

MADISON COUNTY MASS TRANSIT DISTRICT

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2023

MADISON COUNTY MASS TRANSIT DISTRICT  
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

## INDEPENDENT AUDITOR'S REPORT

December 16, 2023

Board of Trustees  
Madison County Mass Transit District  
Madison County, Illinois

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component unit, and each major fund of Madison County Mass Transit District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component unit, and each major fund of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Agency for Community Transit, a blended component unit, which statements reflect total assets constituting 18 percent of combined total assets as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Agency for Community Transit, are based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

The present level of service of the District is dependent upon the District's ability to obtain operating assistance as described in Note 4. While resources exist to meet present obligations, revenues derived from services are not adequate to meet the expenses of continued service without such operating assistance. Our opinion is not modified with respect to that matter.

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

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

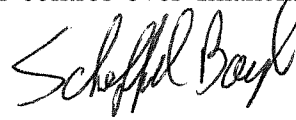
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 14 and 38 through 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenses by function-proprietary fund and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the schedule of expenses by function-proprietary fund and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Edwardsville, IL





ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

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

December 16, 2023

Board of Trustees  
Madison County Mass Transit District  
Madison County, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the blended component unit, and each major fund of Madison County Mass Transit District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2023. Our report includes a reference to the other auditors who audited the financial statements of Agency for Community Transit, as described in our report on the District's financial statements. The financial statements of Agency for Community Transit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Agency for Community Transit or that are reported on separately by those auditors who audited the financial statements of Agency for Community Transit.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

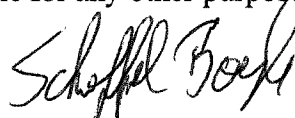
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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

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

### **Purpose of this Report**

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

  
Edwardsville, IL



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

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

December 16, 2023

Board of Trustees  
Madison County Mass Transit District  
Madison County, Illinois

**Report on Compliance for Each Major Federal Program**

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

We have audited Madison County Mass Transit District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

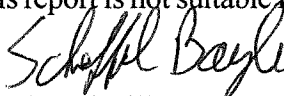
## Report on Internal Control Over Compliance

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

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

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

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

  
Edwardsville, IL

MADISON COUNTY MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

The following discussion and analysis of the Madison County Mass Transit District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023, compared to the financial activities for the year ended June 30, 2022. Please review it in conjunction with the District's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying financial statements contain two funds, the General Fund and the Business-Type Activities Fund. Both funds are considered to be Major Funds. The General Fund, which is classified as a Governmental Fund, contains the financial activity of the Madison County Mass Transit District (the District). The Business-Type Activities Fund, which is classified as a Proprietary Fund, contains the financial activity of the Agency for Community Transit (the Agency). The Agency is a not-for-profit entity with a December 31 fiscal year end. It is a blended component unit of the District. Further information regarding the Agency can be found in their separately-issued audited financial statements for the year ended December 31, 2022.

Reimbursements from the District to the Agency are reported in the accompanying financial statements as Transfers to Other Funds. Additional information concerning the combining of the General and Business-Type Activities funds as well as other accounting policies is contained in the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

During the year ended June 30, 2023, several bike trail projects were under development and construction, including the Schoolhouse tunnel at IL-157, Nickel Plate Trail improvements, Formosa West, the IT Beltline/Monarch Valley Trail, the Riverbend Trail, and the Yellow Hammer Trail. Construction began on a new administration building located on the existing premises at Chain of Rocks Road. Other construction projects included the rehabilitation of the Granite City Transfer Station conversion of the Longfellow property to become a home base for the bike trails maintenance department. Land was purchased for the future Gateway Commerce Transfer Station, also known as Logistics Valley. Other expenditures included several vehicles for the St. Louis Regional Rideshare program, and several support vehicles. Additional analysis of capital project expenditures is included on page 13 of this report.

The COVID-19 pandemic impacted the District's operations beginning in March 2020, and the impacts of this pandemic are ongoing as of the date of this report. In response to this pandemic, the FTA awarded the District a Federal CARES Act grant in the amount of \$12,534,647, a Federal CRRSAA grant in the amount of \$4,111,632, and a Federal ARPA grant in the amount of \$10,768,343. These three grants combine to a total of \$27,414,622 Federal funding that has been used to help offset operating expenses, capital projects expenses, and preventive maintenance expenses since the year ending June 30, 2020, and these funds will continue to offset operating expenses over the next several fiscal years.

MADISON COUNTY MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Net Position: The District's net position reflects the difference between assets, what the District owns, and liabilities, what the District owes. During the year ended June 30, 2023, the District's combined net position increased \$15,269,646. Overall, the District continues to be in solid financial condition.

The following table summarizes the combined net position of the District and the Agency for the years ended June 30, 2023 and June 30, 2022:

Condensed Combined Statement of Financial Position

|  | <u>6/30/2023</u>     | <u>6/30/2022</u>     | <u>Increase<br/>(Decrease)</u> |
|--|----------------------|----------------------|--------------------------------|
| <u>Assets</u>                                |                      |                      |                                |
| Cash and Investments                         | \$90,971,254         | \$90,124,485         | \$846,769                      |
| Receivables                                  | 12,846,648           | 6,067,280            | 6,779,368                      |
| Other Assets                                 | 3,094,698            | 2,552,561            | 542,137                        |
| Fixed Assets, Net                            | 69,655,275           | 61,886,950           | 7,768,325                      |
| Total Assets                                 | <u>\$176,567,875</u> | <u>\$160,631,276</u> | <u>\$15,936,599</u>            |
| <u>Liabilities</u>                           |                      |                      |                                |
| Payables                                     | \$4,753,487          | \$3,528,665          | \$1,224,822                    |
| Accrued Wages and Compensated Absences       | 2,458,503            | 2,589,508            | (131,005)                      |
| Other Liabilities                            | 413,020              | 839,884              | (426,864)                      |
| Total Liabilities                            | <u>\$7,625,010</u>   | <u>\$6,958,057</u>   | <u>\$666,953</u>               |
| <u>Net Position</u>                          |                      |                      |                                |
| Investment in Fixed Assets                   | \$69,655,275         | \$61,886,950         | \$7,768,325                    |
| Committed for Local Match                    | 34,000,000           | \$0                  | \$34,000,000                   |
| Restricted for Local Match                   | 24,535,686           | 28,615,805           | (4,080,119)                    |
| Board Designated for Community Action Grants | 723,050              | 0                    | 723,050                        |
| Unrestricted                                 | 40,028,854           | 63,170,464           | (23,141,610)                   |
| Total Net Position                           | <u>\$168,942,865</u> | <u>\$153,673,219</u> | <u>\$15,269,646</u>            |

Receivables: The increase in receivables is primarily due to amounts owed to the District from IDOT for Operating Assistance and for the construction of the new administration building.

Fixed Assets, Net: The primary reason for the increase in net fixed assets was the construction in progress of the new administration building. Additional analysis of capital projects expenditures is included on page 13 of this report.



MADISON COUNTY MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Payables: The increase in payables is primarily due to amounts owed by the District for the construction of the new administration building.

Net Position, Committed: During the year ended June 30, 2023, the District's board passed a resolution committing \$34,000,000 funds to support the development of future bike trails projects. Additional description of this commitment is found in Note 1, Section G, of this report.

Net Position, Restricted for Local Match and Net Position, Unrestricted: The decreases in these line items are largely due to amounts for various bikeways projects being reclassified as Committed Net Position during the year ended June 30, 2023.

Investment in Fixed Assets: The District's investment in fixed assets reports the land, buildings, improvements, vehicles and equipment utilized in the District's operations. The depreciation assessed to these assets spreads their cost over their estimated useful lives. Additional information regarding the fixed assets is included in Note 5.

The changes in net fixed assets in the General Fund during the years ended June 30, 2023 and June 30, 2022 are summarized as follows.

Summary of Fixed Assets Activity – General Fund

|   | <u>6/30/2023</u>     | <u>6/30/2022</u>     | <u>Increase<br/>(Decrease)</u> |
|---|----------------------|----------------------|--------------------------------|
| Fixed Assets in Service, Beginning of the Year  | \$145,612,682        | \$141,250,888        | \$4,361,794                    |
| Additions and Adjustments                       | 15,236,565           | 5,501,144            | 9,735,421                      |
| Retirements                                     | (1,807,434)          | (1,139,350)          | (668,084)                      |
| Fixed Assets in Service, End of the Year        | <u>\$159,041,813</u> | <u>\$145,612,682</u> | <u>\$13,429,131</u>            |
| Accumulated Depreciation, Beginning of the Year | \$83,972,327         | \$76,648,716         | \$7,323,611                    |
| Additions and Adjustments                       | 7,411,098            | 8,285,888            | (874,790)                      |
| Retirements                                     | (1,782,569)          | (962,277)            | (820,292)                      |
| Accumulated Depreciation, End of the Year       | <u>\$89,600,856</u>  | <u>\$83,972,327</u>  | <u>\$5,628,529</u>             |
| Net Fixed Assets at the End of the Year         | <u>\$69,440,957</u>  | <u>\$61,640,355</u>  | <u>\$7,800,602</u>             |

Capital Projects: Many of the District's fixed assets involve projects which take longer than one year to complete. The revenues and expenditures associated with these projects vary each fiscal year depending upon the status of the project. A summary of the revenues and expenditures associated with the major capital projects in progress in the General Fund during the years ended June 30, 2023 and June 30, 2022 is on the following page.

MADISON COUNTY MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Capital Project Activity – General Fund

|                                   | Revenues            |                    | Expenditures        |                    |
|-----------------------------------|---------------------|--------------------|---------------------|--------------------|
|                                   | <u>6/30/23</u>      | <u>6/30/22</u>     | <u>6/30/23</u>      | <u>6/30/22</u>     |
| Transit Centers and Park and Ride |                     |                    |                     |                    |
| Facilities                        | \$6,107,666         | \$230,399          | \$1,012,678         | \$298,070          |
| Equipment                         | 201,114             | 31,922             | 162,520             | 216,808            |
| Vehicles                          | 337,353             | 101,886            | 584,654             | 618,247            |
| Facility Improvements             | 3,721,322           | 127,512            | 10,857,008          | 275,555            |
| Bikeways                          | 1,109,654           | 892,973            | 2,619,705           | 4,092,464          |
| Totals                            | <u>\$11,477,109</u> | <u>\$1,384,692</u> | <u>\$15,236,565</u> | <u>\$5,501,144</u> |

Statement of Activities/Statement of Revenues, Expenditures and Changes in Fund Balance:

The following table summarizes the District's Statement of Activities for the General Fund for the year ended June 30, 2023:

Condensed Statement of Activities/Statement of Revenues, Expenditures and  
Changes in Fund Balance – General Fund

|                                  | <u>6/30/23</u>      | <u>6/30/22</u>      | <u>Change</u>       |
|----------------------------------|---------------------|---------------------|---------------------|
| Revenues:                        |                     |                     |                     |
| Transit Operating Revenues       | \$578,348           | \$557,173           | \$21,175            |
| Capital Grant Revenues           | 11,477,109          | 1,384,692           | 10,092,417          |
| Operating Grants                 | 24,640,003          | 22,341,096          | 2,298,907           |
| Sales Tax                        | 16,846,466          | 16,179,391          | 667,075             |
| Investment Income                | 864,579             | 37,914              | 826,665             |
| Other Revenues                   | 1,101,324           | 375,852             | 725,472             |
| Total Revenues                   | <u>\$55,507,829</u> | <u>\$40,876,118</u> | <u>\$14,631,711</u> |
| Expenditures:                    |                     |                     |                     |
| Transit Services                 | \$5,311,147         | \$4,829,739         | \$481,408           |
| Rideshare Program                | 331,732             | 329,000             | 2,732               |
| Bikeways                         | 3,891,947           | 4,112,300           | (220,353)           |
| Transit Centers and Equipment    | 12,616,860          | 1,408,680           | 11,208,180          |
| Management and General           | 720,222             | 676,119             | 44,103              |
| Total Expenditures               | <u>\$22,871,908</u> | <u>\$11,355,838</u> | <u>\$11,516,070</u> |
| Proceeds from Permanent Easement | <u>\$801,981</u>    | <u>\$0</u>          | <u>\$801,981</u>    |
| Transfers to Other Funds         | <u>\$26,589,784</u> | <u>\$24,619,207</u> | <u>\$1,970,577</u>  |
| Net Revenues Over Expenditures   | <u>\$6,848,118</u>  | <u>\$4,901,073</u>  | <u>\$1,947,045</u>  |

MADISON COUNTY MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

These Statements measure the District's performance during the year. Significant fluctuations in the District's Statements for the year ended June 30, 2023 include the following:

- General Fund Revenues increased \$14,631,711
- General Fund Expenditures increased \$11,516,070

These changes are primarily due to the construction of the new administrative building.

General Fund Budget: The District's General Fund budget has two components, the Operating Budget and the Capital Budget. The Operating Budget measures the anticipated revenues and expenditures needed to perform the daily business operations of the District. The Capital Budget is used to account for the capital projects that generate the fixed assets of the District. For the year ending June 30, 2023, the District adopted a five-year capital plan, and a Capital Budget. The Operating and Capital budgets were modified during the year ending June 30, 2023, adding new projects and adjusting the anticipated revenues and costs of current projects. Resolutions were approved by the District's Board as additional projects were developed and related grant revenues were determined to be available.

The detailed comparison of the District's budgeted and actual expenditures is found with Schedule 1 on pages 38 through 40 of the accompanying financial statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Accounting Director, 1 Transit Way, Pontoon Beach, Illinois 62040.

MADISON COUNTY MASS TRANSIT DISTRICT  
STATEMENT OF FINANCIAL POSITION

|  | <u>GOVERNMENTAL</u><br><u>ACTIVITIES</u><br><u>JUNE 30, 2023</u> | <u>BUSINESS-TYPE</u><br><u>ACTIVITIES</u><br><u>AGENCY FOR</u><br><u>COMMUNITY</u><br><u>TRANSIT</u><br><u>DECEMBER 31, 2022</u> | <u>TOTAL</u>                 |
|--|--|--|------------------------------|
| <u>ASSETS</u>                                    |  |  |                              |
| Cash   | 258,859  | \$ 2,903,056   | \$ 3,161,915                 |
| Investments                                      | 62,930,990   | 24,878,349   | 87,809,339                   |
| Accounts Receivable, Net                         | 110,242  | 100,845  | 211,087                      |
| Interest Receivable                              | 284,100  | -  | 284,100                      |
| Due from Governmental Agencies                   | 10,052,957   | -  | 10,052,957                   |
| Transfers Due from Other Funds                   | -  | 2,280,338  | 2,280,338                    |
| Inventory  | 1,225,563  | -  | 1,225,563                    |
| Prepaid Expenses                                 | 1,321,634  | 346,616  | 1,668,250                    |
| Other Receivable                                 | 18,166   | -  | 18,166                       |
| Other Assets                                     | -  | 200,885  | 200,885                      |
| Fixed Assets, Net of Accumulated<br>Depreciation | 69,440,957   | 214,318  | 69,655,275                   |
| <b>TOTAL ASSETS</b>                              | <b><u>\$ 145,643,468</u></b>                                     | <b><u>\$ 30,924,407</u></b>  | <b><u>\$ 176,567,875</u></b> |
| <u>LIABILITIES AND NET POSITION</u>              |  |  |                              |
| <u>LIABILITIES:</u>                              |  |  |                              |
| Accounts Payable                                 | \$ 1,488,726   | \$ 189,464   | \$ 1,678,190                 |
| Contracts Payable - Retainage                    | 1,066,254  | -  | 1,066,254                    |
| Transfers Due to Other Funds                     | 2,009,043  | -  | 2,009,043                    |
| Accrued Wages and Compensated<br>Absences        | -  | 2,458,503  | 2,458,503                    |
| Other Liabilities                                | -  | 413,020  | 413,020                      |
| <b>Total Liabilities</b>                         | <b><u>\$ 4,564,023</u></b>                                       | <b><u>\$ 3,060,987</u></b>   | <b><u>\$ 7,625,010</u></b>   |
| <u>NET POSITION:</u>                             |  |  |                              |
| Investment in Fixed Assets                       | \$ 69,440,957  | \$ 214,318   | \$ 69,655,275                |
| Committed  | 34,000,000   | -  | 34,000,000                   |
| Restricted For:                                  |  |  |                              |
| Local Match                                      | 24,535,686   | -  | 24,535,686                   |
| Board Designated for Community<br>Action Grants  | -  | 723,050  | 723,050                      |
| Unrestricted                                     | 13,102,802   | 26,926,052   | 40,028,854                   |
| <b>Total Net Position</b>                        | <b><u>\$ 141,079,445</u></b>                                     | <b><u>\$ 27,863,420</u></b>  | <b><u>\$ 168,942,865</u></b> |
| <b>TOTAL LIABILITIES AND<br/>NET POSITION</b>    | <b><u>\$ 145,643,468</u></b>                                     | <b><u>\$ 30,924,407</u></b>  | <b><u>\$ 176,567,875</u></b> |

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
STATEMENT OF ACTIVITIES

| FUNCTIONS/PROGRAMS                            | PROGRAM REVENUES |                |               |               | NET POSITION  |                             |                 |
|---|------------------|----------------|---------------|---------------|---------------|-----------------------------|-----------------|
|   | CHARGES FOR      |                | CAPITAL       | OPERATING     | GOVERNMENTAL  | PRIMARY GOVERNMENT          |                 |
|   | EXPENSES         | SERVICES       | GRANTS        | GRANTS        | ACTIVITIES    | BUSINESS-TYPE<br>ACTIVITIES | TOTAL           |
| PRIMARY GOVERNMENT:                           |                  |                |               |               |               |                             |                 |
| Governmental Activities:                      |                  |                |               |               |               |                             |                 |
| For the Year Ended June 30, 2023              |                  |                |               |               |               |                             |                 |
| Transportation                                | \$ 15,046,441    | \$ 578,348     | \$ 11,477,109 | \$ 24,640,003 | \$ 21,649,019 | \$ -                        | \$ 21,649,019   |
| Business-Type Activities:                     |                  |                |               |               |               |                             |                 |
| For the Year Ended December 31, 2022          |                  |                |               |               |               |                             |                 |
| Transportation                                | \$ 26,680,189    | \$ 1,017,560   | \$ -          | \$ -          | \$ -          | \$ (25,662,629)             | \$ (25,662,629) |
| Total Primary Government                      | \$ 41,726,630    | \$ 1,595,908   | \$ 11,477,109 | \$ 24,640,003 | \$ 21,649,019 | \$ (25,662,629)             | \$ (4,013,610)  |
| General Revenues and Transfers:               |                  |                |               |               |               |                             |                 |
| Sales Tax                                     |                  | \$ 16,846,466  |               |               | \$ -          |                             | \$ 16,846,466   |
| Miscellaneous                                 |                  | 1,923,200      |               |               | 112,045       |                             | 2,035,245       |
| Gain on Disposal of Capital Assets            |                  | 819,819        |               |               | -             |                             | 819,819         |
| Transfers                                     |                  | (26,589,784)   |               |               | 26,171,510    |                             | (418,274)       |
| Total General Revenues and Transfers          |                  | \$ (7,000,299) |               |               | \$ 26,283,555 |                             | \$ 19,283,256   |
| Change in Net Position                        |                  | \$ 14,648,720  |               |               | \$ 620,926    |                             | \$ 15,269,646   |
| Net Position, Beginning of Year (as Adjusted) |                  | 126,430,725    |               |               | 27,242,494    |                             | 153,673,219     |
| Net Position, End of Year                     |                  | \$ 141,079,445 |               |               | \$ 27,863,420 |                             | \$ 168,942,865  |

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023

|  | <u>GENERAL</u><br><u>FUND</u>   |
|--|---------------------------------|
| <u>ASSETS:</u>                             |                                 |
| Cash                                       | \$ 258,859                      |
| Investments                                | 62,930,990                      |
| Accounts Receivable, Net                   | 110,242                         |
| Interest Receivable                        | 284,100                         |
| Due from Governmental Agencies             | 10,052,957                      |
| Inventory                                  | 1,225,563                       |
| Prepaid Expenses                           | 1,321,634                       |
| Other Receivable                           | <u>18,166</u>                   |
| <br>TOTAL ASSETS                           | <br><u><u>\$ 76,202,511</u></u> |
| <br><u>LIABILITIES AND FUND BALANCES:</u>  |                                 |
| <u>LIABILITIES:</u>                        |                                 |
| Accounts Payable                           | \$ 1,488,726                    |
| Contracts Payable - Retainage              | 1,066,254                       |
| Transfers Due to Other Funds               | <u>2,009,043</u>                |
| Total Liabilities                          | <u>\$ 4,564,023</u>             |
| <br><u>FUND BALANCES:</u>                  |                                 |
| Nonspendable                               |                                 |
| Inventory                                  | \$ 1,225,563                    |
| Prepaid Expense                            | 1,321,634                       |
| Committed                                  | 34,000,000                      |
| Assigned - Local Match                     | 24,535,686                      |
| Unassigned                                 | <u>10,555,605</u>               |
| Total Fund Balances                        | <u>\$ 71,638,488</u>            |
| <br>TOTAL LIABILITIES AND<br>FUND BALANCES | <br><u><u>\$ 76,202,511</u></u> |

The accompanying notes are an integral part of the financial statements.



MADISON COUNTY MASS TRANSIT DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023

|  |               |
|--|---------------|
| Total Fund Balances for Governmental Funds | \$ 71,638,488 |
|--|---------------|

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

|   |                |                   |
|---|----------------|-------------------|
| Land  | \$ 12,272,527  |                   |
| Bikeways, buildings and improvements,<br>net of \$57,897,144 accumulated depreciation | 40,397,742     |                   |
| Vehicles, net of \$26,916,487 accumulated depreciation                                | 16,355,268     |                   |
| Equipment, net of \$4,787,225 accumulated depreciation                                | <u>415,420</u> |                   |
|   |                | <u>69,440,957</u> |

|   |                              |
|---|------------------------------|
| Total Net Position of Governmental Activities | <u><u>\$ 141,079,445</u></u> |
|---|------------------------------|

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

GENERAL

## REVENUES:

|   |                      |
|---|----------------------|
| Sales Tax   | \$ 12,951,070        |
| Investment Income   | 864,579              |
| Illinois Department of Transportation (IDOT) Operating Assistance   | 19,072,459           |
| Illinois Department of Transportation (IDOT) Local Sales Tax Reform | 3,895,396            |
| Illinois Department of Transportation (IDOT)                        | 3,721,322            |
| Rebuild Illinois (IDOT)   | 1,079,103            |
| Rideshare Program   | 628,524              |
| Lease and Rental Income   | 32,047               |
| Federal Transit Administration (FTA) Section 5307                   | 5,672,294            |
| Federal CARES Act/CRRSAA  | 4,859,032            |
| Congestion Mitigation Air Quality (CMAQ)                            | 13,697               |
| Fares   | 578,348              |
| Metro East Park and Recreation District (MEPRD)                     | 749,181              |
| Illinois Department of Natural Resources (INDR) Bikeways            | 200,000              |
| Other Revenues  | 1,190,777            |
| Total Revenues  | <u>\$ 55,507,829</u> |

## EXPENDITURES:

|  |                      |
|--|----------------------|
| Transit Services (Note 1.A.)                 | \$ 5,140,330         |
| Rideshare Program (Note 1.A.)                | 331,732              |
| Professional and Other Services              | 249,867              |
| Trustee Expense                              | 12,638               |
| District Office                              | 457,717              |
| Facilities Maintenance                       | 170,817              |
| Transit Centers and Park and Ride Facilities | 1,012,678            |
| Equipment                                    | 162,520              |
| Vehicles                                     | 584,654              |
| Facility Improvements                        | 10,857,008           |
| Bikeways                                     | 3,891,947            |
| Total Expenditures                           | <u>\$ 22,871,908</u> |

## REVENUES OVER EXPENDITURES

\$ 32,635,921

## OTHER FINANCING SOURCES/(USES):

|                                      |                        |
|--------------------------------------|------------------------|
| Transfers to Other Funds (Note 1.A.) | (26,589,784)           |
| Proceeds from Permanent Easement     | 801,981                |
| Total Other Financing Sources/(Uses) | <u>\$ (25,787,803)</u> |

## REVENUES UNDER EXPENDITURES

|                                    |              |
|------------------------------------|--------------|
| AND OTHER FINANCING SOURCES/(USES) | \$ 6,848,118 |
|------------------------------------|--------------|

## FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED

64,790,370

## FUND BALANCE, END OF YEAR

\$ 71,638,488

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

|  |                      |
|--|----------------------|
| Net Change in Fund Balance - Total Governmental Fund   | \$ 6,848,118         |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                      |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period. | 7,825,467            |
| Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the basis in the fixed assets disposed.                     | <u>(24,865)</u>      |
| Change in Net Position of Governmental Activities  | <u>\$ 14,648,720</u> |

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
STATEMENT OF FINANCIAL POSITION - PROPRIETARY FUND  
AGENCY FOR COMMUNITY TRANSIT  
DECEMBER 31, 2022

TRANSPORTATIONASSETS

|   |               |
|---|---------------|
| Cash  | \$ 2,903,056  |
| Investments                                   | 24,878,349    |
| Accounts Receivable, Net                      | 100,845       |
| Due from Other Funds                          | 2,280,338     |
| Prepaid Insurance                             | 4,047         |
| Prepaid Expenses                              | 342,569       |
| Fixed Assets, Net of Accumulated Depreciation | 214,318       |
| Other Assets                                  | 200,885       |
|   | <hr/>         |
| TOTAL ASSETS                                  | \$ 30,924,407 |
|   | <hr/>         |

LIABILITIES

|  |              |
|--|--------------|
| Accounts Payable                       | \$ 189,464   |
| Accrued Wages and Compensated Absences | 2,458,503    |
| Other Liabilities                      | 413,020      |
|  | <hr/>        |
| Total Liabilities                      | \$ 3,060,987 |
|  | <hr/>        |

NET ASSETS

|                                  |               |
|----------------------------------|---------------|
| Investment in Fixed Assets       | \$ 214,318    |
| Unrestricted                     | 26,926,052    |
| Grant Program                    | 723,050       |
|                                  | <hr/>         |
| Total Net Assets (Exhibit "H")   | \$ 27,863,420 |
|                                  | <hr/>         |
| TOTAL LIABILITIES AND NET ASSETS | \$ 30,924,407 |
|                                  | <hr/>         |

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FINANCIAL POSITION - PROPRIETARY FUND  
AGENCY FOR COMMUNITY TRANSIT  
FOR THE YEAR ENDED DECEMBER 31, 2022

|   | <u>TRANSPORTATION</u>       |
|---|-----------------------------|
| OPERATING REVENUES:                                 |                             |
| Charges for Services                                | \$ 1,017,560                |
| OPERATING EXPENSES:                                 |                             |
| Transportation Program (Schedule "2")               | \$ 25,235,764               |
| Management and General Expense (Schedule "2")       | 1,444,425                   |
| Total Operating Expenses                            | <u>\$ 26,680,189</u>        |
| OPERATING LOSS                                      | <u>\$ (25,662,629)</u>      |
| NON-OPERATING REVENUES :                            |                             |
| Investment Income                                   | \$ 364,573                  |
| Unrealized Loss on Investments                      | (514,250)                   |
| Maintenance Income                                  | 42,221                      |
| Radio Tower Repeater Fees                           | 23,832                      |
| Miscellaneous Income                                | 161,580                     |
| COVID Tax Credit                                    | -                           |
| Gain on Sale of Assets                              | 34,089                      |
| Total Non-Operating Revenues                        | <u>\$ 112,045</u>           |
| LOSS BEFORE OPERATING TRANSFERS<br>FROM OTHER FUNDS | \$ (25,550,584)             |
| TOTAL OPERATING TRANSFERS FROM<br>OTHER FUNDS       | <u>26,171,510</u>           |
| INCREASE IN NET ASSETS                              | \$ 620,926                  |
| TOTAL NET ASSETS, BEGINNING OF YEAR                 | <u>27,242,494</u>           |
| TOTAL NET ASSETS, END OF YEAR                       | <u><u>\$ 27,863,420</u></u> |

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
AGENCY FOR COMMUNITY TRANSIT  
FOR THE YEAR ENDED DECEMBER 31, 2022

## CASH FLOWS FROM OPERATING ACTIVITIES:

|                                       |                        |
|---------------------------------------|------------------------|
| Cash Received from Customers          | \$ 1,212,138           |
| Cash Paid to Employees and Suppliers  | (26,440,805)           |
| Interest Received                     | (149,677)              |
| Net Cash Used by Operating Activities | <u>\$ (25,378,344)</u> |

## CASH FLOWS FROM INVESTING ACTIVITIES:

|                                       |                       |
|---------------------------------------|-----------------------|
| Cash Purchase of Fixed Assets         | \$ (30,556)           |
| Purchase of Investments               | (9,662,182)           |
| Proceeds from Sale of Investments     | 8,500,000             |
| Proceeds from Sale of Fixed Assets    | 34,089                |
| Net Cash Used by Investing Activities | <u>\$ (1,158,649)</u> |

## CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

|                                |               |
|--------------------------------|---------------|
| Cash Received From Other Funds | \$ 25,721,438 |
|--------------------------------|---------------|

## NET DECREASE IN CASH

\$ (815,555)

## CASH, BEGINNING OF YEAR

3,718,611

## CASH, END OF YEAR

\$ 2,903,056

RECONCILIATION OF LOSS BEFORE OPERATING TRANSFERS TO  
NET CASH FLOWS FROM OPERATING ACTIVITIES:

|                                 |                 |
|---------------------------------|-----------------|
| LOSS BEFORE OPERATING TRANSFERS | \$ (25,550,584) |
|---------------------------------|-----------------|

## ADJUSTMENTS:

|                                      |          |
|--------------------------------------|----------|
| Depreciation                         | 62,833   |
| (Gain) on Sales/Disposal of Property | (34,089) |
| Unrealized Loss on Investments       | 514,250  |

## INCREASE (DECREASE) IN:

|                          |          |
|--------------------------|----------|
| Accounts Receivable, Net | (33,055) |
| Prepaid Insurance        | (569)    |
| Prepaid Expenses         | (82,113) |
| Other Assets             | (319)    |

## INCREASE (DECREASE) IN:

|  |                  |
|--|------------------|
| Accounts Payable                       | 23,966           |
| Accrued Wages and Compensated Absences | (131,005)        |
| Other Liabilities                      | <u>(147,659)</u> |

## NET CASH USED BY OPERATING ACTIVITIES

\$ (25,378,344)

The accompanying notes are an integral part of the financial statements.



MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Madison County Mass Transit District (the “District”) was established in 1980 under the provision of the local Mass Transit District Act, as amended. The District is to provide transportation to the elderly and disabled, and fixed route transportation to the general public.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

A. Reporting Entity

The following criteria have been developed to determine whether related organizations should be included within the financial reporting entity. The criteria, as set forth in GASB No. 14, “The Financial Reporting Entity”, as amended by GASB No. 39, “Determining Whether Certain Organizations Are Component Units” is financial accountability. Financial accountability is defined as appointment of a voting majority of a component unit’s board and either the ability to impose its will by a primary government or the possibility that a component unit will provide a financial benefit to or impose a financial burden on a primary government. Based on this criteria, the Agency for Community Transit (the “Agency”), a not-for-profit entity with a December 31 fiscal year end, qualifies as a component unit.

The financial statements of the Agency for year ended December 31, 2022, are reported as a blended component unit, and are presented as a proprietary fund type. The Agency issues separately audited financial statements and they can be obtained from the Agency’s office. The following is a brief description of activities and relationship to the District:

The District contracts with the Agency to provide transportation services to the Madison County area and provide administrative services to the District. The Agency provides services exclusively for the District. The Agency’s Board of Directors are appointed by the District’s Board of Directors.

All transactions and balances between the District and the Agency have been reclassified as transfers to or from other funds. These transfer accounts will not balance at June 30, 2023, due to the different reporting periods of the District and the Agency. In addition, the operating budget of the District does not reflect the reclassification of the transactions and balances.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting

The accounts of the District are organized on the basis of funds. The operation of the funds are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenue, and expenditures.

General Fund - The General Fund is the operating fund of the District. It accounts for all financial resources that are not required to be accounted for in another fund.

Proprietary Fund - The Proprietary Fund reports the activity of the component unit. The fund's objective is the determination of change in net assets and cash flows.

C. Basis of Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental activity. Program revenues include charges paid by the recipients of the services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting (Cont'd)

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. All funds are considered major.

Governmental Funds

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

The modified accrual basis of accounting is used in the Governmental Fund Type. Revenues are recognized when they become "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. The economic resource focus determines costs as a means of maintaining capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

D. Investments

Investments are valued at fair value, where applicable.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Inventory

Inventory consists of bus parts, fuel and lubricants and is valued at cost. Cost is determined by the first-in, first-out method.

F. Fixed Assets and Depreciation

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. General fixed assets are long-lived assets of the District as a whole with a cost of \$5,000 or greater. When purchased, such assets are recorded as expenditures in the governmental fund. The valuation basis for general fixed assets is historical cost. Historical cost is the amount paid by the District for the asset. The District pays only the local portion of some bikeway projects. The local portion is the historical cost. Where historical cost is not available, estimated historical cost is based on replacement cost. Donated fixed assets are reported at their fair market value as of the date received.

Fixed assets in the proprietary fund are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund fixed assets are the same as those used for the general fixed assets.

Depreciation of fixed assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable fixed assets are as follows:

|                            |                |
|----------------------------|----------------|
| Buildings and Improvements | 15 to 25 years |
| Vehicles                   | 4 to 12 years  |
| Equipment                  | 3 to 10 years  |

G. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in four components:

- a. Invested in capital assets, net of related debt – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws and regulations of other governments or 2) law through constitutional provisions or enabling legislation.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Equity Classifications (Cont'd)

Government-Wide Statements (Cont'd)

- c. Committed – Amount of net position that is constrained for specific purposes that is internally imposed by the government through formal action of the highest level of decision-making authority.
- d. Unrestricted – Net position that is not classified as restricted, committed or as invested in capital assets, net of related debt.

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," the District classifies governmental fund balance as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions of enabling legislation. As of June 30, 2023, the District does not have restricted funds.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal resolution of the District board. This formal action must occur prior to the end of the fiscal year, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent fiscal year. Any changes to the constraints imposed require the same formal action of the District board that originally created the commitment.

During the year, the District passed a resolution obligating, committing and dedicating \$34,000,000 of its reserve funds to support the development of future trail projects throughout Madison County, Illinois. The identified capital projects are dependent upon an agreement or letter of intent being executed between the District and the beneficiary municipality. The capital projects will be administered by the Agency in compliance with and pursuant to the terms of the Memorandum of Understanding between the District and the Agency.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The District board may take action to assign amounts for a specific purpose or, 2) all remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the fiscal year.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The District has a formal minimum fund balance policy to maintain cash and investment balances at a level sufficient to pay for not less than nine months of operating expenditures and not less than 5% of the audited Net Fixed Assets at the end of the prior fiscal year. These minimum balances are included in unassigned fund balance.

The District also has a formal minimum fund balance policy to maintain cash and investments at a level sufficient to pay for not less than twelve months of the capital reserve amount. This minimum fund balance is included in assigned fund balance.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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.



MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Proprietary Fund have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Leases

Effective July 1, 2021, the District adopted the provisions of GASB Statement No. 87, Leases. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 established a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements) and leases with related parties. The District does not have any material leases and this pronouncement did not have an impact on the financials.

NOTE 2. CASH AND INVESTMENTS

Cash consists of cash on hand and cash in checking accounts. Investments consist of cash in high yield money market accounts, certificates of deposit, U.S. Treasury notes, municipal and fixed income securities, and a pooled investment account.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 2. CASH AND INVESTMENTS (CONT'D)

|                         | <u>CARRYING</u><br><u>AMOUNT</u> | <u>BANK</u><br><u>BALANCE</u> |
|-------------------------|----------------------------------|-------------------------------|
| Cash:                   |                                  |                               |
| General Fund            | \$ 258,859                       | \$ 5,184,362                  |
| Proprietary Fund        | 2,903,056                        | 3,148,465                     |
| Total                   | <u>\$ 3,161,915</u>              | <u>\$ 8,332,827</u>           |
| Non-Pooled Investments: |                                  |                               |
| General Fund            | \$ 58,879,904                    | \$ 58,879,904                 |
| Proprietary Fund        | 24,878,349                       | 24,878,349                    |
| Pooled Investments:     |                                  |                               |
| General Fund            | 4,051,086                        | 4,051,086                     |
| Total                   | <u>\$ 87,809,339</u>             | <u>\$ 87,809,339</u>          |

The District is authorized to invest in any type of security allowed for in Illinois statutes regarding the investment of public funds.

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

|  | <u>Remaining Maturity</u> |                                    |                      |
|--|---------------------------|------------------------------------|----------------------|
|  | <u>Total</u>              | <u>12 months</u><br><u>or less</u> | <u>1-5 years</u>     |
| State Investment Pool  | \$ 4,051,086              | \$ 4,051,086                       | \$ -                 |
| Certificates of Deposit  | 17,842,000                | 14,302,000                         | 3,540,000            |
| Money Market Accounts  | 75,643                    | 75,643                             | -                    |
| U.S. Treasury, Municipal<br>Bonds and Fixed Income<br>Securities | 40,962,261                | 10,425,391                         | 30,536,870           |
| Total  | <u>\$ 62,930,990</u>      | <u>\$ 28,854,120</u>               | <u>\$ 34,076,870</u> |

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 2. CASH AND INVESTMENTS (CONT'D)

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District invests in a state investment pool. The investment pool earned Standard and Poor's highest rating of AAAm. The District entered into a contract with an organization to provide investment services. The securities purchased under this agreement have earned a Standard and Poor's or Moody's rating of A+, AA, AA-, AAA Aaa, A1, Aa1, Aa2, or Aa3.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's deposit policy states that all funds on deposit in excess of federal depository insurance must be secured by collateral held at an independent third party in the name of the District. As of June 30, 2023, the District's General Fund cash and non-pool investments are \$59,138,763. All of the General Fund's cash and non-pooled investments and the Proprietary Fund's cash balance were fully insured and collateralized.

The District's investment in the state investment pool is fully collateralized. The District maintains a separate investment account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account. The balance in the District's state investment pool as of June 30, 2023 was \$4,051,086.

NOTE 3. DUE FROM GOVERNMENTAL AGENCIES

The amount due from governmental agencies of \$10,052,957 represents sales tax collections from the Illinois Department of Revenue (IDOR), sales tax and grant payments from the Illinois Department of Transportation (IDOT), grant payments from the Missouri Department of Transportation (MoDOT), the Federal Transit Administration (FTA), and the Metro East Park and Recreation District (MEPRD).

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 3. DUE FROM GOVERNMENTAL AGENCIES

The following details the amount due from governmental agencies:

|        |                      |                  |                      |
|--------|----------------------|------------------|----------------------|
| IDOR:  | Sales Tax            |                  | \$ 3,340,881         |
| IDOT:  | Operating Assistance | \$ 1,656,792     |                      |
|        | Rideshare Program    | 44,290           |                      |
|        | New Admin Building   | 2,664,700        |                      |
|        | Rebuild Illinois     | 975,608          |                      |
|        | Due to IDOT          | <u>(145,473)</u> |                      |
|        |                      |                  | 5,195,917            |
| MoDOT: | Rideshare Program    |                  | 126,877              |
| FTA:   | Operating Grants     |                  | 1,359,843            |
| FTA:   | Capital Grants       |                  | 17,918               |
| MEPRD: | Capital Grants       |                  | 11,521               |
|        |                      |                  | <u>\$ 10,052,957</u> |

NOTE 4. STATE AND FEDERAL PROGRAMS

Operating Assistance:

During 1989, legislation passed which allowed state sales tax monies to go to the District for reimbursement of eligible operating expenditures in providing transportation services.

An annual contract is signed with the Illinois Department of Transportation (IDOT) which states the requirements necessary to receive such funds. Reimbursements requested for eligible expenditures incurred during the year ended June 30, 2023, were \$19,072,459.

Rideshare Program:

The District has agreements with IDOT and the Missouri Department of Transportation (MoDOT) for the purpose of increasing vehicle occupancy and decreasing vehicle miles traveled in the St. Louis Metropolitan Region. This program is funded by Congestion Mitigation and Air Quality (CMAQ). The District has entered into agreements for reimbursement of 100% of the eligible expenses incurred during the year.

The amount requested for reimbursement under the agreements for the year ended June 30, 2023, was \$628,524.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 4. STATE AND FEDERAL PROGRAMS (CONT'D)

Bikeway Projects:

The District has agreements with the Illinois Department of Natural Resources (IDNR) to reimburse a portion of the local match on the construction and engineering of the District's bikeways. The amount requested for reimbursement for the year ended June 30, 2023 was \$200,000. The District has agreements with the Metro East Park and Recreation District (MEPRD) to reimburse costs associated with a variety of bikeways.

The amount reimbursed under these agreements for the year ended June 30, 2023 was \$749,181.

Federal and State Grants:

The District received monies from the Federal Transit Administration (FTA) and IDOT through various grants. The FTA and IDOT grants were entered into for the construction of transit facilities and purchases of vehicles, equipment, COVID-19 response supplies, and other items. The District is reimbursed for 80% - 100% of the original grant amount from FTA or IDOT, as a pass-through from FTA, with the remaining amount being reimbursed by IDOT or funded by the District. The amount requested from FTA and IDOT for the fiscal year ended June 30, 2023 was \$15,973,972.

The following details the funds requested to the District by FTA for the year ended June 30, 2023:

|                          |                      |
|--------------------------|----------------------|
| Section 5307             | \$ 5,672,294         |
| CMAQ                     | 642,221              |
| Federal CARES Act/CRRSAA | 4,859,032            |
| Capital Grants           | 4,800,425            |
|                          | <u>\$ 15,973,972</u> |

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 5. FIXED ASSETS

A summary of the Fixed Assets for the governmental activities is as follows:

|                                      | <u>BALANCE</u><br><u>JUNE 30, 2022</u> | <u>ADDITIONS</u>     | <u>RETIREMENTS</u>  | <u>BALANCE</u><br><u>JUNE 30, 2023</u> |
|--------------------------------------|--|----------------------|---------------------|--|
| Fixed Assets, not being depreciated: |  |                      |                     |  |
| Land                                 | \$ 10,936,570                          | \$ 1,335,957         | \$ -                | \$ 12,272,527                          |
| Subtotal                             | <u>\$ 10,936,570</u>                   | <u>\$ 1,335,957</u>  | <u>\$ -</u>         | <u>\$ 12,272,527</u>                   |
| Fixed Assets, being depreciated:     |  |                      |                     |  |
| Buildings                            |  |                      |                     |  |
| and Improvements                     | \$ 85,152,452                          | \$ 13,153,434        | \$ 11,000           | \$ 98,294,886                          |
| Vehicles                             | 44,448,328                             | 584,653              | 1,761,226           | 43,271,755                             |
| Equipment                            | 5,075,332                              | 162,521              | 35,208              | 5,202,645                              |
| Subtotal                             | <u>\$ 134,676,112</u>                  | <u>\$ 13,900,608</u> | <u>\$ 1,807,434</u> | <u>\$ 146,769,286</u>                  |
| Accumulated Depreciation:            |  |                      |                     |  |
| Buildings and                        |  |                      |                     |  |
| Improvements                         | \$ 54,394,398                          | \$ 3,513,306         | \$ 10,560           | \$ 57,897,144                          |
| Vehicles                             | 24,848,786                             | 3,818,070            | 1,750,369           | \$ 26,916,487                          |
| Equipment                            | 4,729,143                              | 79,722               | 21,640              | \$ 4,787,225                           |
| Subtotal                             | <u>\$ 83,972,327</u>                   | <u>\$ 7,411,098</u>  | <u>\$ 1,782,569</u> | <u>\$ 89,600,856</u>                   |
| Net Fixed Assets                     | <u>\$ 61,640,355</u>                   | <u>\$ 7,825,467</u>  | <u>\$ 24,865</u>    | <u>\$ 69,440,957</u>                   |

Depreciation in the amount of \$7,411,098 was charged to the Transportation Governmental Activity.

A summary of Fixed Assets for the business-type activities is as follows:

|                                    |                   |
|------------------------------------|-------------------|
| Transit and Service Vehicles       | \$ 242,638        |
| Leasehold Improvements             | 5,779             |
| Furniture, Fixtures, and Equipment | 460,153           |
|                                    | <u>\$ 708,570</u> |
| Less, Accumulated Depreciation     | (494,252)         |
| Net Fixed Assets                   | <u>\$ 214,318</u> |

Depreciation in the amount of \$62,833 was charged to the Transportation Business-Type Activity.

NOTE 6. RETIREMENT PLAN

The Agency contributes to three Retirement Plans for the benefit of employees.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 6. RETIREMENT PLAN (CONT'D)

The Agency administers a deferred compensation plan under Section 403(b) of the Internal Revenue Code. The plan is open to all non-union employees. Participant deferrals between 2.5% and 5% of income are matched 2 for 1 by the Agency if eligibility requirements are met. The Agency contributed \$583,140 to the plan for the year ended December 31, 2022.

Agency union employees are able to participate in a union sponsored defined contribution plan under Section 401(k) of the Internal Revenue Code. The plan is open to all union employees. Participant deferrals between 1% and 5% of wages are matched 1 for 1 by the Agency if eligibility requirements are met. The Agency contributed \$237,913 to the plan for the year ended December 31, 2022.

In 2006, the Agency began making contributions to a 457(f) deferred compensation arrangement. Funds are retained in a separate bank account until the benefits are vested and the monies are withdrawn. The balance in the account, including interest, is \$200,885 as of December 31, 2022. This amount is also being recorded as a liability in the Agency's statement of financial position.

NOTE 7. RISK MANAGEMENT/CONTINGENCIES

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three fiscal years.

The District, at times, is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the District's management the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 8. SELF-INSURANCE

The Agency has established a limited self-insurance program for the purpose of paying up to \$50,000 per general liability claim. Any claim in excess of the \$50,000 is covered by a supplemental insurance plan. The Agency has incurred claims (net of recoveries) of \$226,144 under this program for the year ended December 31, 2022. A self-insurance reserve has been established for claims incurred but not paid of \$98,065 for the year ended December 31, 2022.

The Agency is required under their limited self-insurance program to fund a separate checking account designated to pay claims. The balance in this account was \$30,302 for the year ended December 31, 2022.

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2023

NOTE 9. NET POSITION/FUND BALANCES

Local Match

The District passed various resolutions authorizing the submittal of a Transportation Improvement Program. Funding assistance is available through various federal programs which require matching funds for the projects to be submitted. The resolutions have assigned \$24,535,686 of the Fund Balance for these matching funds.

NOTE 10. PRIOR PERIOD ADJUSTMENT

Net position as of the beginning of the fiscal year has been restated to correct for proceeds from asset sales that are due to FTA and IDOT and that were not recorded as a liability in prior year financial statements. As of June 30, 2023, the District was awaiting approval from FTA and IDOT to return these proceeds, but had received enough direction from FTA and IDOT to calculate a liability that was recorded on the financial statements for the year ending June 30, 2023. The following summarizes the prior period adjustment:

|  | <u>Net Position</u>   | <u>Fund Balance</u>  |
|--|-----------------------|----------------------|
| Beginning of Year, as Previously Reported      | \$ 126,709,930        | \$ 65,069,575        |
| Reclassification - proceeds due to<br>FTA/IDOT | (279,205)             | (279,205)            |
| Beginning of Year, as Adjusted                 | <u>\$ 126,430,725</u> | <u>\$ 64,790,370</u> |

NOTE 11. NEW ACCOUNTING PRONOUNCEMENT

GASB Statement 96, Subscription-Based Information Technology Arrangements ("SBITAs"), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The District does not have any material SBITAs and this pronouncement did not have an impact on the financial statements.

NOTE 12. SUBSEQUENT EVENTS

The effect of subsequent events on the financial statements has been evaluated through December 16, 2023, which is the date the financial statements were available to be issued.



MADISON COUNTY MASS TRANSIT DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

|  | GENERAL FUND                     |                               |                        |
|--|----------------------------------|-------------------------------|------------------------|
|  | BUDGET AMOUNTS                   |                               | ACTUAL AMOUNTS         |
|  | <u>ORIGINAL</u><br><u>BUDGET</u> | <u>FINAL</u><br><u>BUDGET</u> |                        |
|  |                                  |                               | <u>BUDGETARY BASIS</u> |
| REVENUES:  |                                  |                               |                        |
| Sales Tax  | \$ 11,000,000                    | \$ 12,000,000                 | \$ 12,951,070          |
| Interest   | 678,000                          | 678,000                       | 864,579                |
| Illinois Department of Transportation (IDOT) Operating Assistance  | 17,200,000                       | 17,200,000                    | 19,072,459             |
| Illinois Department of Transportation (IDOT) Local Sales Tax Refor | 3,000,000                        | 3,000,000                     | 3,895,396              |
| Rideshare Program  | 622,000                          | 622,000                       | 628,524                |
| Lease and Rental Income  | -                                | -                             | 32,047                 |
| Federal Transit Administration (FTA) Section 5307                  | 9,109,086                        | 9,109,086                     | 5,672,294              |
| Federal Transit Administration (FTA) Section 5339                  | 2,700,000                        | 2,700,000                     | -                      |
| Federal CARES Act/CRRSAA Funding                                   | 4,020,000                        | 4,250,000                     | 4,859,032              |
| Illinois Department of Transportation (IDOT)                       | 5,550,000                        | 5,550,000                     | 3,721,322              |
| Congestion Mitigation Air Quality (CMAQ)                           | 4,120,000                        | 4,120,000                     | 13,697                 |
| Fares  | 560,000                          | 560,000                       | 578,348                |
| Metro East Park and Recreation District (MEPRD)                    | 2,300,000                        | 2,300,000                     | 749,181                |
| Illinois Department of Natural Resources (IDNR)                    | 165,000                          | 165,000                       | 200,000                |
| Intergovernmental Agreements                                       | 150,000                          | 150,000                       | -                      |
| Rebuild Illinois   | 21,377,173                       | 21,377,173                    | 1,079,103              |
| Other Revenues   | 147,000                          | 147,000                       | 1,190,777              |
| Future Grants  | 10,987,821                       | 10,973,539                    | -                      |
| Total Revenues   | <u>\$ 93,686,080</u>             | <u>\$ 94,901,798</u>          | <u>\$ 55,507,829</u>   |

THIS SCHEDULE CONTINUED ON NEXT PAGE

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MADISON COUNTY MASS TRANSIT DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

|  | GENERAL FUND           |                        |                                   |
|--|------------------------|------------------------|-----------------------------------|
|  | BUDGET AMOUNTS         |                        | ACTUAL AMOUNTS<br>BUDGETARY BASIS |
|  | ORIGINAL<br>BUDGET     | FINAL<br>BUDGET        |                                   |
| EXPENDITURES:  |                        |                        |                                   |
| Transit Services (Note 1.A.)                                     | \$ 29,107,000          | \$ 31,007,000          | \$ 5,140,330                      |
| Rideshare Program (Note 1.A.)                                    | 954,000                | 954,000                | 331,732                           |
| Professional and Other Services                                  | 330,000                | 545,000                | 249,867                           |
| Administrative Contract (Note 1.A.)                              | 476,000                | 476,000                | -                                 |
| Trustee Expense  | 30,000                 | 30,000                 | 12,638                            |
| District Office  | 433,000                | 478,000                | 457,717                           |
| Facilities Maintenance   | 1,007,000              | 1,077,000              | 170,817                           |
| Transit Centers and Park and Ride Facilities                     | 9,496,000              | 9,496,000              | 1,012,678                         |
| Cooperative Police Bicycle Grant Program                         | 50,000                 | 50,000                 | -                                 |
| Equipment  | 6,111,000              | 6,115,064              | 162,520                           |
| Vehicles   | 22,413,850             | 22,448,175             | 584,654                           |
| Facility Improvements  | 21,400,000             | 21,561,245             | 10,857,008                        |
| Bikeways   | 38,860,000             | 38,860,000             | 3,891,947                         |
| Miscellaneous  | 3,000,000              | 2,000,000              | -                                 |
| Total Expenditures   | <u>\$ 133,667,850</u>  | <u>\$ 135,097,484</u>  | <u>\$ 22,871,908</u>              |
| REVENUES OVER (UNDER) EXPENDITURES                               | <u>\$ (39,981,770)</u> | <u>\$ (40,195,686)</u> | \$ 32,635,921                     |
| OTHER FINANCING SOURCES/(USES):                                  |                        |                        |                                   |
| Transfers to Other Funds (Note 1.A.)                             |                        |                        | (26,589,784)                      |
| Proceeds from Permanent Easement                                 |                        |                        | 801,981                           |
| Total Other Financing Sources/(Uses)                             |                        |                        | <u>\$ (25,787,803)</u>            |
| REVENUES OVER EXPENDITURES<br>AND OTHER FINANCING SOURCES/(USES) |                        |                        | \$ 6,848,118                      |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED                     |                        |                        | <u>64,790,370</u>                 |
| FUND BALANCE, END OF YEAR  |                        |                        | <u>\$ 71,638,488</u>              |

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL  
JUNE 30, 2023

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The fiscal year 2023 operating and capital budgets were approved by the District Board of Trustees at the June 30, 2022 board meeting.

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Governmental Fund presents a comparison of budgetary data to actual results.

MADISON COUNTY MASS TRANSIT DISTRICT  
SCHEDULE OF EXPENSES BY FUNCTION - PROPRIETARY FUND  
AGENCY FOR COMMUNITY TRANSIT  
FOR THE YEAR ENDED DECEMBER 31, 2022

|   | <u>PROGRAM<br/>SERVICES</u> | <u>SUPPORTING<br/>SERVICES</u>      |                      |
|---|-----------------------------|-------------------------------------|----------------------|
|   | <u>TRANSPORTATION</u>       | <u>MANAGEMENT<br/>&amp; GENERAL</u> | <u>TOTAL</u>         |
| TRANSPORTATION EXPENSES:                  |                             |                                     |                      |
| Gas, Oil and Lubricants                   | \$ 128,437                  | \$ 247                              | \$ 128,684           |
| Purchased Transportation                  | 39                          | 1,290                               | 1,329                |
| Vehicle Insurance Payments and Recoveries | 236,384                     | -                                   | 236,384              |
| Licenses and Permits                      | 2,088                       | -                                   | 2,088                |
| Vehicle Maintenance                       | 1,069,010                   | 402                                 | 1,069,412            |
| Rideshare                                 | 772,797                     | -                                   | 772,797              |
| Total Transportation Expenses             | <u>\$ 2,208,755</u>         | <u>\$ 1,939</u>                     | <u>\$ 2,210,694</u>  |
| SALARIES AND RELATED EXPENSES:            |                             |                                     |                      |
| Salaries                                  | \$ 15,900,969               | \$ 551,934                          | \$ 16,452,903        |
| Employee Benefits                         | 4,104,496                   | 146,637                             | 4,251,133            |
| Payroll Taxes                             | 1,222,729                   | 42,774                              | 1,265,503            |
| Personnel                                 | 171,349                     | 29,195                              | 200,544              |
| Total Salaries and Related Expenses       | <u>\$ 21,399,543</u>        | <u>\$ 770,540</u>                   | <u>\$ 22,170,083</u> |
| OTHER EXPENSES:                           |                             |                                     |                      |
| Advertising                               | \$ 22,670                   | \$ -                                | \$ 22,670            |
| Community Action Grant Program            | \$ 145,529                  | \$ 114,784                          | \$ 260,313           |
| Conferences, Meetings and Dues            | 10,507                      | 12,620                              | 23,127               |
| Depreciation                              | 12,299                      | 50,534                              | 62,833               |
| Miscellaneous                             | 28,984                      | 35,530                              | 64,514               |
| Facilities, Office and Insurance          | 1,386,606                   | 339,812                             | 1,726,418            |
| Professional, Consultant and Other        | 14,555                      | 111,224                             | 125,779              |
| Radio Tower                               | 6,316                       | 7,442                               | 13,758               |
| Total Other Expenses                      | <u>\$ 1,627,466</u>         | <u>\$ 671,946</u>                   | <u>\$ 2,299,412</u>  |
| TOTAL EXPENSES (Exhibit "H")              | <u>\$ 25,235,764</u>        | <u>\$ 1,444,425</u>                 | <u>\$ 26,680,189</u> |

MADISON COUNTY MASS TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

| <u>FEDERAL GRANTOR / PASS-THROUGH</u><br><u>GRANTOR / PROGRAM TITLE</u> | <u>FEDERAL</u><br><u>AL</u><br><u>NUMBER</u> | <u>PASS-THROUGH</u><br><u>ENTITY</u><br><u>IDENTIFYING</u><br><u>NUMBER</u> | <u>FEDERAL</u><br><u>EXPENDITURES</u> |
|---|--|---|---------------------------------------|
| US DEPARTMENT OF TRANSPORTATION   |  |   |                                       |
| FEDERAL TRANSIT FORMULA GRANTS:   |  |   |                                       |
| Direct Programs:  |  |   |                                       |
| Section 5307 Capital Grant # IL-90-X733                                 | 20.507                                       |   | \$ 4,123,002                          |
| Section 5307 Capital Grant # IL-2020-014-00                             | 20.507                                       |   | 337,353                               |
| Section 5307 Capital Grant # IL-2020-042-00                             | 20.507                                       |   | 64,598                                |
| Section 5307 Capital Grant # IL-2021-018-00                             | 20.507                                       |   | 64,632                                |
| Section 5307 Capital Grant # IL-2021-028-00                             | 20.507                                       |   | 1,054,613                             |
| Section 5307 Capital Grant # IL-2023-005-00                             | 20.507                                       |   | 28,096                                |
| Total Direct Programs   |  |   | <u>\$ 5,672,294</u>                   |
| COVID-19 Federal Transit Formula Grants                                 |  |   |                                       |
| Direct Programs:  |  |   |                                       |
| Section 5307 Capital Grant # IL-2020-035-00                             | 20.507                                       |   | \$ 1,979,728                          |
| Section 5307 Capital Grant # IL-2023-002-00                             | 20.507                                       |   | 2,879,304                             |
|   |  |   | <u>\$ 4,859,032</u>                   |
| Total Federal Transit Formula Grants                                    |  |   | <u>\$ 10,531,326</u>                  |
| Total Federal Transit Cluster   |  |   | <u>\$ 10,531,326</u>                  |
| HIGHWAY PLANNING AND CONSTRUCTION:                                      |  |   |                                       |
| Pass-Through Programs From:   |  |   |                                       |
| Illinois Department of Transportation:                                  |  |   |                                       |
| CMAQ Grant - Rideshare  | 20.205                                       | 22-1003-29788   | \$ 120,146                            |
| CMAQ Grant - Commuter Initiative  | 20.205                                       | 18-1003-5451  | 13,697                                |
| Missouri Department of Highways and                                     |  |   |                                       |
| Transportation:   |  |   |                                       |
| CMAQ Grant - Rideshare  | 20.205                                       | CMAQ-5439(611)  | <u>\$ 508,378</u>                     |
| Total Pass-Through Programs   |  |   | <u>\$ 642,221</u>                     |
| Total Highway Planning and Construction                                 |  |   | <u>\$ 642,221</u>                     |
| Total Expenditures of Federal Awards                                    |  |   | <u><u>\$ 11,173,547</u></u>           |

MADISON COUNTY MASS TRANSIT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 assets, or cash flows of the District.

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Federal awards passed through other governmental agencies are included on the Schedule.

NOTE 2. NON CASH AWARDS

None

NOTE 3. AMOUNT OF FEDERAL INSURANCE IN EFFECT DURING THE YEAR

None

NOTE 4. LOAN OR LOAN GUARANTEES OUTSTANDING AT YEAR END

None

NOTE 5. SUBRECIPIENTS

None

NOTE 6. INDIRECT COST RATE

Madison County Mass Transit District has not elected to use the 10% de minimis indirect cost rate.

MADISON COUNTY MASS TRANSIT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Madison County Mass Transit District were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Madison County Mass Transit District, which would be required to be reported in accordance with Government Auditing Standard, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Madison County Mass Transit District expresses an unmodified opinion on all major programs.
6. There are no findings relative to major federal award programs for Madison County Mass Transit District.
7. The programs tested as major programs were:

|                     |  |
|---------------------|--|
| <u>CFDA Numbers</u> | <u>Federal Program Name or Cluster</u> |
| 20.507              | Federal Transit Formula Grants Cluster |
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Madison County Mass Transit District was determined to be a low-risk auditee.

Findings - Financial Statement Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None