



GREATER PEORIA MASS TRANSIT DISTRICT

Peoria, Illinois



Comprehensive Annual Financial Report

Fiscal Year 2017

July 1, 2016 to June 30, 2017

GREATER PEORIA MASS TRANSIT DISTRICT

SERVING:

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

July 1, 2016 to June 30, 2017 &

July 1, 2015 to June 30, 2016

Prepared by: Finance Department

Mission Statement

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.

GREATER PEORIA MASS TRANSIT DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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GREATER PEORIA MASS TRANSIT DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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GREATER PEORIA MASS TRANSIT DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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GREATER PEORIA MASS TRANSIT DISTRICT

Introductory Section

The Introductory Section Includes:

- Letter of Transmittal
- Board of Trustees
- Organizational Chart
- General Information
- Service Area Map



Transit Center – Passenger Transfer

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~Greater Peoria Mass Transit District ~2105 NE Jefferson Street ~Peoria, IL 61603

Phone: 309-676-4040 Fax: 676-8373 website: www.ridecitylink.org

October 9, 2017

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, 2017 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 Baker Tilly Virchow Krause, LLP, a firm of licensed and Certified Public Accountants, have audited GPMTD's financial statements. The goal of the independent audit is to provide reasonable assurance that GPMTD's financial statements for the fiscal years ended June 30,

Board of Trustees

Maxine Wortham
Chair

Joan Krupa
Vice Chair

Art Bell
Treasurer

Sharon McBride
Secretary

Jennifer Lee
Trustee

Doug Roelfs, General Manager

2017 and 2016 are free from material misstatement. 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, 2017 and 2016 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.

GREATER PEORIA MASS TRANSIT DISTRICT HISTORY

On May 4, 1970, 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 provided GPMTD a grant to purchase 33 new buses. GPMTD provided 667,142 passenger rides during the first year.

Major events and changes:

- 1980's highlights:
 - GPMTD began providing "park & ride" service to ease parking congestion in downtown Peoria for community events at the Peoria Civic Center.

- 1990's highlights:
 - GPMTD started using trolleybuses. The trolleybus (Picture A) is a replica of the old trolley coaches that were used on the streets of Peoria.



Trolleybus (Picture A)

- Voters overwhelmingly approved an increase in GPMTD's levy authority from 5 mil to 15 mil.

- The Americans with Disabilities Act (ADA) was passed by Congress. GPMTD began to provide ADA Paratransit transportation for passengers with disabilities.
- 2000's highlights:
 - The moniker GP Transit was changed to CityLink to more efficiently advertise GPMTD. The colors of the buses were changed from orange and white to maroon and gray with gold striping.
 - Night service schedule was added, giving service to passengers from 6:00 a.m.-1:00 a.m. on designated routes, this enabled night workers and travelers to have extended transportation opportunities.
 - 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. This allows parents to leave their children with childcare providers, take the bus to their jobs, and return after work to collect their children. The current occupant of the daycare center is Myah's Just 4 Kids Learning Center
 - New buses were added to the fleet replacing older buses. Seven were 40-foot low-floor buses, which made it easier for passengers to enter and leave at curb level.
 - Security cameras were added to the interiors of the buses to aid with the safety of passengers and GPMTD employees.
 - Senior citizens, 65 years or older, were granted free transportation on all GPMTD fixed route buses as a mandate from the State of Illinois.
 - A record-breaking 3,026,541 passenger rides were provided during the 2009 fiscal year.
 - GPMTD received funding from the FTA based on the American Recovery and Reinvestment Act (ARRA) to purchase new Paratransit vans. (Picture B) With this money and additional funding from IDOT, 31 Turtle Top vans were ordered and delivered in 2009 and 2010.



Paratransit Van (Picture B)



Celebrating 40 Years of Service with Fleet of Paratransit Vans (Picture C)

- 2010 highlights:
 - GPMTD began the process to order 46 new 35-foot, low-floor transit coaches. (Picture C)
 - GPMTD was awarded the 2009 silver award from First Transit (Management Company), for significant achievement in safety for FY 2009.

- 2011 highlights:
 - Twenty-six of the 46 new 35-foot, low-floor transit coaches were delivered.

- 2012 highlights:
 - Five of the remaining 20 new 35-foot, (Picture D) low-floor transit coaches were delivered.



35-foot bus (Picture D)

- GPMTD hosted a two-day planning workshop as part of the Accessible Transportation Coalitions Initiative (ATCI) offered by Easter Seals Project ACTION (ESPA). The Peoria area was among 10 communities from throughout the U.S. selected to participate in the initiative. Peoria was selected through a competitive application process in which a commitment to improving accessibility had to be expressed. The Greater Peoria Mass Transit District (CityLink) is the agency selected to lead the local efforts of the initiative.

- GPMTD began to offer half-fares for eligible US military veterans.
- 2013 highlights:
 - The remaining 15 35-foot, low-floor transit coaches were delivered in January.
 - GPMTD expanded its online presence by launching a mobile website for passengers' convenience, putting schedule and route information at their fingertips.
 - GPMTD unveiled a custom bus wrap to honor Peoria's selection as an All-America City. (Picture E) The bus wrap featured a panoramic image of downtown Peoria on the driver's side, and images of a Peoria Youth drumline organization on the curbside.
 - GPMTD initiated service to the Hinduja Global Solutions HGS facility on Harvard Avenue six times a day. HGS is the 7th top employer in the Peoria Area. This will be a temporary service that will operate for one year, or until a permanent solution is reached.



All-American City bus wrap (Picture E)

- 2014 highlights:
 - GPMTD purchased six supervisor vans and two light duty vans. Both types of vehicles are compliant with the Americans with Disabilities Act (ADA).
 - GPMTD hired TranSystems to conduct a study on the feasibility of a transit center on the North Side of Peoria.
 - On June 8, 2014, 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.
 - As a result of conversations with Bike Peoria, a group of citizens and cycling enthusiasts advocating for a more bike-friendly city and region, GPMTD 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.

- FY 2015 highlights:
 - TranSystems presented the final results of the Northside Transfer Zone study. They presented information on the preferred site selected which is a former CEFCU facility located at 4310 N. Brandywine Drive. The 1.2-acre site could accommodate a passenger facility as well as eight bus bays. The conceptual cost estimate is \$2,054,130, which does not include property acquisition and environmental assessment. The estimated total is cost is approximately \$4 million. The final report also presented information on possible funding sources including federal, state and local funding options.
 - With a change in the urbanized area, the GPMTD entered into an agreement with Peoria County to operate CountyLink for Fiscal Year 2015.
 - A project to install new solar powered bus shelters was initiated in 2015 (Picture F). The project calls for the installation of 50 new bus shelters, with 16 being installed in 2015-2016. The shelters have solar power LED lighting which provides added safety and security for passengers, and allows better visibility for CityLink drivers.



Solar Passenger Shelter (Picture F)

- CityLink renewed its contract with MV Transportation to offer paratransit services in the GPMTD service area. In addition, CityLink entered into an intergovernmental agreement 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.
 - GPMTD experienced record ridership of 3,420,705 for the 2015 Fiscal Year period of July 1, 2014 through June 30, 2015.
- 2016 highlights:
 - CityLink made changes to its bus fare system. The new system eliminated several bus pass types including the transfer and introduced two new bus fare options, the \$3 Day pass and the \$40 30-Day pass.
 - A Genfare self-service ticket vending machine was installed in the Transit Center lobby, it issues the \$3 Day Pass and the \$40 30-Day pass. (Picture G)



Ticket Vending Machine (Picture G)

- The project to install new solar powered bus shelters continue with the installation of 20 new shelters.
- Two shop service trucks were replaced. (Picture I)



Ford F250 Truck (Picture I)

- GPMTD received a Paratransit Vehicles Grant from the Federal Transit Authority (FTA) through the Buses and Bus Facilities Grants Program – 5339. The amount awarded from the FTA is \$1,421,467, which paid 85% of the total cost for GPMTD to replace its fleet of aging paratransit (CityLift) vehicles.

FY 2017 IN REVIEW

- CityLink received four 40-foot, New Flyer 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. They use a smaller Cummins engine that is certified for mass transportation use, and an Allison hybrid propulsion system. The new hybrid buses arrived with bicycle racks affixed to the front each bus, and the racks have the

capacity to hold up to three bicycles at one time as opposed to the standard two-slot bicycle racks. (Picture J)



Picture of 2017 New Flyer Hybrid 40-ft Bus design (Picture J)

- Route and schedule information became available in Google Maps in late 2016. Users provide the trip origin and destination in Google Maps and click or tap on the transit icon. They are then provided the routes available from their point of origin to their destination, the estimated length of the trip, walking directions, fare information and schedule information.
- CityLink partnered with the Peoria Chiefs to offer a discount for Chiefs tickets on Monday through Thursday game days all season long. CityLink passengers that presented a bus pass at the box office at Dozer Park were able to receive up to 4 tickets at \$5 each all season long.
- GPMTD received twenty-six new paratransit (CityLift) vehicles. They are Ford E450 Body-on-Chassis with a Champion Challenger body and have the capacity to accommodate up to 14 passengers and numerous wheelchairs. The vehicles have a specially designed roof to increase passenger safety and the latest enhancements in seatbelt and wheelchair securements. (Picture K)



Picture of 2017 Paratransit Vehicles (Picture K)

- Continued the installation program of new solar powered bus shelters. Nineteen new shelters were installed in FY2017.
- GPMTD welcomed Doug Roelfs as General Manager and Jennifer Lee to the Board of Trustees.
- GPMTD experienced ridership of 2,711,720 for the 2017 Fiscal Year period of July 1, 2016 through June 30, 2017.
 - FY 2005 – ridership grew to 2,266,566;
 - FY 2006 – ridership grew to 2,572,265;
 - FY 2007 – ridership showed a slight dip to 2,159,724;
 - FY 2008 – ridership grew to 2,435,031;

- FY 2009 – ridership grew 25% to 3,026,541;
- FY 2010 – ridership showed a slight dip to 2,914,594;
- FY 2011 – ridership grew to 3,014,014;
- FY 2012 – ridership grew to 3,386,163;
- FY 2013 – ridership grew to 3,408,232;
- FY 2014 – ridership reflects a slight dip to 3,331,477;
- FY 2015 – ridership sets new record high of 3,420,705;
- FY 2016 – ridership down 11% to 3,028,252;
- FY 2017 – ridership down 10.5% to 2,711,720

A LOOK INTO THE FUTURE

- The addition of a Northside Transfer Zone will increase access to public transit and improve efficiencies in routes and schedules.
- Plans to implement new technology on the buses including:
 - Automatic Vehicle Location (AVL) Software – provides the customer with 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.
- Plans for remodeling at the Transit Center, including painting, new flooring, and the installation of new digital signage in the lobby area.
- 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 28 years ago. Since 1999 GPMTD has collected more than 223,000 pounds of food to feed hungry families in Peoria. (Picture L)



Stuff-A-Bus (Picture L)

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, 2016

Executive Director/CEO

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**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.



Maxine Wortham
Chair
Representing
City of Peoria
February 7, 2006



Joan Krupa
Vice Chair, and Chair of
Program Development
Representing
Village of Peoria Heights
February 9, 2015



Arthur Bell
Treasurer
Representing
City of Peoria
July 11, 2005



Sharon McBride
Secretary
Representing
West Peoria Township
May 5, 1997

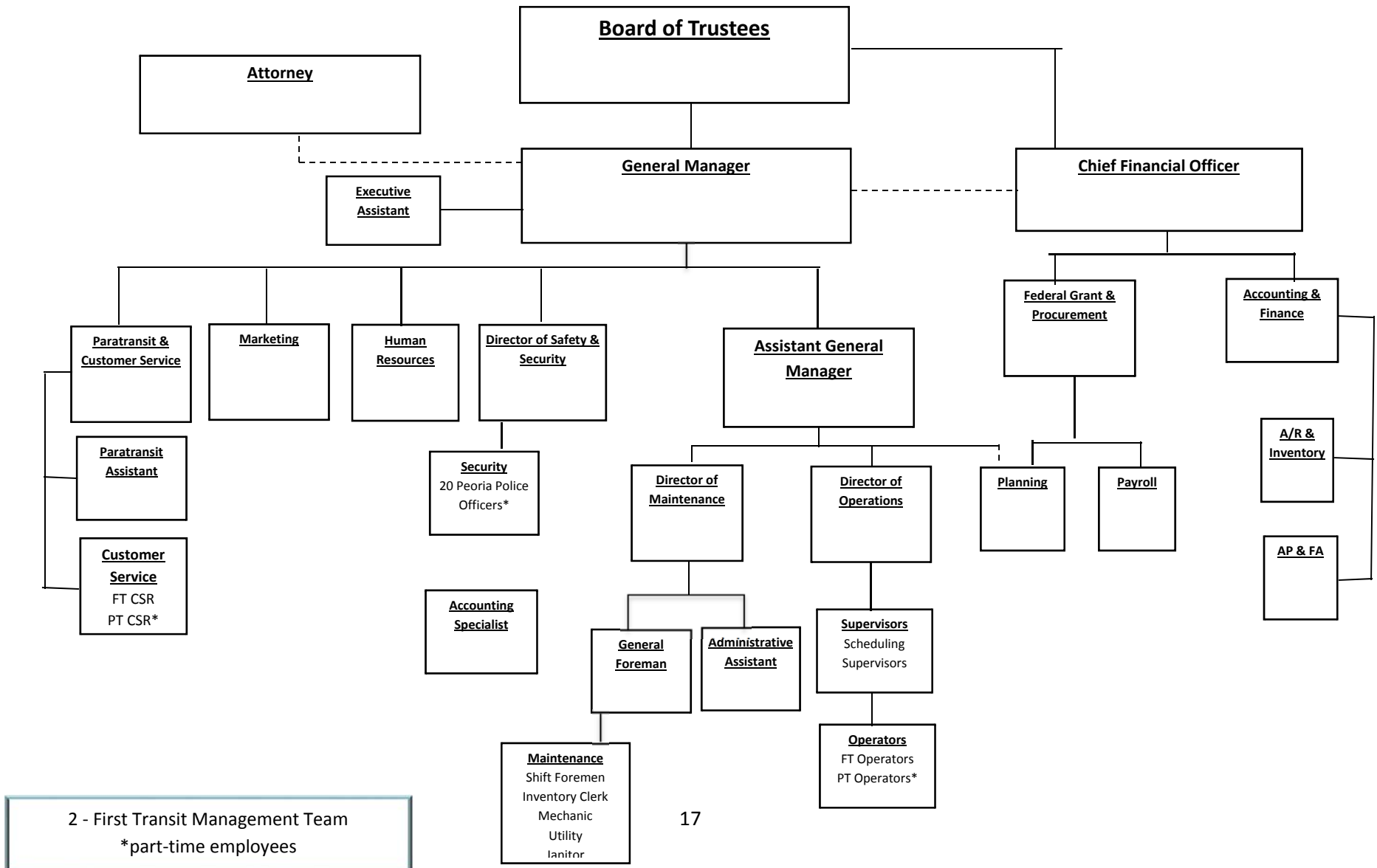


Jennifer Lee
Trustee
Representing
City of Peoria
February 14, 2017

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GREATER PEORIA MASS TRANSIT DISTRICT

Organizational Chart



2 - First Transit Management Team
*part-time employees

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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

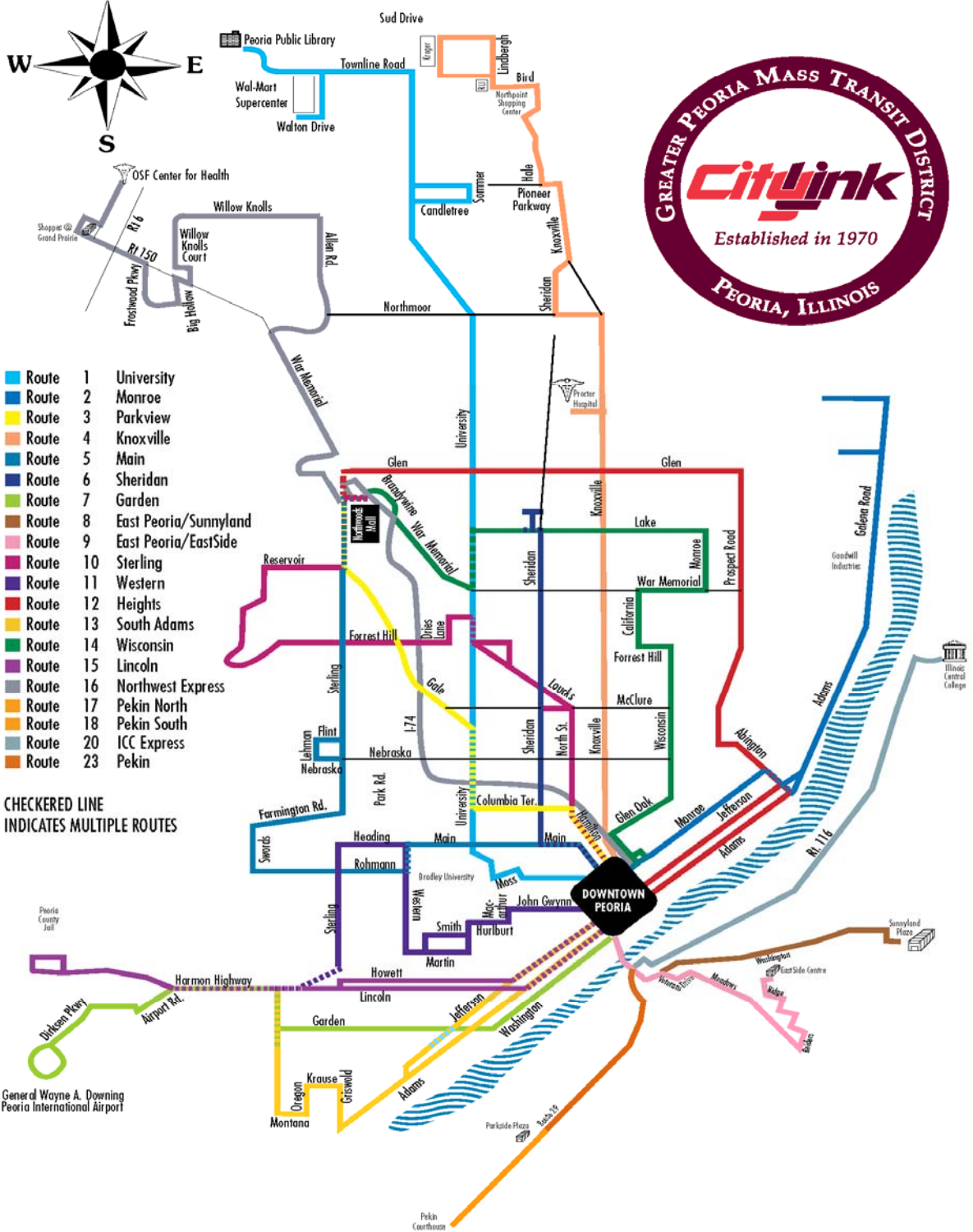
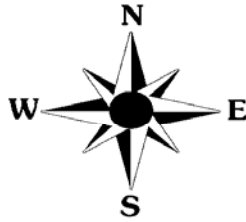
Greater Peoria Mass Transit District provides economic, social, and environmental benefits to the community through progressive, customer focused, transportation service by combining state of the art equipment and facilities with professional, well trained staff.

Vision Statement

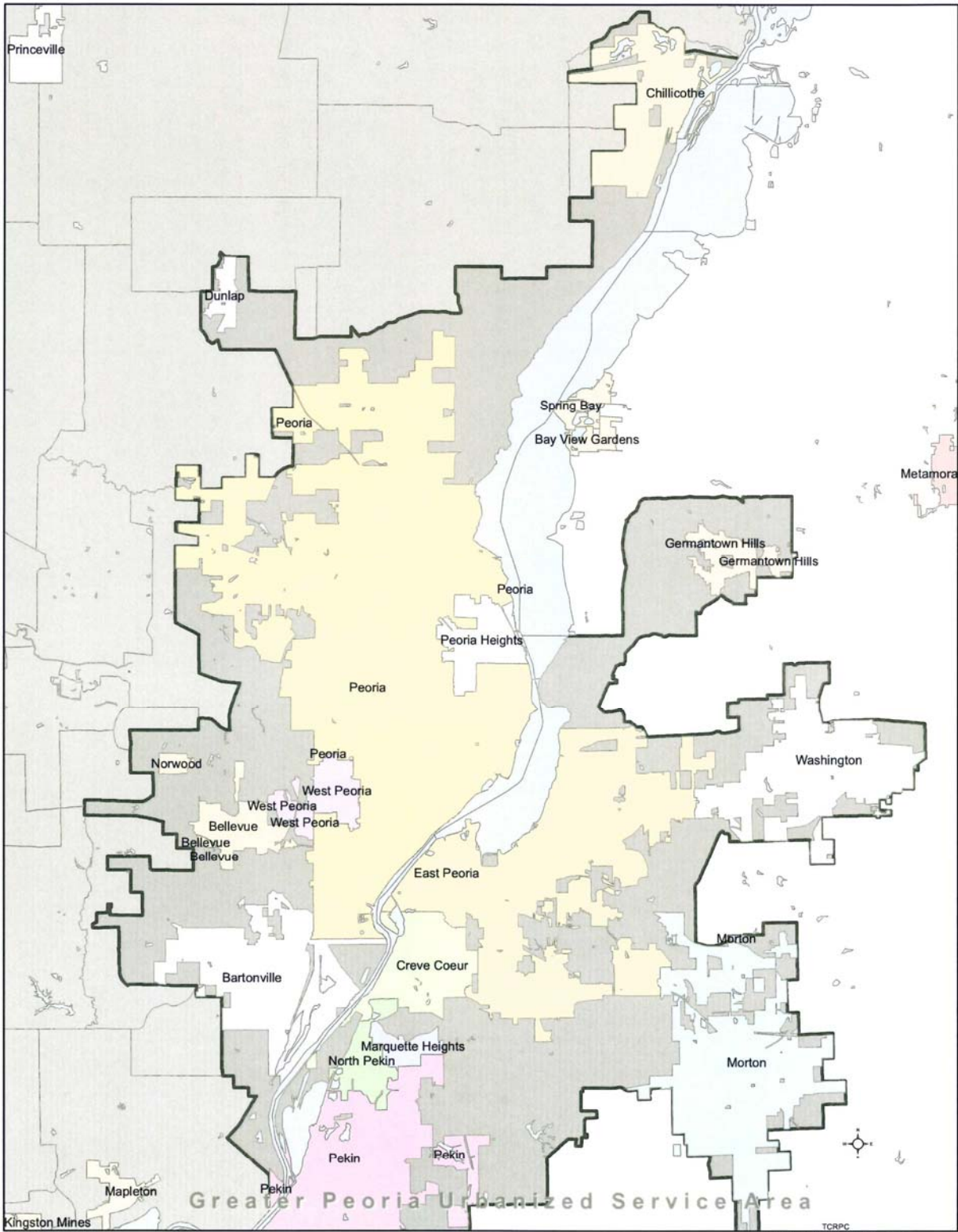
Greater Peoria Mass Transit District is a regional leader in the movement of people focused on providing a safe environment and reliable transportation. We are proactive leaders in providing creative solutions by a dedicated, committed, highly motivated team which produces delighted customers.

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GREATER PEORIA MASS TRANSIT DISTRICT (CityLink) Service Area



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
- Supplemental Information



Entrance to Administrative Building

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INDEPENDENT AUDITORS' 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 Greater Peoria Mass Transit District (the District), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 auditors' 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 over financial reporting relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Greater Peoria Mass Transit District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Defined Pension Benefit Plan - Schedule of Changes in the Net Pension Liability And Related Ratios and Schedule of Employer Contributions, and Other Post-Employment Benefit Plan - Schedule of Funding Progress and Schedule of Employer Contributions 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and the Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-17-02-IL 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-17-02-IL are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The introductory and statistical information as identified in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion or provide any assurance on it.

To the Board of Trustees
Greater Peoria Mass Transit District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated October 13, 2017 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 13, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2017 and 2016 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, 2017 and 2016. 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, 2017 and 2016, total assets plus deferred outflows of the District exceeded total liabilities 24,828,551 and \$22,520,735, respectively. The amount of unrestricted net position as of June 30, 2017 was 5,106,205 compared to \$5,370,873 in 2016.

The District's net position at June 30, 2017, increased \$2,307,816 from \$22,520,735 to 24,828,551 or 10.25% from previous year. The increase is due to an increase in capital contributions.

The District's property tax and replacement tax revenue increased \$313,246 (6.22%) in FY 2017 from previous year.

In FY 2017, total operating expenses exceeded total operating revenues resulting in a loss before non-operating revenue and expenses and depreciation expense of \$22,993,585 compared to a loss of \$22,208,851 in FY 2016. The District anticipates operating losses, as these losses are subsidized by non-operating property tax, state operating grant and Federal grant revenues.

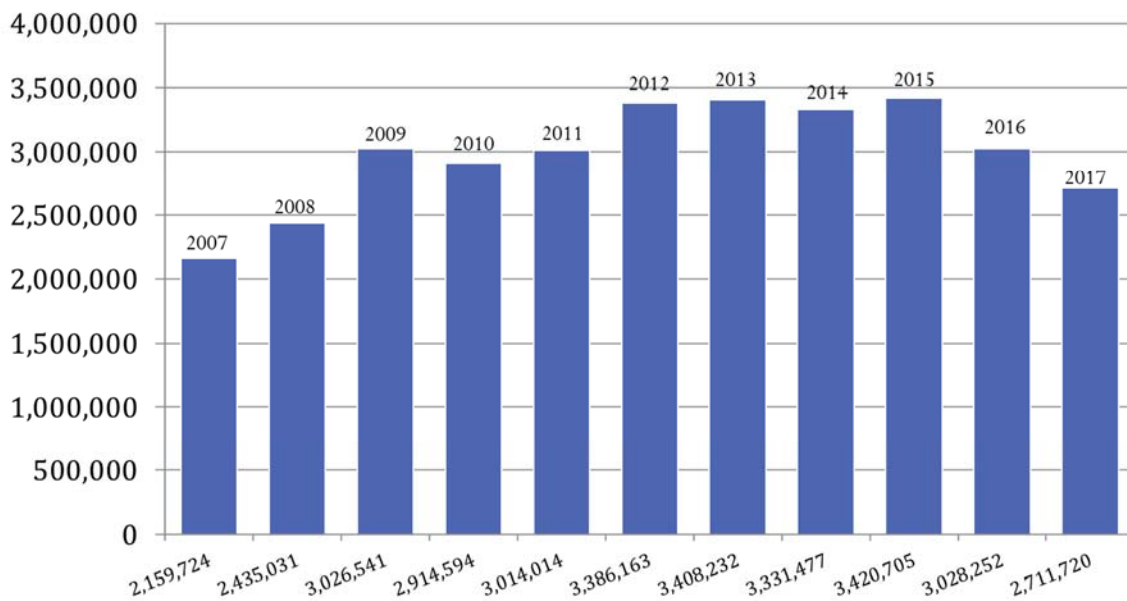
GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2017 and 2016
UNAUDITED

FINANCIAL HIGHLIGHTS (cont)

The FY 2017 ended with 2,711,720 rides, down 10.45% from 3,028,252 in FY 2016. Chart 1 shows the District's yearly ridership over the past 11 years.

Chart 1
Fiscal Year Ridership Report



GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2017 and 2016 UNAUDITED

FINANCIAL ANALYSIS

The Statements of Net Position include all of 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 Statement of Net Position

	FY 2017	FY 2016	FY 2015
Current Assets	\$ 37,667,887	\$ 40,318,585	\$ 35,315,831
Capital Assets	19,207,257	17,111,018	18,896,721
Total Assets	56,875,144	57,429,603	54,212,552
Deferred outflows of Resources	3,327,189	4,087,858	1,222,576
Current Liabilities	6,937,491	12,755,536	10,376,011
Noncurrent Liabilities	27,100,002	25,685,512	21,364,608
Total Liabilities	34,037,493	38,441,048	31,740,619
Deferred inflows of Resources	1,336,289	555,678	-
Net investment in Capital Assets	19,207,257	17,111,018	18,896,721
Restricted	515,089	38,844	232,643
Unrestricted	5,106,205	5,370,873	4,565,145
Total Net Position	\$ 24,828,551	\$ 22,520,735	\$ 23,694,509

The District's total assets decreased from \$57.4 million in FY 2016 to \$56.9 million in FY 2017. The District's total liabilities decreased from \$38.4 million in FY 2016 to \$34.0 million in FY 2017.

Current assets decreased \$2.7 million (6.57%) from \$40.3 million in FY 2016 to \$37.7 million in FY 2017 primarily due to the decrease of cash and cash equivalents.

Capital assets, net of accumulated depreciation increased \$2.1 million (12.25%) from \$17.1 million in FY 2016 to \$19.2 million in FY 2017.

The District's net position increased \$2.3 million (10.25%) in FY 2017.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2017 and 2016 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

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Operating Revenues	\$ 3,310,764	\$ 3,245,599	\$ 3,195,217
Non-Operating Revenues	23,899,348	22,940,899	23,314,775
Total Revenues	<u>27,210,112</u>	<u>26,186,498</u>	<u>26,509,992</u>
Depreciation Expense	2,493,158	2,391,281	2,285,026
Operation and Maintenance Expenses	26,304,349	25,454,450	26,294,015
Total Expenses	<u>28,797,507</u>	<u>27,845,731</u>	<u>28,579,041</u>
Net Income (Loss) Before Contributions	(1,587,395)	(1,659,233)	(2,069,049)
Capital Contributions	3,895,211	485,459	840,058
Changes in Net Position	<u>2,307,816</u>	<u>(1,173,774)</u>	<u>(1,228,991)</u>
Beginning Net Position	<u>22,520,735</u>	<u>23,694,509</u>	<u>28,310,860</u>
Cumulative effect of change in accounting principle	-	-	(3,387,360)
Net Position End of Year	<u>\$ 24,828,551</u>	<u>\$ 22,520,735</u>	<u>\$ 23,694,509</u>

Operating Revenue remained relatively similar in FY 2017, when compared to FY 2016. Non-operating revenue increased \$0.96 million in FY 2017 and decreased \$0.37 million in FY 2016.

The District's operation and maintenance expenses increased by \$0.85 million in FY 2017 from FY 2016. During FY 2016, the District's operation and maintenance expenses decreased \$0.84 million from FY 2015.

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, 2017, 2016, and 2015.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2017 and 2016 UNAUDITED

FINANCIAL ANALYSIS (cont)

Table 3 - A
Detailed Revenues and Expenses

	FY 2017	FY 2016	FY 2015
Passenger Fares	\$ 1,866,225	\$ 1,995,170	\$ 1,935,655
East Peoria, Pekin, and Peoria County Fares	1,230,942	1,042,511	1,003,575
Advertising	134,517	126,197	165,355
Other	79,080	81,721	90,632
Total Operating Revenues	3,310,764	3,245,599	3,195,217
Federal	1,879,289	1,662,903	1,345,815
State	16,596,667	16,183,484	16,691,025
Gain on Potentially uncollectible grants	-	-	346,381
Property and Replacement Taxes	5,350,856	5,037,610	4,865,793
Other	72,536	56,902	65,761
Total Non-Operating Revenue	23,899,348	22,940,899	23,314,775
Total Revenues	27,210,112	26,186,498	26,509,992
Salaries	8,166,603	8,063,616	8,215,775
Fringes	9,396,715	8,246,488	8,898,941
Professional Services	5,382,418	5,427,072	5,002,202
Materials and Supplies	2,286,106	2,680,486	3,318,962
Casualty and Liability	527,781	494,630	533,314
Other	544,726	542,158	324,821
Total Operation and Maintenance Expenses	\$ 26,304,349	\$ 25,454,450	\$ 26,294,015

REVENUES

Passenger fares provided 56.37% and 60.24% of the District's total operating revenues in FY 2017 and 2016, respectively. Farebox receipts, Day pass, 30day pass, Agency pass revenue, and special service fares are included in passenger fares. Passenger fares decreased by \$128,945 in FY 2017 compared to an increase of \$59,515 in FY 2016. The decrease in FY 2017 was due to a decrease in ridership in FY 2017.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2017 and 2016 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 increased \$8,320 in FY 2017 compared to a \$39,158 decrease in FY2016.

Property tax and replacement tax provided 22.4% (\$5,350,856) and 21.9% (\$5,037,610) of the District's total non-operating revenues in FY 2017 and FY 2016 respectively.

State Grant operating assistance increased \$413,183 in FY 2017 compared to a decrease of \$507,541 in FY 2016.

EXPENSES

Salary/wage and benefit expense are the two largest expense categories accounting for 66.8% and 64.1% of the total District expenses in FY 2017 and FY 2016 respectively. Salary and wage expenses increased by \$102,987 (1.28%) in FY2017 compared to a decrease \$152,159 (-1.85%) in FY 2016. The slightly increase in salary and wages is due to organizational restructure.

Fringe benefits increased by \$1,150,227 (13.95%) in FY 2017 compared to a decrease \$652,453 (-7.33%) in FY 2016. The increase in FY 2017 fringe benefit costs is related to an increase of actual insurance cost and the result of OPEB (Other Postemployment Benefit) actuarial study.

The materials and supplies expense category accounted for 9.7% and 10.5% of the total District expenses in FY 2017 and FY 2016, respectively. Materials and supplies expenses decreased \$394,380 (-14.71%) in FY 2017 and decreased \$638,476 (-19.24%) in FY 2016. The decrease of FY 2017 material and supplies is due to the decreased cost of fuel prices. District's diesel fuel prices for the internal operations at average \$1.60 per gallon in FY 2017 compared to average \$1.67 per gallon in FY 2016.

Professional service expense category accounted for 20.3% and 21.3% of the total District expenses in FY 2017 and FY 2016, respectively. Professional service expense decreased \$44,654 (-0.82%) in FY2017 compared to an increase of \$424,870 (8.49%) in FY2016. Major factors related to the decrease includes purchased transportation cost decrease of \$180,529 in FY 2017 due to negotiated contract decreases and an decrease in the service hours provided by contractor.

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2017 and 2016
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 2017	FY 2016	FY 2015
Cash received for transit fares and other revenues	\$ 3,237,876	\$ 3,054,732	\$ 3,076,669
Payments for salaries and benefits	(14,607,548)	(14,298,804)	(15,467,943)
Payments to suppliers for goods and services	(9,191,220)	(9,085,516)	(8,401,625)
Cash Flows from Operating Activities	<u>(20,560,892)</u>	<u>(20,329,588)</u>	<u>(20,792,899)</u>
State operating aids	8,690,406	17,422,081	17,353,817
Federal operating aids	1,963,136	1,519,403	1,571,708
Property and income taxes received	5,105,120	4,802,427	4,640,627
Cash Flows from Noncapital Financing Activities	<u>15,758,662</u>	<u>23,743,911</u>	<u>23,566,152</u>
Capital grants received	3,439,806	476,336	864,075
Purchase of capital assets	(4,589,397)	(605,578)	(1,117,571)
Proceeds from sale of capital assets	22,505	105	16,842
Cash Flows from Capital and Related Financing Activities	<u>(1,127,086)</u>	<u>(129,137)</u>	<u>(236,654)</u>
Cash Flows from Investing Activities	<u>37,091</u>	<u>42,214</u>	<u>34,013</u>
Net Change in Cash and Cash Equivalents	(5,892,225)	3,327,400	2,570,612
CASH AND CASH EQUIVALENTS			
- Beginning of Year	<u>27,611,782</u>	<u>24,284,382</u>	<u>21,713,770</u>
CASH AND CASH EQUIVALENTS			
- END OF YEAR -	<u><u>\$ 21,719,557</u></u>	<u><u>\$27,611,782</u></u>	<u><u>\$24,284,382</u></u>

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Years Ended June 30, 2017 and 2016
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

	<u>FY 2017</u>	<u>FY 2016</u>	<u>% Change</u>	<u>FY 2015</u>
Land	\$ 1,861,749	\$ 1,855,709	0.33%	\$ 1,855,709
Building	11,786,576	11,786,576	0.00%	11,786,576
Building and Improvements	1,669,232	1,116,191	49.55%	682,494
Revenue Vehicles	25,467,358	23,956,532	6.31%	23,956,532
Service Vehicles	609,396	672,585	-9.39%	631,165
Shop & Garage Equipment	807,442	504,171	60.15%	498,014
Furniture & Office	264,817	448,734	-40.99%	377,994
Communication Equipment	1,030,713	682,335	51.06%	635,810
Miscellaneous	1,204,549	880,096	36.87%	880,096
	<u>44,701,832</u>	<u>41,902,929</u>	<u>6.68%</u>	<u>41,304,390</u>
Less: Accumulated Depreciation	<u>25,494,575</u>	<u>24,791,911</u>	<u>2.83%</u>	<u>22,407,669</u>
Total Net Capital Assets	<u>\$ 19,207,257</u>	<u>\$ 17,111,018</u>	<u>12.25%</u>	<u>\$ 18,896,721</u>

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Capital Assets consist of land, buildings, vehicles, office and shop supplies, and miscellaneous equipment, net of accumulated depreciation. As of June 30, 2017, the District had invested \$44.7 million in capital assets (\$41.9 million at June 30, 2016). Accumulated depreciation at June 30, 2017 was \$25.5 million (\$24.8 million at June 30, 2016). In FY2017, the District has purchased 20 bus shelters, 19 bus shelter installations, installed a fuel island, installed a perimeter security fence, installed a backup generator, purchased two way radios, installed a video surveillance system, installed a new boiler system, built a server room, installed a fire suppression system, purchased scheduling software, purchased 4 New Flyer Hybrid buses, and purchased New Flyer Hybrid tools and software.

The District's management team has identified numerous contracts for supplies and professional services that we feel should be established or continued as long-term agreements. Starting in FY 2014 and continuing into this fiscal year we plan to award five to ten year contracts for the following:

- Camera services
- Two way radio services
- Telephone, internet, communication supply and services
- Computer supply and services
- Legal Services
- Banking Services
- Fuel, oil and grease supplier
- Sweeper equipment
- ADA paratransit services
- Security services
- Safety, risk management services

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, 2017 and 2016
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.

Short-term and Long-term Financial Planning

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. Long-range goals are development of a north side transit satellite facility and ultimate replacement of maintenance facilities.

A summary of the District's 5 year capital asset plan is presented in Table 6-A.

Table 6-A
5 Year Projected Capital Project Plan

Year	Total Cost
Year 1 (FY2018)	\$2,840,000
Year 2 (FY2019)	\$2,290,000
Year 3 (FY2020)	\$3,379,000
Year 4 (FY2021)	\$1,894,000
Year 5 (FY2022)	\$1,909,000
	<u>\$12,312,000</u>

GREATER PEORIA MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Years Ended June 30, 2017 and 2016 UNAUDITED

CURRENT KNOWN ECONOMIC CONDITIONS AND FACTS (cont)

FY2018		Funding Sources		
Capital Project	Estimated Cost	FTA	State	Local
Northside Transit Facility Pre-Construction	100,000	80,000		20,000
Automatic Vehicle Locator (AVL) System Phase 1	280,000	224,000		56,000
Automatic Vehicle Locator (AVL) System Phase 2	500,000	400,000	-	100,000
Heating, Ventilation & Air Conditioning (HVAC) - Admin	300,000	240,000		60,000
Transit Center Upgrade/remodel	415,000	332,000		83,000
Bus Camera System	750,000	600,000	-	150,000
Safety - Remarking and Striping of hazardous areas	90,000	72,000		18,000
(2) support Vehicle	85,000	68,000		17,000
(5) Paratransit Vehicles	320,000	256,000	-	64,000
Total	2,840,000	2,272,000	-	568,000

FY2019		Funding Sources		
Capital Project	Estimated Cost	FTA	State	Local
Asphalt Overlay - Parking Lot - Admin/Maint	1,030,000	824,000		206,000
NorthSide Transit Facility (stage II)	700,000	560,000		140,000
Garage Update & Rehab	400,000	320,000		80,000
(5) Paratransit Vehicles	160,000	128,000		32,000
Total	2,290,000	1,832,000	-	458,000

FY2020		Funding Sources		
Capital Project	Estimated Cost	FTA	State	Local
(2) 40' Low Floor Transit Coaches	715,000	572,000		143,000
NorthSide Transit Facility - Stage III	1,500,000	1,200,000		300,000
(2) Paratransit Vehicles	164,000	131,200		32,800
Facility improvement (I)	1,000,000	800,000		200,000
Total	3,379,000	2,703,200	-	675,800

FY2021		Funding Sources		
Capital Project	Estimated Cost	FTA	State	Local
(2) 40' Low Floor Transit Coaches	730,000	584,000		146,000
(2) Paratransit Vehicles	164,000	131,200		32,800
Facility improvement (II)	1,000,000	800,000		200,000
Total	1,894,000	1,515,200	-	378,800

FY2022		Funding Sources		
Capital Project	Estimated Cost	FTA	State	Local
(2) 40' Low Floor Transit Coaches	745,000	596,000		149,000
(2) Paratransit Vehicles	164,000	131,200		32,800
Facility improvement (III)	1,000,000	800,000		200,000
Total	1,909,000	1,527,200	-	381,800

Grand Total (2018-2022) \$12,312,000 \$9,849,600 \$0 \$2,462,400

Highlights of the Long-term budget plan include the replacement of additional 25 35-ft buses (estimated cost: \$10 million), additional of north side transit center construction (estimated cost: \$5 million) and possible replacement of maintenance garage (estimated cost: \$30 million).

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, 2017 and 2016

ASSETS		
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 19,721,305	\$ 25,623,912
Restricted Assets		
Cash and repurchase agreement	1,998,252	1,987,870
Certificates of deposit	417,839	417,621
Property taxes receivable	3,035,147	2,941,161
Prepaid expenses	58,609	74,067
Accounts Receivable		
Property and replacement taxes receivable	2,180,859	2,029,109
Federal grants receivable	1,841,463	1,469,905
State grants receivable	2,493,946	-
State capital grants receivable	191,522	-
Due from other governments	613,229	520,410
Other receivables	57,294	64,503
Due from restricted funds	4,556,272	4,709,152
Materials and supplies inventories	502,150	480,875
Total Current Assets	<u>37,667,887</u>	<u>40,318,585</u>
CAPITAL ASSETS		
Capital assets, not being depreciated	1,861,749	1,855,709
Property and equipment	42,840,083	40,047,220
Less: Accumulated depreciation	<u>(25,494,575)</u>	<u>(24,791,911)</u>
Total Capital Assets	<u>19,207,257</u>	<u>17,111,018</u>
Total Assets	<u>56,875,144</u>	<u>57,429,603</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	<u>3,327,189</u>	<u>4,087,858</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	841,635	874,229
Payable to State of Illinois	-	5,220,793
Accrued payroll and compensated absences	1,013,699	1,150,927
Estimated payable for claims and losses - employee health insurance	87,399	127,712
Payable from Restricted Assets		
Estimated payable from claims and losses - workers' compensation	336,676	586,334
Other accrued expenses	101,810	86,389
Due to unrestricted funds	4,556,272	4,709,152
Total Current Liabilities	<u>6,937,491</u>	<u>12,755,536</u>
NONCURRENT LIABILITIES		
Net OPEB obligation	21,078,390	18,669,706
Net pension liability	6,021,612	7,015,806
Total Noncurrent Liabilities	<u>27,100,002</u>	<u>25,685,512</u>
Total Liabilities	<u>34,037,493</u>	<u>38,441,048</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	<u>1,336,289</u>	<u>555,678</u>
NET POSITION		
Net investment in capital assets	19,207,257	17,111,018
Restricted for self-insurance	515,089	38,844
Unrestricted	<u>5,106,205</u>	<u>5,370,873</u>
Total Net Position	<u>24,828,551</u>	<u>22,520,735</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 60,202,333</u>	<u>\$ 61,517,461</u>

See accompanying notes to financial statements.

GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION For the Years Ended June 30, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Passenger fares	\$ 1,582,189	\$ 1,700,255
Special transit services	284,036	294,915
East Peoria, Pekin, and Peoria County fares	1,230,942	1,042,511
Advertising	134,517	126,197
Other	79,080	81,721
Total Operating Revenues	3,310,764	3,245,599
OPERATING EXPENSES		
Salaries and fringe benefits	17,563,318	16,310,104
Purchased services	1,920,871	1,825,907
Fuel and lubricants	981,979	1,110,380
Materials and supplies	1,182,708	1,429,833
Utilities	231,309	234,950
Casualty and liability costs	527,781	494,630
Tires and tubes	121,419	140,273
Travel expenses	64,492	53,295
Dues and subscriptions	47,705	44,596
Purchased transportation	3,461,547	3,642,076
Other	201,220	168,406
Total Operation and Maintenance Expenses	26,304,349	25,454,450
Operating Loss Before Depreciation	(22,993,585)	(22,208,851)
DEPRECIATION	2,493,158	2,391,281
Loss From Operations	(25,486,743)	(24,600,132)
NONOPERATING REVENUES (EXPENSES)		
Sales commissions	12,722	14,365
Grants		
State of Illinois		
Downstate Public Transportation Assistance Program		
Operating assistance	16,596,667	16,168,005
Feasibility operating assistance	-	15,479
Federal Transit Administration		
Maintenance assistance	1,303,349	1,440,000
Feasibility operating assistance	523,136	163,427
Intergovernmental revenues	52,804	59,476
Investment income	37,309	42,432
Property and replacement taxes	5,350,856	5,037,610
Gain on disposal of capital assets	22,505	105
Total Nonoperating Revenues	23,899,348	22,940,899
Net Income (Loss) Before Contributions	(1,587,395)	(1,659,233)
CAPITAL CONTRIBUTIONS	3,895,211	485,459
CHANGE IN NET POSITION	2,307,816	(1,173,774)
NET POSITION - Beginning of Year	22,520,735	23,694,509
NET POSITION - END OF YEAR	\$ 24,828,551	\$ 22,520,735

See accompanying notes to financial statements.

GREATER PEORIA MASS TRANSIT DISTRICT

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for transit fares and other revenues	\$ 3,237,876	\$ 3,054,732
Payments for salaries and benefits	(14,607,548)	(14,298,804)
Payments to suppliers for goods and services	<u>(9,191,220)</u>	<u>(9,085,516)</u>
Net Cash Flows From Operating Activities	<u>(20,560,892)</u>	<u>(20,329,588)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State operating aids	8,690,406	17,422,081
Federal operating aids	1,963,136	1,519,403
Property and income taxes received	<u>5,105,120</u>	<u>4,802,427</u>
Net Cash Flows From Noncapital Financing Activities	<u>15,758,662</u>	<u>23,743,911</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received	3,439,806	476,336
Purchase of capital assets	(4,589,397)	(605,578)
Proceeds from sale of capital assets	<u>22,505</u>	<u>105</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(1,127,086)</u>	<u>(129,137)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of certificates of deposit	417,621	417,403
Purchase of certificates of deposit	(417,839)	(417,621)
Interest received	<u>37,309</u>	<u>42,432</u>
Net Cash Flows From Investing Activities	<u>37,091</u>	<u>42,214</u>
Net Change in Cash and Cash Equivalents	(5,892,225)	3,327,400
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>27,611,782</u>	<u>24,284,382</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 21,719,557</u>	<u>\$ 27,611,782</u>

See accompanying notes to financial statements.

	<u>2017</u>	<u>2016</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (25,486,743)	\$ (24,600,132)
Nonoperating revenue		
Sales commissions	12,722	14,365
Noncash items included in operating loss		
Depreciation	2,493,158	2,391,281
Changes in Assets and Liabilities		
Due from other governments and other receivables	(85,610)	(205,232)
Materials and supplies inventory	(21,275)	(56,003)
Prepaid expenses	15,458	(2,679)
Accounts payable	(32,594)	209,166
Post retirement obligations	2,955,770	2,011,300
Accrued wages and benefits	(137,228)	94,503
Other accrued expenses	(24,892)	(81,360)
Estimated payable for claims and losses	<u>(249,658)</u>	<u>(104,797)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (20,560,892)</u>	<u>\$ (20,329,588)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS		
Cash and cash equivalents	\$ 19,721,305	\$ 25,623,912
Restricted cash and repurchase agreement	1,998,252	1,987,870
Certificates of deposit	<u>417,839</u>	<u>417,621</u>
Total Cash and Investments	22,137,396	28,029,403
Less: Noncash equivalents	<u>(417,839)</u>	<u>(417,621)</u>
CASH AND CASH EQUIVALENTS	<u>\$ 21,719,557</u>	<u>\$ 27,611,782</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, 2017 and 2016

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. However, 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, 2017 and 2016

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.

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

Repurchase agreements are stated at reported at fair value. (The repurchase agreements are overnight sweep accounts). Income is recognized on the accrual basis of accounting. The types of investments allowed are regulated by Illinois State laws and are listed in Note 3. 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. At June 30, 2017 and 2016, the certificates of deposit are not considered cash equivalents. However, all of the U.S. Government security overnight repurchase agreements are considered cash equivalents.

Property Taxes Receivable

Property taxes receivable represents amounts payable to the District as of year-end for fiscal 2017 and 2016 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.

Prepaid Expenses

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

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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

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

Capital Assets and Depreciation

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 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:

	<u>Years</u>
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.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of new position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time. Deferred outflows related to the GASB Statement No. 68 pension liability. Details of the account are included in Note 5.

Other Post-Employment Benefit Obligation (Net of OPEB Obligation)

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. 45; 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.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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

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

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.

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) which were later deemed ineligible. At June 30, 2017, the payable is shown net of operating receivables from IDOT related to other fiscal years.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and will, therefore, not be recognized as an inflow of resources (revenue) until that future time. On an accrual basis, revenue from property taxes are recognized in the period they are intended to finance, which is the year after the taxes are levied. A deferred inflow of resources arises when assets are recognized before the period for revenue recognition has occurred. Pension deferred inflows relate to the GASB Statement No. 68 pension liability. Details of the account are included in Note 5. Deferred capital revenues relate to resources received prior to their use to acquire paratransit capital assets.

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 invested in capital assets, net of related debt. 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, 2017 and 2016.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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

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

Net Position (cont.)

- > *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.

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. 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. Property tax revenue recognized in fiscal year 2017 by the District represents the 2016 tax levy due and payable by the taxpayers in 2017, which was budgeted for fiscal year 2017.

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.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, and Statement No. 87, *Leases*. When they become effective, application of these standards may restate portions of these financial statements.

RECLASSIFICATION

Certain amounts in the prior year's financial statement may have been reclassified to conform to the current year presentation.

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, 2017 and 2016 are summarized as follows:

	June 30, 2017				
	Self-Insurance Reserve	Social Security Reserve	Illinois Municipal Retirement Reserve	State Unemployment Reserve	Total
Restricted assets (liabilities)					
Cash and repurchase agreement	\$ 1,998,252	\$ -	\$ -	\$ -	\$ 1,998,252
Certificate of deposit	417,839	-	-	-	417,839
Property taxes receivable	991,554	718,877	1,289,020	35,696	3,035,147
Prepaid expenses	58,609	-	-	-	58,609
Estimated payable for claims and losses	(336,676)	-	-	-	(336,676)
Accrued expenses	-	-	(97,562)	(4,248)	(101,810)
Due (to) from unrestricted funds	-	-	-	-	-
	(2,614,489)	(718,877)	(1,191,458)	(31,448)	(4,556,272)
Restricted net position	\$ 515,089	\$ -	\$ -	\$ -	\$ 515,089

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

NOTE 2 – RESTRICTED ASSETS, LIABILITIES, AND RESTRICTED NET POSITION (cont.)

	June 30, 2016				Total
	Self-Insurance Reserve	Social Security Reserve	Illinois Municipal Retirement Reserve	State Unemployment Reserve	
Restricted assets (liabilities)					
Cash and repurchase agreement	\$ 1,987,870	\$ -	\$ -	\$ -	\$ 1,987,870
Certificate of deposit	417,621	-	-	-	417,621
Property taxes receivable	980,714	711,018	1,225,892	23,537	2,941,161
Prepaid expenses	74,067	-	-	-	74,067
Estimated payable for claims and losses	(586,334)	-	-	-	(586,334)
Accrued expenses	-	-	(81,533)	(4,856)	(86,389)
Due (to) from unrestricted funds	(2,835,094)	(711,018)	(1,144,359)	(18,681)	(4,709,152)
Restricted net position	\$ 38,844	\$ -	\$ -	\$ -	\$ 38,844

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 complied 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.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

NOTE 3 – CASH AND INVESTMENTS (cont.)

Custodial Credit Risk

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

	2017		2016	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Petty cash	\$ -	\$ 4,288	\$ -	\$ 4,288
Demand deposits	111,018	116,130	248,136	277,622
Illinois Funds	200,852	200,852	259,344	259,344
U.S. Government security overnight repurchase agreements	22,002,876	21,398,287	27,705,621	27,070,528
Certificates of deposit	417,839	417,839	417,621	417,621
	\$ 22,732,585	\$ 22,137,396	\$ 28,630,722	\$ 28,029,403
Cash and repurchase agreement		\$ 19,721,305		\$ 25,623,912
Restricted:				
Cash and repurchase agreement		1,998,252		1,987,870
Certificates of deposit		417,839		417,621
		\$ 22,137,396		\$ 28,029,403

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. To guard against custodial credit risk for deposits with financial institutions, the District investment policy requires that deposits with financial institution in excess of FDIC be collateralized at 100% of the uninsured deposits. As of June 30, 2017 and 2016, none of the District's bank balance of \$528,857 and \$665,757 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 depository institution may substitute the underlying securities. At June 30, 2017 and 2016, the District had \$22,002,876 and \$27,705,621, respectively, invested in such agreements. Such amounts are subject to custodial credit risk.

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 US Government Agency Securities were rated AAA by Moody's investment rating agency as of June 30, 2017 and 2016.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

NOTE 3 – CASH AND INVESTMENTS (cont.)

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. The District held 53% and 64% of its investments in US Government Agency Securities, issued by the Federal National Mortgage Association as of June 30, 2017 and 2016, respectively and 47% and 36% of its investments in US Government Agency Securities, issued by the Federal Home Loan Mortgage Corporation as of June 30, 2017 and 2016, respectively.

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.

The Illinois Funds (the Fund) is an external investment pool authorized by the Illinois General Assembly. The Fund is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poors upon the request of the Fund's management. The most recent money market rating issued by Standard and Poors was AAA. 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 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.

The valuation method for the US Government securities held through repurchase agreements is at actual market prices that the securities were purchased for on June 30, 2017, which is a level 1 input.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

NOTE 4 – CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 1,855,709	\$ 6,040	\$ -	\$ 1,861,749
Capital assets being depreciated:				
Buildings and building improvements	12,902,767	597,226	(44,185)	13,455,808
Transit vehicles	24,629,117	2,613,417	(1,165,779)	26,076,755
Machinery, equipment and furniture	2,515,336	1,372,714	(580,530)	3,307,520
Total Capital Assets	40,047,220	4,583,357	(1,790,494)	42,840,083
Being Depreciated	40,047,220	4,583,357	(1,790,494)	42,840,083
Less accumulated depreciation for:				
Buildings and building improvements	(9,849,319)	(406,928)	44,185	(10,212,062)
Transit vehicles	(13,028,456)	(1,831,010)	1,165,779	(13,693,687)
Machinery, equipment and furniture	(1,914,136)	(255,220)	580,530	(1,588,826)
Total Accumulated Depreciation	(24,791,911)	(2,493,158)	1,790,494	(25,494,575)
Capital Assets, Net	\$ 17,111,018	\$ 2,096,239	\$ -	\$ 19,207,257

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 1,855,709	\$ -	\$ -	\$ 1,855,709
Capital assets being depreciated:				
Buildings and building improvements	12,469,070	440,736	(7,039)	12,902,767
Transit vehicles	24,587,697	41,420	-	24,629,117
Machinery, equipment and furniture	2,391,914	123,422	-	2,515,336
Total Capital Assets	39,448,681	605,578	(7,039)	40,047,220
Being Depreciated	39,448,681	605,578	(7,039)	40,047,220
Less accumulated depreciation for:				
Buildings and building improvements	(9,489,300)	(367,058)	7,039	(9,849,319)
Transit vehicles	(11,155,537)	(1,872,919)	-	(13,028,456)
Machinery, equipment and furniture	(1,762,832)	(151,304)	-	(1,914,136)
Total Accumulated Depreciation	(22,407,669)	(2,391,281)	7,039	(24,791,911)
Capital Assets, Net	\$ 18,896,721	\$ (1,785,703)	\$ -	\$ 17,111,018

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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 a 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

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

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years 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, 2016 and 2015, the following employees were covered by the benefit terms:

	<u>2016</u>	<u>2015</u>
Retirees and Beneficiaries currently receiving benefits	103	100
Inactive Plan Members entitled to but not yet receiving benefits	45	46
Active Plan Members	<u>164</u>	<u>161</u>
Total	<u>312</u>	<u>307</u>

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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 annual contribution rate for calendar year 2016 was 12.14% and for calendar year 2015 was 12.72%. For the fiscal years ended June 30, 2017 and 2016, the District contributed \$1,063,507 and \$1,080,534, 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, 2016. 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, 2016:

- > 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 2.75%.
- > **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- > The **Investment Rate of Return** was assumed to be 7.50%.
- > **Projected Retirement Age** was from the Experience-based Table Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from the years 2011 to 2013.
- > 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-2014 (base year 2014). 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-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Fiscal year ended June 30, 2017 used actuarial assumptions as of December 31, 2016, detailed above; these assumptions have not significantly changed from assumptions as of December 31, 2015. Fiscal year ended June 30, 2016 used actuarial assumptions as of December 31, 2015.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternate Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

There were no significant changes from December 31, 2015 assumptions.

SINGLE DISCOUNT RATE

A Single Discount rate of 7.50% 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 39,043,218	\$ 34,189,543	\$ 4,853,675
Changes for the year			
Service Cost	942,403	-	942,403
Interest on Total Pension Liability	2,877,192	-	2,877,192
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	695,296	-	695,296
Changes of Assumptions	50,657	-	50,657
Contributions - Employer	-	1,133,521	(1,133,521)
Contributions - Employees	-	401,219	(401,219)
Net Investment Income	-	169,538	(169,538)
Benefit Payments, including Refunds of Employee Contributions	(2,098,565)	(2,098,565)	-
Other (Net Transfers)	-	699,139	(699,139)
Net Changes	2,466,983	304,852	2,162,131
Balances at December 31, 2015	\$ 41,510,201	\$ 34,494,395	\$ 7,015,806
Changes for the year			
Service Cost	1,019,925	-	1,019,925
Interest on Total Pension Liability	3,061,747	-	3,061,747
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,019,079)	-	(1,019,079)
Changes of Assumptions	(152,776)	-	(152,776)
Contributions - Employer	-	1,053,729	(1,053,729)
Contributions - Employees	-	390,592	(390,592)
Net Investment Income	-	2,386,559	(2,386,559)
Benefit Payments, including Refunds of Employee Contributions	(2,065,849)	(2,065,849)	-
Other (Net Transfers)	-	73,131	(73,131)
Net Changes	843,968	1,838,162	(994,194)
Balances at December 31, 2016	\$ 42,354,169	\$ 36,332,557	\$ 6,021,612

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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 7.50%, 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:

Net Pension Liability	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
December 31, 2016	\$11,522,661	\$6,021,612	\$1,499,440
December 31, 2015	\$12,515,810	\$7,015,806	\$2,488,727

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

For the years ended June 30, 2017 and 2016, the District recognized pension expense of \$1,649,556 and \$933,062, respectively. At June 30, 2017 and 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30,	
	2017	2016
<i>Deferred outflow of resources</i>		
Differences between expected and actual experience	\$ 432,100	\$ 563,698
Changes of Assumptions	581,528	834,101
Net differences between projected and actual earnings on pension plan investments	1,762,326	2,187,565
Pension Contributions made subsequent to the Measurement Date	<u>551,235</u>	<u>502,494</u>
Total Deferred Outflows of Resources	<u>\$ 3,327,189</u>	<u>\$ 4,087,858</u>
<i>Deferred inflow of resources</i>		
Differences between expected and actual experience	\$ 1,212,323	\$ 555,678
Changes of Assumptions	<u>123,966</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 1,336,289</u>	<u>\$ 555,678</u>

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont.)

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

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 Outflow of Resources
2017	\$ 1,149,357
2018	598,123
2019	455,324
2020	(144,969)
2021	(66,935)
Total	<u>\$ 1,990,900</u>

OUTSTANDING PAYABLES

At June 30, 2017 and 2016, the District had outstanding payables to IMRF of \$150,863 and \$121,556, respectively, related to June 2017 and 2016 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. The District pays the full cost of insurance premiums for retirees and spouses age 60 and above for life. All other employees must pay the full insurance premium in order to continue their coverage after retirement. Monthly premiums as of June 30, 2017 are as follows:

	<u>Pre-65</u>	<u>Post-65</u>
Single	\$ 1,015.81	\$ 711.04
Employee plus one	\$ 1,950.78	\$ 1,422.14

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. Fifty-six retirees were receiving benefits as of June 30, 2017.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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

ANNUAL OPEB COSTS AND NET OPEB OBLIGATION

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

The net OPEB obligation (NOPEBO) as of June 30, 2017 and 2016 was calculated as follows:

	2017	2016
Normal cost	\$ 1,716,164	\$ 1,716,164
Amortization of unfunded actuarial liability	1,251,729	1,251,729
Total annual required contribution	2,967,893	2,967,893
Annual required contribution	2,967,893	2,967,893
Interest on Net OPEB Obligation	840,137	742,992
Net OPEB Obligation amortization adjustment	(533,271)	(533,271)
Annual OPEB Cost	3,274,759	3,177,614
Contributions made (estimated explicit and implicit)	(866,075)	(1,018,841)
Increase (Decrease) in Net OPEB Obligation	2,408,684	2,158,773
Net OPEB Obligation – Beginning of Year	18,669,706	16,510,933
Net OPEB Obligation – End of Year	\$ 21,078,390	\$ 18,669,706

The District's annual OPEB cost, percentage of annual OPEB cost contributed, and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 3,274,759	26.45%	\$ 21,078,390
June 30, 2016	\$ 3,177,614	32.06%	\$ 18,669,706
June 30, 2015	\$ 3,093,381	39.49%	\$ 16,510,933

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of June 30, 2014 (latest actuarial valuation), was as follows:

Actuarial accrued liability (AAL)	\$	34,361,814
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>34,361,814</u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	8,496,674
UAAL as a percentage of covered payroll		404.4%

Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.0% per year inflation rate, a 4.50% discount rate and initial annual healthcare cost trend rates of 8.00%. The medical rate is reduced by 0.5% each year to arrive at an ultimate medical healthcare trend rate of 5.00%. The UAAL is being amortized as a level percent of payroll over 30 years. The amortization period is open.

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.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2017 and 2016

NOTE 7 – RISK MANAGEMENT (cont.)

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.

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 \$350,000 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, 2017 and 2016, the estimated amount of these claims liabilities was \$336,676 and \$586,344, 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>
2016	\$ 691,131	\$ 415,332	\$ (520,119)	\$ 586,344
2017	\$ 86,344	\$ 66,405	\$ (316,073)	\$ 336,676

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 \$75,000 individually and approximately \$1.75 million in the aggregate for claims paid over an annual liability period. 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.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2017 and 2016

NOTE 7 – RISK MANAGEMENT (cont.)

At June 30, 2017 and 2016, the estimated amount of these claims liabilities was \$87,399 and \$127,712, 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>
2016	\$ 209,073	\$ 2,049,121	\$ (2,130,482)	\$ 127,712
2017	\$ 127,712	\$ 2,283,141	\$ (2,323,454)	\$ 87,399

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. This stayed the same as of June 30, 2017.

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2017 and 2016

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:

<u>Fiscal Year Ending July 31,</u>	<u>Amount</u>
2016	\$ 469,296
2017	485,724
2018	502,728
2019	520,320
2020	<u>538,536</u>
Total	<u>\$ 2,516,604</u>

Optional Years Management Personnel Fee

<u>Fiscal Year Ending July 31,</u>	<u>Amount</u>
2021	\$ 557,376
2022	576,888
2023	597,084
2024	617,976
2025	<u>639,600</u>
Total	<u>\$ 2,988,924</u>

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>
12/1/15- 11/30/16	\$ 2,463,939
12/1/16- 11/30/17	2,539,310
12/1/17- 11/30/18	2,618,350
12/1/18- 11/30/19	2,709,394
12/1/19- 11/30/20 (A)	2,767,820
12/1/20- 11/30/21 (A)	<u>2,867,873</u>
Total	<u>\$ 15,966,686</u>

(A) Optional years

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 Most Recent Calendar Year

Calendar Year December 31,	2016	2015	2014
A. Total pension Liability			
1. Service Cost	\$ 1,019,925	\$ 942,403	\$ 989,369
2. Interest on the Total Pension Liability	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	(1,019,079)	695,296	(896,198)
5. Changes in assumptions	(152,776)	50,657	1,279,002
6. Benefit payments, including refunds of employee contributions	<u>(2,065,849)</u>	<u>(2,098,565)</u>	<u>(2,087,798)</u>
7. Net change in total pension liability	843,968	2,466,983	2,016,537
8. Total pension liability - beginning	41,510,201	39,043,218	37,026,681
9. Total pension liability - ending	<u>\$ 42,354,169</u>	<u>\$ 41,510,201</u>	<u>\$ 39,043,218</u>
B. Plan fiduciary net position			
1. Contributions - employer	\$ 1,053,729	\$ 1,133,521	\$ 1,140,253
2. Contributions - employee	390,592	401,219	383,779
3. Net investment income	2,386,559	169,538	2,002,165
4. Benefit payments, including refunds of employee contributions	(2,065,849)	(2,098,565)	(2,087,798)
5. Other (Net Transfer)	73,131	699,139	(353,113)
6. Net change in plan fiduciary net position	<u>1,838,162</u>	<u>304,852</u>	<u>1,085,286</u>
7. Plan fiduciary net position - beginning	34,494,395	34,189,543	33,104,257
8. Plan fiduciary net position - ending	<u>\$ 36,332,557</u>	<u>\$ 34,494,395</u>	<u>\$ 34,189,543</u>
C. Net pension liability/(asset)	\$ 6,021,612	\$ 7,015,806	\$ 4,853,675
D. Plan fiduciary net position as a percentage of the total pension liability	85.78%	83.10%	87.57%
E. Covered Valuation payroll	\$ 8,679,802	\$ 8,909,465	\$ 8,496,674
F. Net position liability as a percentage of covered valuation payroll	69.37%	78.75%	57.12%

Notes to Schedule: 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**

Schedule of Employer Contributions

Most Recent Fiscal Years

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Calculation Payroll
2017	\$ 1,063,507	\$ 1,063,507	\$ -	\$ 8,679,802	12.14%
2016	1,080,534	1,080,534	-	8,683,498	12.72%
2015	1,166,393	1,166,393	-	8,718,035	12.72%

GREATER PEORIA MASS TRANSIT DISTRICT

NOTES TO SCHEDULE

Summary of Actuarial Methods and Assumptions Used in the Calculations of the 2016 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 2016 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): 27-year closed period until remaining period reaches 15 years (the 15-year rolling period). 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 22 years for most employers (two employers were financed over 31 years)
Asset Valuation Method	5-Year Smoothed Market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
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 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality Rates	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

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

OTHER POST-EMPLOYMENT BENEFIT PLAN – REQUIRED SUPPLEMENTARY INFORMATION UNAUDITED

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Schedule Payroll [(b-a)/(c)]
06/30/08	\$ -	\$ 19,772,948	\$ (19,772,948)	0.00%	\$ 6,761,539	292.0%
06/30/12	-	31,451,713	(31,562,713)	0.00%	7,244,354	435.7%
06/30/15	-	34,361,814	(34,361,814)	0.00%	8,909,465	385.7%

The District implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008. Information for prior years is not available. Each actuarial evaluation can be used for up to three fiscal years. The current actuary report was completed for 06/30/2015.

Schedule of Employer Contributions

Year Ended,	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
6/30/2017	\$ 866,075	\$ 3,274,759	26.45%
6/30/2016	1,018,841	3,177,614	32.1%
6/30/2015	740,492	3,093,381	23.9%
6/30/2014	902,102	3,853,260	23.4%
6/30/2013	597,585	3,713,063	16.1%

See accompanying independent auditors' report.

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SUPPLEMENTAL INFORMATION

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REPORT ON FEDERAL AWARDS

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Peoria Mass Transit District (District), Illinois as of and for the year ended June 30, 2017, 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 13, 2017.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

To the Board of Trustees
Greater Peoria Mass Transit District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 13, 2017

REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the Greater Peoria Mass Transit District (District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2017. The District's major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

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

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

To the Board of Trustees
Greater Peoria Mass Transit District

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

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 the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of 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.

Purpose of this Report

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.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 13, 2017

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Agency/Pass-Through Agency/Program or Cluster Title	Federal CFDA Number	Local Agency Contract Number	Federal Expenditures
U.S. Department of Transportation			
Direct Program:			
Federal Transit Formula Grants	20.507	IL-90-X759-00	\$ 1,843,159
Federal Transit Formula Grants	20.507	IL-90-0736-00	783,846
Federal Transit Formula Grants	20.507	IL-90-0734-00	559,859
Federal Transit Formula Grants	20.507	IL-90-0715-00	164,736
Federal Transit Formula Grants	20.507	IL-90-0696-00	<u>1,243,496</u>
Total Federal Transit Formula Grants			4,595,096
Clean Fuels Grant Program	20.519	IL-58-0004-00	935,078
Passed Through:			
Tri-County Regional Planning Commission			
New Freedom Program	20.521	IL-57-X029-00	10,561
JARC	20.516	IL-37-X088-00	<u>42,243</u>
Total Transit Services Programs			<u>52,804</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,582,978</u>

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, 2017

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 criteria established by the Governmental Accounting Standards Board.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Greater Peoria Mass Transit District under programs of the federal government for the year ended June 30, 2017. 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, 2017, 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 purpose of financing capital projects and supporting public transportation services in urbanized areas.

NOTE 4 – RECONCILIATION TO THE FINANCIAL STATEMENTS

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

Maintenance assistance	\$	1,303,349
Feasibility operating assistance		523,136
Intergovernmental Passed through Tri-County RPC		52,804
Capital contributions		3,895,211
Less: State capital contributions		<u>191,522</u>
Total	\$	<u>5,582,978</u>

NOTE 5 – INDIRECT COST RATE

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

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- > Material weakness(es) identified? yes X no
- > Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

FEDERAL AWARDS

Internal control over major program:

- > Material weakness(es) identified? yes X no
- > Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance? yes X no

Auditee qualified as low-risk auditee? X yes no

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS

None

ILLINOIS DEPARTMENT OF TRANSPORTATION

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REPORT ON COMPLIANCE WITH LAWS
AND REGULATIONS APPLICABLE TO THE FINANCIAL ASSISTANCE
RECEIVED FROM THE ILLINOIS DEPARTMENT OF TRANSPORTATION

Independent Auditors' Report

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

Report on Compliance

We have audited the compliance of Greater Peoria Mass Transit District 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, 2017. Greater Peoria Mass Transit District's state financial assistance is identified in the Schedule of Revenue and Expense Under Downstate Operating Assistance Grant OP-17-02-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 from the Illinois Department of Transportation.

Auditor's Responsibility

Our responsibility is to express an opinion on Greater Peoria Mass Transit District's compliance 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 Department of Transportation, State of Illinois. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of financial assistance occurred. An audit includes examining, on a test basis, evidence about Greater Peoria Mass Transit District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance with laws and regulations applicable to the financial assistance received from the Illinois Department of Transportation. Our audit does not provide a legal determination of Greater Peoria Mass Transit District's compliance with those requirements.

To the Board of Trustees
Greater Peoria Mass Transit District

Opinion on Compliance

In our opinion, the Greater Peoria Mass Transit District complied, in all material respects, with the requirements referred to above that are applicable to state financial assistance received for the year ended June 30, 2017.

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 13, 2017

GREATER PEORIA MASS TRANSIT DISTRICT

SCHEDULE OF REVENUE AND EXPENSE UNDER
DOWNSTATE OPERATING ASSISTANCE GRANT OP-17-02-IL
For the Year Ended June 30, 2017

OPERATING REVENUES AND INCOME

401	Passenger fares for transit services	\$ 1,582,189
402	Special transit fares	284,036
406	Auxiliary revenue	134,517
407	Non-transportation revenue	144,101
413.99	Sec. 5307 capital funds applied to state eligible operating expenses	1,826,485
440	Subsidy from other sectors of operations	<u>529,742</u>
	Total Operating Revenues	<u>\$ 4,501,070</u>

OPERATING EXPENSES

501	Labor	\$ 8,166,603
502	Fringe benefits	9,396,715
503	Professional services	1,875,067
504	Materials and supplies consumed	2,286,106
505	Utilities	231,309
506	Casualty and liability	527,781
507	Taxes	6,176
508	Net purchased transportation	3,461,547
509	Miscellaneous expense (includes \$0 capitalized items <\$5,000)	307,241
512	Leases, rentals, and purchase-lease payments	<u>45,804</u>
	Total Operating Expenses	26,304,349

Ineligible Expenses

APTA and IPTA dues	4,568
Other - bad debt expense	4,927
Other- expenses reimbursed with Federal Planning Assistance grant	52,804
Other - expenses reimbursed with Peoria County Intergovernmental Agreement	<u>708,714</u>

Less: Total ineligible expenses 771,013

Total Eligible Operating Expenses 25,533,336

Total Operating Revenue and Income 4,501,070

Deficit \$ 21,032,267

65% of Eligible Expenses \$ 16,596,667

Maximum Contract Amount \$ 28,310,200

Eligible FY17 Downstate Operating Assistance (Deficit, 65% of eligible expenses, or maximum contract amount, whichever is less) \$ 16,596,667

FY17 Downstate Operating Assistance Received (prior to close of fiscal year) \$ 12,362,145

FY17 Downstate Operating Assistance Receivable (at close of fiscal year and subsequently received) \$ -

FY17 Downstate Operating Assistance (Over) Under Paid \$ 4,234,523

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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, 10 Year Comparison
- Table 5- Funding Sources
- Table 6- 10 Years Operating Revenues and Operating Expenses

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 7- Property Tax Levies Collected
- Table 8- Principle Property Tax Payers
- Table 9- Population Trends
- Table 10- Principle Employers

OPERATING INFORMATION:

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

- Table 11- Budgetary Comparison
- Table 12- Farebox and Ridership Data
- Table 13- History of Total Employees Number
- Table 14- Condensed Statement of Capital Assets
- Table 15- Change in Capital Assets, 10 Year Comparison

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GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 1

CONDENSED STATEMENT OF NET POSITION
PAST 10 YEARS, FOR YEAR ENDING JUNE 30

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Current Assets	\$ 12,167,352	\$ 15,525,633	\$ 15,460,670	\$ 16,433,220	\$ 20,759,720	\$ 24,399,515	\$ 31,742,091	\$ 35,315,831	\$ 40,318,585	\$ 37,667,887
Capital Assets	10,376,315	9,237,611	10,363,269	16,882,755	16,900,573	22,017,045	20,064,176	18,896,721	17,111,018	19,207,257
Total Assets	<u>22,543,667</u>	<u>24,763,244</u>	<u>25,823,939</u>	<u>33,315,975</u>	<u>37,660,293</u>	<u>46,416,560</u>	<u>51,806,267</u>	<u>54,212,552</u>	<u>57,429,603</u>	<u>56,875,144</u>
Deferred Outflows of Resources	-	-	-	-	-	-	-	1,222,576	4,087,858	3,327,189
Current Liabilities	2,176,113	2,091,617	2,547,201	2,189,887	3,496,857	4,134,438	8,856,318	10,376,011	12,755,536	6,937,491
Noncurrent Liabilities		1,914,336	3,657,019	5,386,174	8,572,453	11,687,931	14,639,089	21,364,608	25,685,512	27,100,002
Total Liabilities	<u>2,176,113</u>	<u>4,005,953</u>	<u>6,204,220</u>	<u>7,576,061</u>	<u>12,069,310</u>	<u>15,822,369</u>	<u>23,495,407</u>	<u>31,740,619</u>	<u>38,441,048</u>	<u>34,037,493</u>
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	555,678	1,336,289
Net Investment in Capital Assets	10,376,315	9,237,611	10,363,269	16,882,755	16,900,573	22,017,045	20,064,176	18,896,721	17,111,018	19,207,257
Restricted	1,772,449	1,816,010	1,615,599	1,375,668	1,205,018	860,369	471,885	232,643	38,844	515,089
Unrestricted	8,218,790	9,703,670	7,640,851	7,481,491	7,485,392	7,716,777	7,774,799	4,565,145	5,370,873	5,106,205
Total Net Position	<u>\$ 20,367,554</u>	<u>\$ 20,757,291</u>	<u>\$ 19,619,719</u>	<u>\$ 25,739,914</u>	<u>\$ 25,590,983</u>	<u>\$ 30,594,191</u>	<u>\$ 28,310,860</u>	<u>\$ 23,694,509</u>	<u>\$ 22,520,735</u>	<u>\$ 24,828,551</u>

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.

	2007	2017	% CHANGE	\$ CHANGE	
Current Assets	\$ 11,420,893	\$ 37,667,887	230%	\$ 26,246,994	
Capital Assets	11,811,047	19,207,257	63%	7,396,210	
Deferred Outflows of Resources	-	3,327,189			
Total Assets and Deferred Outflows	<u>23,231,940</u>	<u>60,202,333</u>	<u>159%</u>	<u>36,970,393</u>	1)
Current Liabilities	2,350,759	6,937,491	195%	4,586,732	
Noncurrent Liabilities	-	27,100,002	100%	27,100,002	
Deferred Inflows of Resources	-	1,336,289			
Total Liabilities and Deferred Inflows	<u>2,350,759</u>	<u>35,373,782</u>	<u>1405%</u>	<u>33,023,023</u>	2)
Net Investment in Capital Assets	11,811,047	19,207,257	63%	7,396,210	
Restricted	2,428,674	515,089	-79%	(1,913,585)	
Unrestricted	6,641,460	5,106,205	-23%	(1,535,255)	
Total Net Position	<u>\$ 20,881,181</u>	<u>\$ 24,828,551</u>	<u>19%</u>	<u>\$ 3,947,370</u>	

NOTE:

- 1) GPMTD increase in Total assets is due to a significant increase in cash and cash equivalents. Capital assets has increased in part due to the purchase of new fleet in 2010, service vehicles in 2014, and reclassification due to a revised capitalization policy in 2010.
- 2) GPMTD increase in Total Liabilities is due to the increase of OPEB GASB 45 & 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:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Passenger Fares	\$ 1,725,775	\$ 1,909,337	\$ 1,666,415	\$ 1,792,696	\$ 1,946,591	\$ 1,935,253	\$ 1,881,052	\$ 1,935,655	\$ 1,995,170	\$ 1,866,225
(East Peoria, Pekin)	496,310	571,866	355,438	391,792	423,981	407,544	439,827	1,003,575	1,042,511	1,230,942
Advertising	84,613	53,274	64,109	54,963	97,035	70,768	133,289	165,355	126,197	134,517
Other	83,278	77,888	64,231	65,689	193,630	164,059	155,059	90,632	81,721	79,080
Total Operating Revenues	2,389,976	2,612,365	2,150,193	2,305,140	2,661,237	2,577,624	2,609,227	3,195,217	3,245,599	3,310,764
Federal	1,285,712	2,059,909	2,055,538	893,244	1,954,049	1,794,986	1,543,328	1,345,815	1,603,427	1,826,485
State	9,666,910	12,605,711	12,712,884	14,231,100	15,025,374	15,509,601	16,314,231	16,691,025	16,183,484	16,596,667
State Assistance	-	-	(2,375,762)	1,085,388	(106,968)	236,361	-	-	-	-
Property and Replacement Taxes	3,566,890	3,683,372	3,812,157	4,027,330	4,204,106	4,413,092	4,649,380	4,865,793	5,037,610	5,350,856
Other	240,972	152,014	146,415	100,896	60,888	57,609	52,152	412,142	116,378	125,340
Total Non-Operating Revenue	14,760,484	18,501,006	16,351,232	20,337,958	21,137,449	22,011,649	22,559,091	23,314,775	22,940,899	23,899,348
Total Revenues	17,150,460	21,113,371	18,501,425	22,643,098	23,798,686	24,589,273	25,168,318	26,509,992	26,186,498	27,210,112
Salaries and Fringe Benefits	9,492,148	12,371,280	13,336,763	14,606,001	16,045,127	16,459,222	17,187,325	17,114,716	16,310,104	17,563,318
Professional Services	2,322,940	2,921,691	3,047,784	3,233,162	3,238,147	3,429,270	3,631,117	5,002,202	5,467,983	5,382,418
Materials and Supplies	3,390,946	3,395,173	3,112,858	3,190,496	3,520,983	3,558,847	3,562,111	3,318,962	2,680,486	2,286,106
Casualty and Liability	746,083	456,452	552,430	600,397	440,250	504,930	546,141	533,314	494,630	527,781
Other	247,238	407,125	336,423	386,095	286,083	367,210	454,676	324,822	501,247	544,726
Operating and Maintenance Expenses	16,199,355	19,551,721	20,386,258	22,016,151	23,530,590	24,319,479	25,381,370	26,294,015	25,454,450	26,304,349
Depreciation Expense	1,464,732	1,273,285	1,225,834	1,391,884	2,024,121	2,285,792	2,436,845	2,285,026	2,391,281	2,493,158
Total Expenses	17,664,087	20,825,006	21,612,092	23,408,035	25,554,711	26,605,271	27,818,215	28,579,041	27,845,731	28,797,507
Capital Contribution	-	101,372	1,973,095	6,885,132	1,607,094	7,019,206	366,566	840,058	485,459	3,895,211
Changes in Net Position	(513,627)	389,737	(1,137,572)	6,120,195	(148,931)	5,003,208	(2,283,331)	(1,228,991)	(1,173,774)	2,307,816
Beginning Net Position	20,881,181	20,367,554	20,757,291	19,619,719	25,739,914	25,590,983	30,594,191	28,310,860	23,694,509	22,520,735
Change in Accounting Principle	-	-	-	-	-	-	-	(3,387,360)	-	-
Net Position End of Year	\$ 20,367,554	\$ 20,757,291	\$ 19,619,719	\$ 25,739,914	\$ 25,590,983	\$ 30,594,191	\$ 28,310,860	\$ 23,694,509	\$ 22,520,735	\$ 24,828,551

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.

	2007	2017	% CHANGE	\$ CHANGE	
Passenger Fares	\$1,601,891	\$ 1,866,225	17%	\$ 264,334	
Contractual Revenues (East Peoria, Pekin)	387,383	1,230,942	218%	843,559	
Advertising	97,960	134,517	37%	36,557	
Other	97,054	79,080	-19%	(17,974)	
Total Operating Revenues	2,184,288	3,310,764	52%	1,126,476	(a)
Federal	1,428,142	1,826,485	28%	398,343	
State	7,844,592	16,596,667	112%	8,752,075	(b)
Property and Replacement Taxes	3,381,157	5,350,856	58%	1,969,699	
Other	192,374	125,340	-35%	(67,034)	
Total Non-Operating Revenue	12,846,265	23,899,348	86%	11,053,083	
Total Revenues	15,030,553	27,210,112	81%	12,179,559	
Salaries and Fringe Benefits	8,645,164	17,563,318	103%	8,918,154	(c)
Professional Services	2,293,100	5,382,418	135%	3,089,318	
Materials and Supplies	2,603,044	2,286,106	-12%	(316,938)	
Casualty and Liability	834,465	527,781	-37%	(306,684)	
Other	188,466	544,726	189%	356,260	
Total Expenses	\$ 14,564,239	\$ 26,304,349	81%	\$ 11,740,110	

a) In 2016, a new fare pricing structure was implemented.

b) In 2008, Downstate Operating assistance was 55%. Currently, Downstate Operating Assistance is at 65%

c) Employees' Other Postemployment Benefits (OPEB) expense is higher than State Assistance.

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

The table below shows trends in GPMTDs Funding Sources.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Local Operating Revenues	\$ 2,389,976	\$ 2,612,365	\$ 2,150,193	\$ 2,305,140	\$ 2,661,237	\$ 2,577,624	\$ 2,609,227	\$ 3,195,217	\$ 3,245,599	\$ 3,310,764
Non Operating Revenues	240,972	152,014	146,415	100,896	60,888	57,609	52,152	65,761	56,902	72,536
Federal Revenue	1,285,712	2,161,281	* 4,028,633	* 7,778,376	* 3,561,143	* 7,705,674	* 1,909,894	2,185,873	2,148,362	5,774,500
Local Tax Revenue	3,566,890	3,683,372	3,812,157	4,027,330	4,204,106	4,413,092	4,649,380	4,865,793	5,037,610	5,350,856
State Operating Assistance	9,666,910	12,605,711	10,337,122	15,316,488	14,918,406	16,854,480	16,314,231	16,691,025	16,183,484	16,596,667
Total Funding Sources	<u>\$ 17,150,460</u>	<u>\$ 21,214,743</u>	<u>\$ 20,474,520</u>	<u>\$ 29,528,230</u>	<u>\$ 25,405,780</u>	<u>\$ 31,608,479</u>	<u>\$ 25,534,884</u>	<u>\$ 27,003,669</u>	<u>\$ 26,671,957</u>	<u>\$ 31,105,323</u>

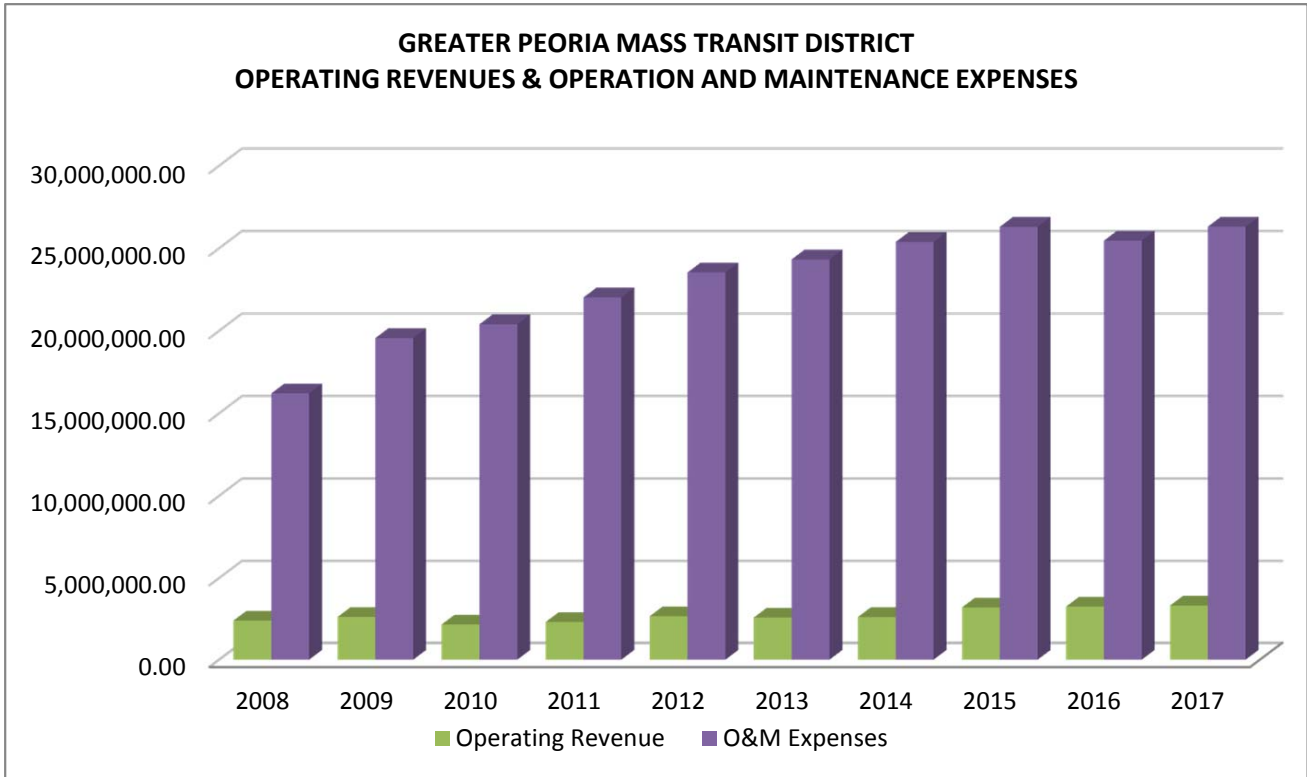
*Includes American Recovery and Reinvestment Act (ARRA) Grants

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 6

**FINANCIAL TRENDS - OPERATING REVENUES & OPERATION AND MAINTENANCE EXPENSES
PAST 10 YEARS, FOR YEAR ENDING JUNE 30**

The table below shows a comparison of operating revenue to operation and maintenance expenses.



Operating Revenues and Operation and Maintenance (O&M) Expenses

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue	2,389,976	2,612,365	2,150,193	2,305,140	2,661,237
O&M Expenses	16,199,355	19,551,721	20,386,258	22,016,151	23,530,590
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenue	2,577,624	2,609,227	3,195,217	3,245,599	3,310,764
O&M Expenses	24,319,479	25,381,370	26,294,015	25,454,450	26,304,349

GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 7
PROPERTY TAX LEVIES COLLECTED

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

Fiscal Year	Tax Levy	(a)	Assessed Value	Total Collected	% Collected	Collected within 1st year
		(MIL rate) Tax Levy Rate				
2017	\$ 5,182,650	9.40	\$ 2,296,439,713	\$ 4,892,134	94.39%	Yes
2016	4,935,857	8.80	2,219,202,955	4,610,155	93.40%	Yes
2015	4,700,816	8.85	2,170,902,458	4,431,931	94.28%	Yes
2014	4,476,968	9.13	2,077,424,101	4,297,499	95.99%	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
2010	3,683,212	12.35	2,121,134,678	3,638,091	98.77%	Yes
2009	3,507,821	12.39	2,082,621,114	3,478,661	99.17%	Yes
2008	3,340,782	12.99	1,980,079,720	3,321,688	99.43%	Yes

NOTE:

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

MIL rate = Total Funds Levied / Equalized Assessed Valuation

* 9.40 MIL rate means 9.40 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

PRINCIPLE PROPERTY TAX PAYERS

A summary of the top ten taxpayers for the current year and 10 years earlier is provided in the following table:

Taxpayer	2016 (a)			2006 (b)		
	Rank	Assessed Valuation	Percent Of Total Assessed	Rank	Assessed Valuation	Percent Of Total Assessed
Caterpillar Inc.	1	\$ 24,403,720	0.71%	1	\$ 46,495,170	1.854%
Pere Marquette Hotel LLC	2	14,902,860	0.43%			
MCRIL LLC	3	12,824,710	0.37%	2	14,055,590	0.560%
OSF Healthcare System	4	10,663,192	0.31%	4	7,759,330	0.309%
Northwoods Development Company	5	9,069,270	0.26%	5	7,479,710	0.298%
PV Peoria LLC Stark Management LLC	6	7,734,000	0.22%			
Willow Knolls LTD	7	7,717,520	0.22%			
Wal-Mart Real Estate Business Trust	8	7,100,100	0.21%	6	6,993,240	0.279%
Komatsu American Corp	9	5,755,310	0.17%			
Knoxville Pointe SPE	10	5,479,650	0.16%			
Illinois-American Water SSC				3	9,513,330	0.379%
PMP Fermentation				7	6,914,130	0.276%
Downtown Stadium				8	4,966,170	0.198%
Viking Partners Sheridan Village LLC				9	4,799,370	0.191%
AmerenCILCO				10	4,640,820	0.185%

NOTES:

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

SOURCES:

(a) Peoria County Supervisor of Assessments (2016). Year 2017 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)

A historical summary of the population in the service area is provided in the following table:

CALENDAR YEAR (1)	POPULATION (2)	PERSONAL INCOME (4)	PER CAPITA (4) PERSONAL INCOME	UNEMPLOYMENT RATE % (3)
2005	176,975	12,731,612	34,431	5.2%
2006	177,364	13,862,804	37,297	4.5%
2007	178,032	14,681,356	39,236	5.0%
2008	178,726	15,511,401	41,256	6.0%
2009	180,261	15,085,036	39,763	10.9%
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	-	-	6.5%

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 for 2017 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 2015

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 10

PRINCIPLE EMPLOYERS

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

2016			2006		
EMPLOYER	EMPLOYEES (1)	RANK	EMPLOYER	EMPLOYEES (4)	RANK
Caterpillar (2)	15,000+	1	Caterpillar	15,000+	1
OSF Saint Francis Medical Center	5,000+	2	OSF Saint Francis Medical Center	1,500+	2
UnityPoint Health	1,500+	3	Peoria Public Schools District 150	1,500+	3
Peoria Public Schools District 150	1,500+	4	Methodist Medical Center	1,500+	4
Afflina, LLC	1,000 - 1,500	5	Keystone Steel and Wire Company	1,000 - 1,500	5
Keystone Steel and Wire Company	1,000 - 1,500	6	XPAC	1,000 - 1,500	6
Advanced Technology Services	1,000 - 1,500	7	Bradley University	500 - 1,000	7
County of Peoria	500 - 1,000	8	County of Peoria	500 - 1,000	8
Supply Chain (SC2)	500 - 1,000	9	Proctor Hospital	500 - 1,000	9
Citizens Equity First Credit Union (CEFCU)	500 - 1,000	10	City of Peoria	500 - 1,000	10
City of Peoria	500 - 1,000	11			
Komatsu Mining System	500 - 1,000	12			
RU	1 - 500	13			
Bradley University	1 - 500	14			

SOURCES:

(1) Economic Development Council of Illinois (2016).

(2) Caterpillar figure reflects Peoria, Tazewell, Woodford counties employment.

(3) City of Peoria Official Bond Statements (2006A GO Bonds and 2016D Taxable Motor Fuel Tax Rev Refunding Bonds).

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 11

BUDGETARY COMPARISON
FOR YEAR ENDING JUNE 30, 2017

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

	<u>2017 APPROVED/ FINAL BUDGET</u>	<u>2017 ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES			
Passenger Fares	\$ 1,763,560	\$ 1,582,189	\$ (181,371)
Special Transit Services	282,397	284,036	1,639
East Peoria and Pekin Mass Transit Districts	1,004,931	1,230,942	226,011
Advertising	150,000	134,517	(15,483)
Other	85,000	79,080	(5,920)
Total Operating Revenues	<u>3,285,888</u>	<u>3,310,764</u>	<u>24,876</u>
Operating Expenses			
Salaries and Fringe Benefits	19,421,480	17,563,318	(1,858,162)
Purchased Services	2,102,540	1,920,871	(181,669)
Fuel and Lubricants	2,016,250	981,979	(1,034,271)
Materials and Supplies	965,500	1,182,708	217,208
Utilities	270,000	231,309	(38,691)
Casualty and Liability Costs	522,850	527,781	4,931
Tires and Tubes	95,000	121,419	26,419
Travel Expenses	55,500	64,492	8,992
Dues and Subscriptions	51,010	47,705	(3,305)
Purchased Transportation	3,644,320	3,461,547	(182,773)
Other	630,550	201,220	(429,330)
Total Operation and Maintenance Expenses	<u>29,775,000</u>	<u>26,304,349</u>	<u>(3,470,651)</u>
Operating Loss Before Depreciation	<u>(26,489,112)</u>	<u>(22,993,585)</u>	<u>3,495,527</u>
DEPRECIATION	2,318,967	2,493,158	174,191
Loss From Operations	<u>(28,808,079)</u>	<u>(25,486,743)</u>	<u>3,321,336</u>
NONOPERATING REVENUES (EXPENSES)			
Sales Commissions	20,000	12,722	(7,278)
Grants			
State of Illinois			
Downstate Public Transportation Assistance Program			
Operating Assistance	19,004,596	16,596,667	(2,407,929)
Feasibility Operating Assistance	-	-	-
Federal Transit Administration			
Planning Assistance	-	-	-
Maintenance Assistance	1,295,095	1,303,349	8,254
Feasibility Operating Assistance	728,864	523,136	(205,728)
Investment Income	47,907	37,309	(10,598)
Intergovernmental Income	-	52,804	52,804
Property and Replacement Taxes	5,382,650	5,350,856	(31,794)
Gain on disposal of capital assets	10,000	22,505	12,505
Total Non-Operating Revenues	<u>26,489,112</u>	<u>23,899,348</u>	<u>(2,589,764)</u>

GREATER PEORIA MASS TRANSIT DISTRICT

TABLE 12

FAREBOX AND RIDERSHIP DATA

FARE COLLECTION	2007	2017	
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 (with ID)/Persons with Disabilities	\$0.50	\$0.50	
Veterans (with ID)	N/A	\$0.50	
Urbanized Area Transportation	N/A	\$6.00	
Day Pass	N/A	\$3.00	
30 Day Pass	N/A	\$40.00	

*Except during Peak Hours (7:15-9:15a & 3:45-5:15p Mon-Fri)

**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

RIDERSHIP FY2017

Adult	1,058,204	
Child	224,446	
Senior	27,907	
Student	170,551	
Day Pass	571,319	
30 Day Pass	648,513	
Total Regular Route		2,700,940
Paratransit Services	138,603	
GRAND TOTAL		2,839,543
(Fixed Route and Paratransit)		

FY2017	Actual Vehicle Miles	Actual Vehicle Hours	Actual Peak Vehicles
Regular Route	2,223,799	154,594	42
Special Routes	1,971	187	2
Paratransit Services	1,003,888	85,443	29
Total	3,229,658	240,224	73

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 2007 to 2017

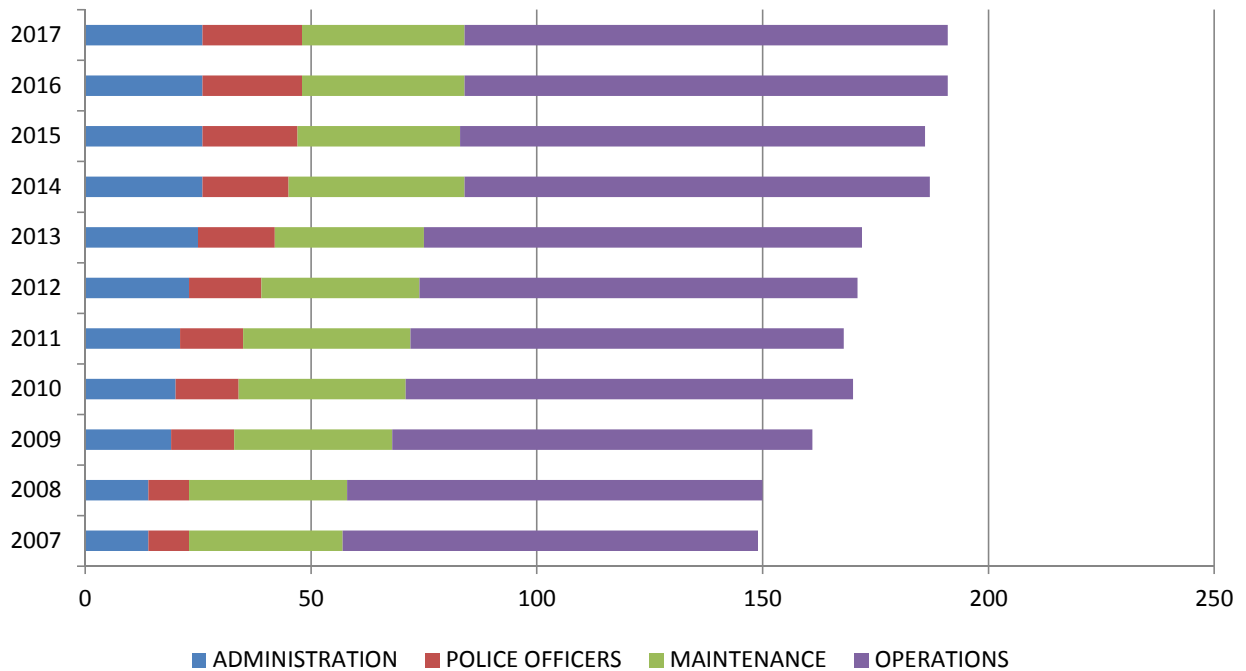
YEAR	ADMINISTRATION	POLICE OFFICERS	MAINTENANCE	OPERATIONS	TOTAL
2007	14	9	34	92	149
2008	14	9	35	92	150
2009	19	14	35	93	161
2010	20	14	37	99	170
2011	21	14	37	96	168
2012	23	16	35	97	171
2013	25	17	33	97	172
2014	26	19	39	103	187 *
2015	26	21	36	103	186
2016	26	22	36	107	191
2017	26	22	36	107	191

10 Year Change	 12	 13 **	 2	 15	 42
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* Sunday Service Added 06/08/2014

** Part-Time Employees

GREATER PEORIA MASS TRANSIT DISTRICT
EMPLOYEE COUNT AS OF JUNE 30



GREATER PEORIA MASS TRANSIT DISTRICT
TABLE 14
CONDENSED STATEMENT OF CAPITAL ASSETS
PAST 10 YEARS, FOR YEAR ENDING JUNE 30

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Land	\$ 1,795,000	\$ 1,795,000	\$ 1,821,577	\$ 1,854,492	\$ 1,855,709	\$ 1,855,709	\$ 1,855,709	\$ 1,855,709	\$ 1,855,709	\$ 1,861,749
Building	11,997,171	11,997,170	11,997,170	11,997,170	11,997,171	11,786,576	11,786,576	11,786,576	11,786,576	11,786,576
Building and Improvements	334,967	334,968	334,968	334,968	353,321	177,347	188,548	682,494	1,116,191	1,669,232
Revenue Vehicles	16,096,020	13,133,482	14,808,232	20,282,582	18,419,368	23,496,719	23,639,287	23,956,532	23,956,532	25,467,359
Service Vehicles	471,068	451,890	426,540	426,540	426,540	438,195	631,165	631,165	672,585	609,396
Shop & Garage Equipment	599,740	569,330	569,330	569,330	630,331	422,280	430,506	498,014	504,171	807,441
Furniture & Office	785,211	686,910	686,910	686,910	672,344	360,117	365,407	377,994	448,734	264,817
Communication Equipment	647,185	635,478	635,478	685,840	535,783	482,455	482,455	635,810	682,335	1,030,713
Miscellaneous	620,230	620,230	620,230	620,230	633,731	566,095	566,095	880,096	880,096	1,204,549
	<u>33,346,593</u>	<u>30,224,458</u>	<u>31,900,435</u>	<u>37,458,062</u>	<u>35,524,298</u>	<u>39,585,493</u>	<u>39,945,748</u>	<u>41,304,390</u>	<u>41,902,929</u>	<u>44,701,832</u>
Less Accumulated Depreciation	<u>22,970,278</u>	<u>20,986,847</u>	<u>21,537,166</u>	<u>20,575,307</u>	<u>18,623,725</u>	<u>17,568,448</u>	<u>19,881,572</u>	<u>22,407,669</u>	<u>24,791,911</u>	<u>25,494,575</u>
Total Net Capital Assets	<u>\$ 10,376,315</u>	<u>\$ 9,237,611</u>	<u>\$ 10,363,269</u>	<u>\$ 16,882,755</u>	<u>\$ 16,900,573</u>	<u>\$ 22,017,045</u>	<u>\$ 20,064,176</u>	<u>\$ 18,896,721</u>	<u>\$ 17,111,018</u>	<u>\$ 19,207,257</u>

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 GPMTDs capital assets.

	2007	2017	% CHANGE	\$ CHANGE	
Land	\$ 1,795,000	\$ 1,861,749	4%	\$ 66,749	
Building	11,997,171	11,786,576	-2%	(210,595)	
Building and Improvements	334,967	1,669,232	398%	1,334,265	1)
Revenue Vehicles	16,066,020	25,467,359	59%	9,401,339	2)
Service Vehicles	471,068	609,396	29%	138,328	3)
Shop & Garage Equipment	599,740	807,441	35%	207,701	4)
Furniture & Office	785,211	264,817	-66%	(520,394)	
Communication Equipment	647,185	1,030,713	59%	383,528	5)
Miscellaneous	620,230	1,204,549	94%	584,319	6)
	<u>33,316,592</u>	<u>44,701,832</u>	34%	11,385,240	
Less Accumulated Depreciation	21,505,546	25,494,575	19%	3,989,029	
Total Net Capital Assets	<u><u>\$ 11,811,047</u></u>	<u><u>\$ 19,207,257</u></u>	<u>63%</u>	<u><u>\$ 7,396,210</u></u>	

NOTE:

- 1) Perimeter and Security Fence at Administration Building. Shelter purchase and installations.
- 2) 4 Hybrid buses performed in 2017.
- 3) In 2010, GPMTD's Capitalization policy was amended with adjustment of non depreciable items.
- 4) 2 Electric bus lifts were purchased and installed.
- 5) The video camera and surveillance systems were purchased and installed in 2005.
- 6) Radio system for fixed routes and paratransit vehicles