is identified in the Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-20-49-IL. We also tested the calculation of the State's participation in the District's operating deficit and that State assistance claimed and paid are recorded and reported in accordance with the contract with the State of Illinois.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on the downstate operating assistance grant for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on compliance is not modified with respect to these matters.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs (2020-001). The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Sikich LLP

Springfield, IL
October 19, 2020

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-20-49-IL

For the Year Ended June 30, 2020

OPERATING REVENUES AND INCOME

401	Passenger fares for transit services	\$ 1,105,604
402	Special transit Fares	215,652
406	Auxiliary revenue	234,741
407	Non-transportation revenue	741,398
413	Federal cash grants and reimbursement	17,227
413.99	Sec. 5307 capital funds applied to state eligible operating expenses	2,008,428
440	Subsidy from other sectors of operations	<u>541,000</u>
	Total operating revenue	<u>4,864,050</u>

Operating Expenses

501	Labor	9,071,448
502	Fringe benefits	7,771,416
503	Professional service	1,645,530
504	Materials and supplies consumed	2,658,316
505	Utilities	191,616
506	Casualty and liability	602,528
507	Taxes	5,876
508	Net purchased transportation	3,709,177
509	Miscellaneous expenses (includes \$0 capitalized items <\$5,000)	<u>494,976</u>
	Total operating expenses	<u>26,150,883</u>

Ineligible Expenses:

APTA and IPTA dues	4,300
Other - bad debt/penalty expense	1,047
Other - expenses reimbursed with JAC, New Freedom grant	6,744
Other - expenses reimbursed from 5311	147,743
Other - expenses reimbursed from 5311 - CARES Act	10,241
Other - expenses reimbursed from 5307 - CARES Act	1,229,477
Other - expenses reimbursed from Highway Planning and Construction	42,613
Other - expenses reimbursed from 5310	17,550
Other - ineligible expense noted during audit	13,259

Less: Total ineligible expenses 1,472,974

Total eligible operating expenses 24,677,909

Total operating revenue and Income 4,864,050

Deficit \$ 19,813,859

65% of eligible expenses \$ 16,040,641

Maximum contract amount \$ 23,111,991

Eligible FY20 Downstate Operating Assistance (deficit, 65% of eligible expenses, or maximum contract amount, whichever is less) \$ 16,040,641

FY20 Downstate Operating Assistance received (prior to close of fiscal year) \$ 9,027,143

FY20 Downstate Operating Assistance receivable (at close of fiscal year and subsequently received) \$ 8,281,491

FY20 Downstate Operating Assistance (over) under paid \$ (1,267,993)

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

Finding 2020-001 – Ineligible Expense

Criteria/Specific Requirement: Title 92 of the Administrative Code, provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, and the District's grant agreement with the Illinois Department of Transportation requires that the District only report eligible operating expenses on the quarterly requests for payment.

Condition: When testing expenses, it was noted that the District included an ineligible expense in the 4th quarter request for payment.

Effect: The District requested payment and received 65% reimbursement for the ineligible expense.

Cause: The ineligible expense was the result of a reduction of the receivable recorded in the prior fiscal year for the transfer of operations from Peoria County. The write-off of the receivable should not have been included as an eligible operating expense under the grant.

Questioned Costs: Operating expenses requested for 65% reimbursement were overstated by \$13,259.

Recommendation: We recommend that management review all expenses reported under the grant to ensure they are eligible per Title 92 of the Administrative Code, provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, and the District's grant agreement with the Illinois Department of Transportation.

Management's Response: This was a one-time transfer activity between Peoria County and the District due to an intergovernmental service agreement. The ineligible expense was added to the annual DOAP calculation. The correction was made.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS APPLICABLE TO THE
FINANCIAL ASSISTANCE RECEIVED UNDER THE
5311 OPERATING ASSISTANCE GRANT OP-20-44-FED**

To the Board of Trustees
Greater Peoria Mass Transit District
Peoria, Illinois

Report on Compliance

We have audited Greater Peoria Mass Transit District's (the District) compliance with the applicable provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, the Civil Administrative Code of Illinois, 20 ILCS 2705/49.19, and the rules and regulations of the Illinois Department of Transportation that are applicable to the financial assistance for the year ended June 30, 2020. The District's financial assistance is identified in the Schedule of Revenue and Expense Under the 5311 Operating Assistance Grant OP-20-44-FED. We also tested the calculation of the State's participation in the District's operating deficit and the and that State assistance claimed and paid are recorded and reported in accordance with the contract with the State of Illinois.

Management's Responsibility

Management is responsible for compliance with the laws and regulations applicable to the financial assistance received under the 5311 operating assistance grant.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the District based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the "5311 Operating Assistance Grant Agreement" with the State of Illinois Department of Transportation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state financial assistance occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides as reasonable basis for our opinion on compliance with the laws and regulations applicable to the financial assistance received under the 5311 operating assistance grant. However, our audit does not provide a legal determination of the District's compliance.

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on the 5311 operating assistance grant for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on compliance is not modified with respect to these matters.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs (2020-001). The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Sikich LLP

Springfield, IL
October 19, 2020

GREATER PEORIA MASS TRANSIT DISTRICT

Required Audited Schedule of Revenues and Expenses under
the 5311 Operating Assistance Grant OP-20-44-FED
Operating Period July 1, 2019 to June 30, 2020
Contract Number IL-20-0338-15788

Revenue

Line Item	Description	Total
401	Passenger Fares/ Donations	\$ 41,076
402	Special Transit Fares	25,968
405	Charter Service	-
406	Auxiliary Transportation	-
407	Non-Transportation Revenue	-
430	Contributed Services	-
440	Other:	-
	Total Revenue	67,044
	Section 5311 Operating Revenue	\$ 67,044

Expenses

Line Item	Eligible Expenses	Actual Administrative Expenses	Actual Operating Expenses	Total
501	Labor	\$ 72,111	\$ -	\$ 72,111
502	Fringe Benefits	32,802	-	32,802
503	Services	-	61,472	61,472
504.01	Fuel and Oil	-	99,091	99,091
504.02	Tires and Tubes	-	-	-
504.99	Other Materials	-	-	-
505	Utilities	-	-	-
506	Casualty and Liability	-	-	-
507	Taxes	-	-	-
508	Purchase of Service	-	429,621	429,621
509	Miscellaneous	-	-	-
511	Interest Expense	-	-	-
512	Lease and Rentals	-	-	-
	Other:	-	-	-
	Total Expenses	\$ 104,913	\$ 590,184	\$ 695,097

Revised 02/08/2017

OIFI OP-ASRE-5311

GREATER PEORIA MASS TRANSIT DISTRICT

**Required Audited Schedule of Revenues and Expenses under
the 5311 Operating Assistance Grant OP-20-44-FED
Operating Period July 1, 2019 to June 30, 2020
Contract Number IL-20-0338-15788**

Expenses

	Administrative Expenses	Operating Expenses	Total	
1) Expenses: Per Single Audit	\$ 104,913	\$ 590,184	\$ 695,097	
2) Less: Ineligible Expenses per Single Audit	\$ -	\$ 13,259	\$ 13,259	
3) Net Eligible Expenses ((1)-(2))	\$ 104,913	\$ 576,925	\$ 681,838	
4) Less: Section 5311 Operating Revenues (From Page 1)		\$ 67,044	\$ 67,044	
5) Section 5311 Operating Deficit ((3)-(4))		\$ 509,881		
6) Section 5311 Deficit ((3)-(4))			\$ 614,794	
7) Section 5311 Reimbursement %	x 80%	x 50%		
				Grant Total
A) Eligible Reimbursement Per Percentages	\$ 83,930	\$ 254,941		\$ 338,871
B) Funding Limits per Contract				\$ 147,743
C) Maximum Section 5311 Reimbursement: (Lesser of Totals for (A) or (B))			\$ 147,743	\$ 147,743
D) Less: IDOT Payments-Section 5311 Reimbursement to Grantee				\$ 147,743
E) Amount (Over) Under Paid ((C)-(D))				\$ -
F) Grantee Local Match Requirement (Operating Deficit-(C))			\$ 467,051	

GRANTEE MATCH SOURCES	AMOUNTS
Downstate Operating Grant	\$ 399,616
Local Contracts	25,968
In-Kind Services, Subsidies, Donations	41,467
TOTAL LOCAL MATCH (Must equal (F))	\$ 467,051
LOCAL TRANSIT FUNDS RETAINED (CARRY FORWARD ACCOUNT)	
BEGINNING CARRY FORWARD (C.F.A.) BALANCE	\$ -
FY Local Transit (Local Contracts) Amounts Received	25,968
Less expended for Capital \$ Operating \$	(25,968)
ENDING CARRY FORWARD (C.F.A.) BALANCE	\$ -

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

Prepared By: _____

Title: _____

Reviewed By/PCOM: _____

Date: _____

CPA Approval: _____

Date: _____

OIPI OP-ASRE-5311

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

Finding 2020-001 – Ineligible Expense

Criteria/Specific Requirement: Title 92 of the Administrative Code, provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, and the District's grant agreement with the Illinois Department of Transportation requires that the District only report eligible operating expenses on the quarterly reports of transit operations used to determine grant reimbursement.

Condition: When testing expenses included on the quarterly reports, it was noted that the District included an ineligible expense in the 4th quarter report.

Effect: The District inaccurately reported operating expenses in the 4th quarter. However, the ineligible expense does not impact total grant reimbursement as the District had met the maximum reimbursement under the grant agreement prior to the 4th quarter.

Cause: The ineligible expense was the result of a reduction of the receivable recorded in the prior fiscal year for the transfer of operations from Peoria County. The write-off of the receivable should not have been included as an eligible operating expense under the grant.

Questioned Costs: Operating expenses reported in the 4th quarter were overstated by \$13,259.

Recommendation: We recommend that management review all expenses reported under the grant to ensure they are eligible per Title 92 of the Administrative Code, provisions of the Downstate Public Transportation Act (as amended) 30 ILCS 740/2, and the District's grant agreement with the Illinois Department of Transportation.

Management's Response: This was a one-time transfer activity between Peoria County and the District due to an intergovernmental service agreement. The ineligible expense was added to the annual DOAP calculation. The correction was made.