

METRO-EAST TRANSIT DISTRICT  
OF ST. CLAIR COUNTY  
REPORT AND FINANCIAL STATEMENTS  
JUNE 30, 2025

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Metro-East Transit District  
of St. Clair County, Illinois

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Metro-East Transit District of St. Clair County (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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***

As discussed in Note 4 to the financial statements, the present level of service of the District is dependent upon the District's ability to obtain operating assistance. 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 on pages 6 – 10, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of employer contributions, and notes to schedule of contributions on pages 36 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026, 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  
January 6, 2026



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

To the Board of Trustees  
Metro-East Transit District  
of St. Clair County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Metro-East Transit District of St. Clair County (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 6, 2026.

**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 or significant deficiencies may exist that were not identified.

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

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

### **Purpose of This Report**

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



Edwardsville, IL  
January 6, 2026



**BOARD MEMBERS**

George Markezich  
CHAIRMAN

Lonnie Mosley  
VICE-CHAIR

Dr. Derienzia Johnson  
TRUSTEE

Patty Gregory  
TRUSTEE

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

The following represents the Management’s Discussion and Analysis (“MD&A”) of the financial activities and performance of the Metro-East Transit District of St. Clair County DBA St. Clair County Transit District (SCCTD). The MD&A provides the reader with an introduction and high-level overview of the District’s financial activities for the fiscal year ended June 30, 2025, compared to the financial activities for the year ended June 30, 2024. The MD&A should be read in conjunction with the District’s financial statements and accompanying notes.

The information presented in the audited financial statements and the management discussion and analysis may be best understood when considered in context with the national and regional economic environmental trends. Regional economic and employment market conditions specifically affect public transit, as it is a key means for residents to access employment centers and essential services.

According to recently available economic analysis for the St. Louis metropolitan area (which includes the Illinois and Missouri sections of the region), the metro economy continues to grow. Latest estimates place the St. Louis metropolitan gross domestic product (GDP) at approximately \$226.5 billion in current dollars, reflecting continued economic momentum and growth in diversified sectors such as logistics, advanced manufacturing, financial services, bioscience, education, and healthcare

Per capita personal income and other income indicators for the St. Louis MSA remain competitive among large U.S. metro areas. While the most recent full federal data is for 2023, these figures demonstrated strong personal income growth trends. National and regional income metrics continue to influence transit demand, particularly for households reliant on public transport for commuting.

Unemployment rates in the Metro East portion of the St. Louis MSA — including St. Clair County — have shown improvement compared to the prior year. As of June 2025, the local unemployment rate stood at 3.5 percent, down from 4.8 percent in June 2024, indicating strengthening labor conditions in the area. Locally, St. Clair County’s unemployment rate also declined over the year, reflecting broader regional labor market gains, though variations exist among area cities.

St. Clair County’s economic profile continues to be shaped by its role within the greater St. Louis region. Although county-level GDP and personal income figures are updated less frequently, recent local indicators — including sales tax revenue rankings and employment statistics — support evidence of underlying economic activity that influences transit usage. For example, St. Clair County was among the top ten counties in Illinois for sales tax revenue generation in 2024, with nearly \$51.5 million collected, an important indicator of local consumer activity and economic resilience

Household income in the county has trended upward. National demographic and labor surveys show median household income increases in recent years, contributing to moderate growth in consumer spending and commuting activity.



ST. CLAIR COUNTY  
**TRANSIT  
DISTRICT**

**BOARD  
MEMBERS**

George Markezich  
*CHAIRMAN*

Lonnie Mosley  
*VICE-CHAIR*

Dr. Derienzia Johnson  
*TRUSTEE*

Patty Gregory  
*TRUSTEE*

Despite relatively high car ownership rates (with most households owning vehicles), a notable share of zero-car households resides in St. Clair County, making public transit essential for a significant segment of residents who rely on bus, light rail, and paratransit services to access employment, education, healthcare, and other destinations.

DR. DERENZIA JOHNSON



METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

FINANCIAL HIGHLIGHTS

Financial highlights for FY2025

- Total assets increased \$40.5 million or 17.7% from the prior year.
- Deferred outflow of resources decreased \$77.6 thousand or 30.9% from the prior year.
- Total liabilities decreased \$15.2 million or 28.6% from prior year.
- Deferred inflow of resources increased \$17.0 thousand or 16.3% from the prior year.
- Total net position increased \$55.7 million or 31.6% from the prior year.
- SCCTD's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by \$231.8 million as of June 30, 2025. The unrestricted net position available to meet SCCTD's ongoing obligations was in a positive position of \$29.2 million.
- Total revenues decreased \$32.0 million or 18.8% from the prior year.
- Total expenses decreased \$7.8 million or 8.6% from the prior year.

OVERVIEW

BASIC FINANCIAL STATEMENTS

The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The government-wide and the fund financial statements contain only one fund, the General Fund, which contains the financial activity of SCCTD. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information about SCCTD as a whole and about its activities in a way that helps to answer the question, “Is SCCTD as a whole better or worse off as a result of the year’s activities?” These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SCCTD's only fund, the General Fund, is considered a governmental fund and reports short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

Other information – In addition to the financial statements and accompanying notes, this report also presents certain additional supplementary information concerning budget to actual comparisons.

SUMMARIZED FINANCIAL ANALYSIS

Statement of Net Position and Activities – This statement presents information on all SCCTD’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may be a useful indicator of whether the financial position of SCCTD is improving or deteriorating. The table below provides a summary of SCCTD’s net assets for the years ended June 30, 2025 and 2024, respectively. It also represents a snapshot of the current year activities of the entity and illustrates to which various programs and functions rely on taxes and other general revenues for their funding. The below table provides a summary of SCCTD’s statement of activities for the fiscal year ended 2025 compared to fiscal year ended 2024.

As noted in the financial highlights, SCCTD’s total assets exceeded total liabilities by \$231.8 million as of June 30, 2025, compared to total assets exceeding total liabilities by \$176.0 million as of June 30, 2024.

St. Clair County Transit District  
Financial Comparison Analysis  
For the Year Ended June 30, 2025

	FY 2024	FY 2025	\$ Change	% Change
Total Assets	\$ 228,933,289	\$ 269,523,073	\$ 40,589,784	17.7%
Deferred Outflow of Resources	\$ 251,417	\$ 173,803	\$ (77,614)	-30.9%
Combined	\$ 229,184,706	\$ 269,696,876	\$ 40,512,170	17.7%
Total Liabilities	\$ 53,003,988	\$ 37,820,157	\$ (15,183,831)	-28.6%
Deferred Inflow of Resources	\$ 104,574	\$ 121,595	\$ 17,021	16.3%
Combined	\$ 53,108,562	\$ 37,941,752	\$ (15,166,810)	-28.6%
Total Net Position	\$ 176,076,144	\$ 231,755,124	\$ 55,678,980	31.6%
Unrestricted Net Position	\$ 46,346,318	\$ 29,198,161	\$ (17,148,157)	-37.0%
Total Revenues	\$ 170,488,477	\$ 138,467,108	\$ (32,021,369)	-18.8%
Total Expenses	\$ 90,584,064	\$ 82,788,128	\$ (7,795,936)	-8.6%

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the SCCTD's finances for all those with an interest in the SCCTD's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Jennifer Schoen  
Director of Finance  
St. Clair County Transit District  
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Belleville, IL 62220  
Telephone: (618) 628-8090  
Email: [jschoen@scctd.org](mailto:jschoen@scctd.org)  
Website: [www.SCCTD.org](http://www.SCCTD.org)

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash	\$ 35,836,521
Investments	8,299,980
Trust Deposit	582,475
Due From Governmental Agencies	9,147,447
Interest Receivable	44,214
Other Receivables	12,039,513
Prepaid Expenses	218,553
Total Current Assets	\$ 66,168,703
NONCURRENT ASSETS:	
Prepaid Bond Insurance	\$ 34,830
Bond Reserve	3,533,888
Right of Use Lease Asset, Net of Amortization	620,559
Capital Assets, Net of Accumulated Depreciation	199,165,093
Total Noncurrent Assets	\$ 203,354,370
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows from Pension Contributions	\$ 173,803
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 269,696,876
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
CURRENT LIABILITIES:	
Accounts Payable	\$ 6,417,105
Bonds Payable	3,400,000
Compensated Absences	10,697
Contracts Payable	11,423,546
Lease liability	74,193
Unamortized Premium on Bond Issuance	259,445
Other Liabilities	20,450
Total Current Liabilities	\$ 21,605,436
LONG-TERM LIABILITIES:	
Bonds Payable (Net of Current Portion)	\$ 6,925,000
Compensated Absences	42,790
Contracts Payable (Net of Current Portion)	8,098,275
Lease liability	569,603
Net Pension Liability	98,757
Unamortized Premium on Bond Issuance (Net of Current Portion)	480,296
Total Long-Term Liabilities	\$ 16,214,721
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows from Pension Contributions	\$ 121,595
NET POSITION:	
Invested in Capital Assets, Net of Related Debt	\$ 199,023,075
Restricted for:	
Bond Reserve	3,533,888
Unrestricted	29,198,161
Total Restricted	\$ 32,732,049
Net Position	\$ 231,755,124
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 269,696,876

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS	OPERATING GRANTS	
<b>PRIMARY GOVERNMENT:</b>					
Governmental Activities:					
Transportation	\$ 82,328,928	\$ 330,702	\$ 54,181,094	\$ 47,953,430	\$ 20,136,298
Interest and Other Fiscal Charges on Long-Term Debt	459,200	-	-	-	(459,200)
Total Governmental Activities	\$ 82,788,128	\$ 330,702	\$ 54,181,094	\$ 47,953,430	\$ 19,677,098

General Revenues:	
Sales Tax	\$ 32,872,880
Miscellaneous	3,129,002
Total General Revenues	\$ 36,001,882
Change in Net Position	\$ 55,678,980
Net Position - Beginning of Year	176,076,144
Net Position - End of Year	\$ 231,755,124

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
BALANCE SHEET - GOVERNMENTAL FUND  
JUNE 30, 2025

	<u>GENERAL</u> <u>FUND</u>
<u>ASSETS:</u>	
Cash	\$ 35,836,521
Invested Cash	8,299,980
Trust Deposit	582,475
Due From Governmental Agencies	9,147,447
Interest Receivable	44,214
Other Receivables	12,039,513
Prepaid Expenses	218,553
Bond Reserve	3,533,888
	\$ 69,702,591
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES:</u>	
Accounts Payable	\$ 6,415,844
Contracts Payable	11,423,546
Other Liabilities	20,450
Total Liabilities	\$ 17,859,840
 <u>FUND BALANCE:</u>	
Nonspendable	\$ 218,553
Restricted	3,533,888
Unassigned	48,090,310
Total Fund Balance	\$ 51,842,751
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 \$ 69,702,591

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

Total Fund Balance for Governmental Fund		\$ 51,842,751
Total net position reported for governmental activities in the statement of net position are different because:		
The portion of bond issuance costs related to prepaid insurance is expensed in governmental funds when paid and is capitalized and amortized over the life of the corresponding bonds for purposes of the statement of net position.		
	34,830	
Right of Use Assets (Net of \$177,447 accumulated amortization) used in governmental activities are not financial resources and therefore are not reported in funds.		
	620,559	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land, construction in progress, transit centers, park and ride lots, and improvements, net of \$16,163,423 accumulated depreciation	\$ 196,204,716	
Equipment, net of \$3,204,170 accumulated depreciation	<u>2,960,377</u>	
		199,165,093
Net pension Asset and related deferred inflows are not due and receivable in the current period, therefore, are not reported in governmental funds		
		(46,549)
Long-term liabilities applicable to the district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are capitalized and amortized in the statement of activities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position		
		(11,709,798)
Compensated absences and the OPEB portion of transit service with Bi-State Development Agency are not due and payable in the current period and, therefore, are not reported in the funds		
		<u>(8,151,762)</u>
Net Position of Governmental Activities		<u>\$ 231,755,124</u>

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>GENERAL</u> <u>FUND</u>
<b>REVENUES:</b>	
Sales Tax - ¼ cent	\$ 12,207,786
Sales Tax - ½ cent	20,665,094
Interest	2,522,811
IDOT Operating Assistance	47,756,844
Automobile Dealers Transfer Fee	465,133
Fares	330,703
Capital Grants	45,473,619
Congestion Mitigation and Air Quality (CMAQ)	334,720
Reimbursements from Bi-State	8,569,341
Other Revenues	141,058
Total Revenues	\$ 138,467,109
<b>EXPENDITURES:</b>	
<b>Current:</b>	
Transit Service	\$ 74,422,831
Capital Improvements - Bike Trail	5,769,090
Capital Improvements - Bi-State	853,277
Capital Improvements - SCCTD	57,083,846
Legal and Consulting Services	138,776
Audit	28,750
District Bonding and Insurance	189,009
Office Expense	217,990
Marketing, Promotions, Advertising and Printing	2,660
Trustees' Expense and Mileage	4,578
Professional Fees and Other Services	1,818,093
Transit Plaza	17,918
Salaries and Employee Benefits	1,194,565
Dues and Subscriptions	36,177
Rent	214,890
Miscellaneous	65,805
<b>Debt Service:</b>	
Principal	3,235,000
Interest	697,849
Other Fiscal Charges	7,250
Total Expenditures	\$ 145,998,354
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (7,531,245)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>59,373,996</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 51,842,751</b>

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
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, 2025

Net Change in Fund Balance - Total Governmental Fund	\$ (7,531,245)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>The portion of bond issuance costs related to prepaid insurance is expensed in governmental funds when paid and is capitalized and amortized over the life of the corresponding bonds for purposes of the statement of activities. This amount is the amortization expense on prepaid bond insurance costs.</p>	(11,610)
<p>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.</p>	59,843,624
<p>Governmental funds report lease payments as expenditures while governmental activities report amortization expense on Right of Use Assets and interest expense on the Lease Liability to allocate those expenditures over the term of the lease. This is the amount by which the amortization and interest expense exceeds the lease payments in the current period.</p>	(4,851)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premium and discounts when debt is first issued, whereas these amounts are capitalized and amortized in the statement of activities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	3,494,445
<p>Compensated absences and the OPEB portion of transit services are not reported as expenditures in governmental funds until paid; however, they are recognized as an expense when incurred in the statement of activities. This amount is the net effect of these differences.</p>	(4,682)
<p>Changes in the Net Pension Liability and deferred pension contributions are reported only in the Statement of Activities. This amount represents the current year change in these amounts.</p>	(106,701)
Change in Net Position of Governmental Activities	<u>\$ 55,678,980</u>

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies

The Metro-East Transit District of St. Clair County (the “District”) was created by the County Board of St. Clair County, Illinois through the adoption of Resolution No. 310-80R on December 29, 1980 as authorized by Public Act 81-1471 of the State of Illinois. The District is in operation to provide transportation services to the elderly and disabled, and fixed route transportation to the general public of St. Clair County.

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 District’s reporting entity includes only the activities of the Board of Trustees.

The following criteria have been developed to determine whether related organizations should be included within the financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Based on these criteria, no other entities need be included.

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. It is currently the only fund of the District.

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.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Government-Wide Financial Statements (Cont'd)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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 governmental activity of the District. 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.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The District consists of one major fund.

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. Revenues are recognized when they become "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

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.

D. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital 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, or where historical cost is not available, estimated historical cost based on replacement cost. Donated fixed assets are reported at their fair market value as of the date received.

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

Building and Improvements	15 to 25 years
Transit Center	15 to 25 years
Park and Ride Lots	7 to 25 years
Bike Trails	15 years
Equipment	3 to 10 years

The District at times has purchased certain vehicles that are titled to the service provider for the contract period plus any subsequent agreement periods. The service provider is to obtain appropriate liability and accident insurance coverage.

The District often reimburses Bi-State Development Agency (“Bi-State”) for a portion of the capital expenditures related to the transportation services provided by Bi-State. Also, some additional expenditures are paid directly by the District. However, these assets are titled to Bi-State and, therefore, are not capitalized by the District.

The District also incurs costs related to joint capital projects with Bi-State, which Bi-State will reimburse the District for a portion of these expenditures.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies (Cont'd)

E. Compensated Absences

District employees earn vacation leave benefits on the basis of length of service time and are compensated for unused vacation time upon leaving the District's employment. Employees also earn sick leave, 12 days per year; unused sick days do not accrue nor are they paid out upon leaving the District. Vacation leave is accrued when incurred in the government-wide financial statements. In governmental funds, a liability for these amounts is reported only as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements.

F. Investments

Investments are valued at fair value, where applicable.

G. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three 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.
- c. Unrestricted – Net position that is neither classified as restricted nor as invested in capital assets, net of related debt.

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with GASB 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.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies (Cont'd)

G. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

- 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 or enabling legislation.
- 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 action (resolution) of the District board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District board that originally created the commitment.
- 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 by the District board taking action to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.

Instead of a formal fund balance policy addressing the order in which resources are to be used when amounts are available for expenditure, the District uses the default approach allowed by GASB Statement No. 54. Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies (Cont'd)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and fund financial statements report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the government-wide and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then.

J. Subscription-Based Information Technology Arrangements (“SBITAs”)

Effective July 1, 2022, the District adopted the provisions of GASB Statement No. 96, Subscription Based Information Technology Arrangements. The objective of this Statement is to provide guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of GASB Statement No. 96 had no material impact on the financial statements of the District.

K. New and Future Accounting Pronouncements

Effective for fiscal year ended June 30, 2025, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The liability is measured at the employee’s rate of pay as of the balance sheet date. The implementation of GASB Statement No. 101 had no material impact on the financial statements. See Note 1(E) for further information on compensated absences.

Effective for fiscal year ended June 30, 2025, the District adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose information about risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. At this time, the District has not identified any new concentrations or constraints that pose a risk requiring disclosure as a result of adopting this standard.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1. Summary of Significant Accounting Policies (Cont'd)

K. New and Future Accounting Pronouncements (Cont'd)

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Management is in the process of completing its assessment of the impact of these requirements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Management is in the process of completing its assessment of the impact of these requirements.

NOTE 2. Cash and Investments

Cash consists of cash on hand, cash in checking accounts, and cash in money market accounts. Investments consist of certificates of deposit and U.S. Treasury notes. Balances at June 30, 2025 were:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash:		
General Fund	<u>\$35,836,521</u>	<u>\$36,768,563</u>
Investments:		
General Fund	<u>\$8,299,980</u>	<u>\$8,299,980</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.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 2. Cash and Investments (Cont'd)

A. Interest Rate Risk

	<u>Remaining Maturity</u>		
	<u>Total</u>	<u>12 months or less</u>	<u>1-5 years</u>
Certificates of Deposit	<u>\$ 8,299,980</u>	<u>\$ 8,299,980</u>	<u>\$ -</u>

B. 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, 2025, the District's deposits are fully covered by depository insurance or collateral held by the District or its Agent in the District's name.

NOTE 3. Contracts and Other Commitments

A. Bi-State

Bi-State provides public bus and rail mass transportation services to the District in accordance with a schedule adopted by Bi-State with the approval of the District. The cost to the District is based on total hours of bus and rail service scheduled and operated on behalf of the District multiplied by a rate calculated for each. Credits to this cost are given for passenger fares and various other revenues received by Bi-State.

Special services and Alternative Transportation System ("ATS"), vehicle garaging, fueling, and maintenance services are also provided by Bi-State. The cost to the District is based on an estimate of the incremental cost of providing such service.

Bi-State is to submit a monthly invoice stating certain costs and revenues after their monthly reporting cycle is completed which contain all cost and revenues for the month. At year-end, after an independent audit, Bi-State is to submit a final reconciled bill using actual cost and hours for the year. The District is to render payment within set time frames of receiving such bills.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 3. Contracts and Other Commitments (Cont'd)

A. Bi-State

Total cost to the District is as follows:

Bus Transportation	\$ 26,072,842
Rail Transportation	37,215,656
ATS Maintenance	<u>1,164,460</u>
Total Bi-State Transit Services	<u>\$ 64,452,958</u>

B. Southwestern Illinois College

Southwestern Illinois College administered and provided special transportation services called Alternative Transportation Services (ATS) for the elderly and handicapped within the Transit District and the College District #522. The Transit District furnished the vehicles and reimbursed operating costs to Southwestern Illinois College on a month-by-month basis. Total reimbursement for the year ended June 30, 2025 was \$8,170,801.

C. Capital Improvements

The District has entered into various agreements with Bi-State to fund certain capital improvements that benefit the District and its operations. Title and/or ownership of the improvements may remain with Bi-State or may be transferred to Bi-State upon completion. Total expense for the year under such agreements was \$853,277.

D. Total Transit Services and Contract Payables for the Year:

	<u>Transit Services</u> <u>For Year Ended</u> <u>June 30, 2025</u>	<u>Contract</u> <u>Payables June</u> <u>30, 2025</u>
Transit Service:		
Bi-State Development Agency	\$ 64,452,958	\$10,734,055
ATS	8,170,801	530,108
Other	<u>1,402,710</u>	<u>-</u>
	\$ 74,026,469	\$11,264,163
Capital Improvements		159,383
Transit Service Maintenance	<u>396,362</u>	<u>-</u>
Total	<u>\$ 74,422,831</u>	<u>\$11,423,546</u>

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 4. State and Federal Programs

Operating Assistance:

During 1989, legislation was passed which allowed state sales tax monies to go to the District for reimbursement of eligible operating expenditures. An annual contract is signed with Illinois Department of Transportation (“IDOT”) which states the requirements necessary to receive such funds. Reimbursements for eligible expenditures incurred during the year ended June 30, 2025 were \$47,756,844.

Congestion Mitigation and Air Quality (“CMAQ”):

The District has agreements with IDOT for the purpose of building ridership and expanding Try & Ride to Illinois residents. These programs are funded by CMAQ. The District has entered into agreements for reimbursement of 100% of the eligible expenses incurred during the year. The amount reimbursed under these agreements for the year ended June 30, 2025, was \$334,720.

State Grants:

The District received monies from IDOT through various grants. The IDOT grants were entered into for the construction of transit facilities and expansion to MidAmerica Airport. The District is reimbursed for 100% of the original grant amount from IDOT. The amount requested from IDOT for the fiscal year ended June 30, 2025 was \$45,473,619.

NOTE 5. Due From (To) Governmental Agencies

The amount due from governmental agencies of \$9,147,447 represents sales tax collections from the Illinois Department of Revenue (“IDOR”) and grant payments from the IDOT, as well as downstate operating assistance reimbursements.

The following details the amount due from (to) governmental agencies:

IDOR:	Sales Tax	\$ 5,979,139	
	\$20 Auto Dealer Fee	84,359	
			\$ 6,063,498
IDOT:	Downstate Operating Assistance		3,083,949
	Total		\$ 9,147,447

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6. Capital Assets and ROU Asset

A summary of the Capital Assets is as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental Activities not being depreciated:				
Land	\$ 553,768	\$ -	\$ -	\$ 553,768
Construction in Progress	116,662,342	60,767,656	26,395,656	151,034,342
Total	<u>\$117,216,110</u>	<u>\$ 60,767,656</u>	<u>\$ 26,395,656</u>	<u>\$151,588,110</u>
Other Capital Assets:				
Equipment	\$ 4,126,468	\$ 2,038,079	\$ -	\$ 6,164,547
Building	809,588	47,200	-	856,788
Bike Trails	30,453,568	11,004,798	-	41,458,366
Park and Ride Lots	1,595,428	15,390,858	-	16,986,286
Transit Center	1,478,589	-	-	1,478,589
Total	<u>\$ 38,463,641</u>	<u>\$ 28,480,935</u>	<u>\$ -</u>	<u>\$ 66,944,576</u>
Accumulated Depreciation:				
Equipment	\$ 2,444,304	\$ 759,866	\$ -	\$ 3,204,170
Building	118,352	33,744	-	152,096
Bike Trails	11,864,423	1,972,273	-	13,836,696
Park and Ride Lots	1,060,985	172,555	-	1,233,540
Transit Center	870,218	70,873	-	941,091
Total Accumulated Depreciation	<u>\$ 16,358,282</u>	<u>\$ 3,009,311</u>	<u>\$ -</u>	<u>\$ 19,367,593</u>
Net Other Capital Assets	<u>\$ 22,105,359</u>	<u>\$ 25,471,624</u>	<u>\$ -</u>	<u>\$ 47,576,983</u>
Net Capital Assets	<u>\$139,321,469</u>	<u>\$ 86,239,280</u>	<u>\$ 26,395,656</u>	<u>\$199,165,093</u>

Depreciation in the amount of \$3,009,311 was charged to the Transportation Governmental Activity. Construction in progress consists of bike trails, Mid-American Airport extension and transit centers, of which ownership may be transferred to other entities upon completion.

Right-of-use leased activity for the year ended June 30, 2025 was as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental Activities:				
Right-of-Use Leased Building	\$ 681,517	\$ 116,489	\$ -	\$ 798,006
Accumulated Amortization:				
Right-of-Use Leased Building	118,524	58,923	-	177,447
	<u>\$ 562,993</u>	<u>\$ 57,566</u>	<u>\$ -</u>	<u>\$ 620,559</u>

Amortization expense in the amount of \$58,923 was charged to the Transportation Governmental Activity for the year ended June 30, 2025.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 7. Long-Term Debt

Series 2006 Bonds:

The Series 2006 Bonds were issued by Bi-State on behalf of the District for the purpose of refunding the portion of a previous 1998 bond issue due 2012 through 2028. These bonds are due in varying amounts through 2028 and are payable from the ½¢ sales tax.

Series 2014 Bonds:

The Series 2014 Bonds were issued by Bi-State on behalf of the District for the purpose of refunding the 2004 bond issue due through 2028. These bonds are also due in varying amounts through 2028 and are also payable from the ½¢ sales tax.

Long-Term Contract Payable:

According to an agreement with Bi-State, the District will fund the portion of Bi-State's OPEB liability attributable to the services provided to the District. The OPEB liability belongs to Bi-State. Monthly bills received from Bi-State include a charge for the OPEB expense. As Bi-State is required to fund this liability, the District is billed for its share. The current portion of this liability is an estimate of next year's billing.

Revenue bonds payable and other long-term liabilities consist of the following:

	Balance June 30, <u>2024</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2025</u>	Amount Due in <u>One Year</u>
Series 2006 Bonds Dated December 12, 2006 5.00% to 5.25%	\$ 12,425,000	\$ -	\$ 2,870,000	\$ 9,555,000	\$ 3,020,000
Series 2014 Bonds Dated December 4, 2014 2.00% to 4.00%	<u>1,135,000</u>	<u>-</u>	<u>365,000</u>	<u>770,000</u>	<u>380,000</u>
Subtotal	\$ 13,560,000	\$ -	\$ 3,235,000	\$ 10,325,000	\$ 3,400,000
Compensated Absences	48,805	4,682	-	53,487	10,697
Long-Term Contract Payable	<u>8,098,275</u>	<u>-</u>	<u>-</u>	<u>8,098,275</u>	<u>-</u>
Total	<u>\$ 21,707,080</u>	<u>\$ 4,682</u>	<u>\$ 3,235,000</u>	<u>\$ 18,476,762</u>	<u>\$ 3,410,697</u>

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7. Long-Term Debt (Cont'd)

Long-Term Contract Payable (Cont'd):

The annual principal and interest requirements to maturity of the District's revenue bonds consist of the following:

Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,400,000	\$ 532,438	\$ 3,932,438
2027	3,575,000	358,688	3,933,688
2028	3,350,000	175,875	3,525,875
	<u>\$ 10,325,000</u>	<u>\$ 1,067,001</u>	<u>\$ 11,392,001</u>

The District has agreed to make monthly payments to a project trustee covering annual interest and principal payments and mandatory sinking fund redemption requirements. The District has also pledged certain revenues to secure the obligations it has made for the bond payments.

NOTE 8. Defined Benefit Pension Plan

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

*Benefits Provided:* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8. Defined Benefit Pension Plan (Cont'd)

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

As of December 31, 2024, the following employees were covered by the Plan :

Active Plan Members	9
Inactive Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	<u>3</u>
Total	<u>17</u>

*Contributions:* As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2024 was 6.83%. For the fiscal year ended June 30, 2025, the District contributed \$47,539 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability:* The District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:* The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8. Defined Benefit Pension Plan (Cont'd)

- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from the period 2020-2022.
- For **Non-Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

*Long-Term Expected Rate of Return:* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Return 12/31/2024	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	33.50%	19.02%	5.70%	4.35%
International Equities	18.00%	6.35%	7.10%	5.40%
Fixed Income	24.50%	3.14%	5.30%	5.20%
Real Estate	10.50%	2.25%	7.30%	6.40%
Alternatives	12.50%	6.72%		
Private Equity		N/A	10.00%	6.25%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	6.05%	4.85%
Cash Equivalents	1.00%	5.57%	3.60%	3.60%
Total	100.00%			

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8. Defined Benefit Pension Plan (Cont'd)

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

*Changes in the Net Pension Liability:* Changes in the District's net pension liability for the year ended December 31, 2024, were as follows:

	<u>Total</u> <u>Pension</u> <u>Liability</u>	<u>Plan</u> <u>Fiduciary</u> <u>Net Position</u>	<u>Net Pension</u> <u>Liability (Asset)</u>
Balance, December 31, 2023	\$ 1,610,607	\$ 1,523,916	\$ 86,691
Changes for the year:			
Service Cost	68,830	-	68,830
Interest	116,916	-	116,916
Difference between expected and actual experience	(53,391)	-	(53,391)
Changes in assumptions	-	-	-
Contributions - employees	-	33,712	(33,712)
Contributions - employer	-	51,167	(51,167)
Net investment income	-	143,325	(143,325)
Benefit payments, including refunds of employee contributions	(64,780)	(64,780)	-
Other (Net Transfer)	-	(107,915)	107,915
Net Changes	<u>67,575</u>	<u>55,509</u>	<u>12,066</u>
Balance, December 31, 2024	<u>\$ 1,678,182</u>	<u>\$ 1,579,425</u>	<u>\$ 98,757</u>

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

	<u>Discount Rate</u>	<u>Net Pension</u> <u>Liability/(Asset)</u>
1% decrease	6.25%	\$ 271,026
Current discount rate	7.25%	98,757
1% increase	8.25%	(37,846)

*Plan Fiduciary Net Position:* Detailed information about the Plan's fiduciary net position is available in the separately issued report.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8. Defined Benefit Pension Plan (Cont'd)

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources:* For the year ended June 30, 2025, the District recognized pension expense of \$154,240. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,743	\$ 38,752
Changes in assumptions	-	1,914
Net difference between projected and actual earnings on Plan investments	115,313	80,929
Contributions after measurement date	27,747	-
Total	\$ 173,803	\$ 121,595

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending December 31,	
2025	21,705
2026	33,948
2027	(23,988)
2028	(7,204)
Thereafter	-
Total	\$ 24,461

*Payable:* At December 31, 2024, the District did not report any amount payable to IMRF.

NOTE 9. Risk Management/Contingencies

The District is exposed to risks of loss from normal items typically applicable to the transportation industry. These include liability, worker injury, property damage and others too numerous to mention. The District has purchased insurance through commercial carriers to protect against such loss. The District believes that they are reasonably covered for all possible risks of loss, and settlements have not exceeded coverage in the past four fiscal years.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 10. Fund Balances

Governmental fund balances reported on the fund financial statements at June 30, 2025, include the following:

Nonspendable	
Prepaid Items	\$ 218,553
Restricted	
Bond Reserve	3,533,888
Unassigned	48,090,310
	<u>\$51,842,751</u>

Restricted Funds:

The District was required, per the 2006 Bonds, to fund a Bond Reserve. This reserve will be applied to the bonds' last payment as long as the bonds are not defaulted on. The District has restricted \$3,533,888 for the 2006 Bonds.

NOTE 11. Leases

The District leases a portion of a commercial building in Belleville, Illinois under a non-cancellable operating lease. The first agreement was originally executed in 2018 for a five-year term, which the District renewed in 2023 for an additional fifteen year term set to expire in September 2038. The lease liability is based on a monthly lease payment of \$3,628 which increased to \$3,915 when the lease was extended.

During the year, the District entered into a lease agreement for a building in Swansea, Illinois under a non-cancellable operating lease for \$3,440 per month. This lease took effect January 1, 2025, and expires December 31, 2027.

At June 30, 2025 the District recognized a lease liability of \$643,796. See Note 5 for information related to the right-of-use asset accounted for through this lease. During the year, the District recorded \$58,923 in amortization expense and \$13,545 in interest expense for this arrangement.

At June 30, 2025, the District recognized the following lease liability:

	<u>Balance</u>			<u>Balance</u>	<u>Payable within</u>
	<u>June 30, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2025</u>	<u>One Year</u>
Governmental Activities:					
Lease liability	<u>\$ 581,666</u>	<u>\$ 113,049</u>	<u>\$ 50,919</u>	<u>\$ 643,796</u>	<u>\$ 74,193</u>

Future minimum lease payments as of June 30, 2025 were as follows:

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. Leases (CONT'D)

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 74,193	\$ 14,064	\$ 88,257
2027	76,570	11,687	88,257
2028	58,211	9,406	67,617
2029	38,591	8,386	46,977
2030	39,374	7,603	46,977
2031 - 2035	209,181	25,704	234,885
2036 - 2038	147,676	4,999	152,675
	<u>\$ 643,796</u>	<u>\$ 81,849</u>	<u>\$ 725,645</u>

NOTE 12. Subsequent Events

The effect of subsequent events on the financial statements has been evaluated through January 6, 2026, which is the date the financial statements were available to be issued.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>		
	<u>Original and Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Actual Revenues/ Expenditures (Over) Under Budget</u>
REVENUES:			
Total Revenues	\$ 139,431,259	\$ 138,467,109	\$ 964,150
EXPENDITURES:			
Total Expenditures	<u>149,325,835</u>	<u>139,375,987</u>	<u>9,949,848</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (9,894,576)</u>	<u>\$ (908,878)</u>	<u>\$ (8,985,698)</u>
ITEMS NOT INCLUDED IN BUDGET:			
Capital Improvements - Bike Trail	\$ -	\$ 5,769,090	\$ (5,769,090)
Capital Improvements - Bi-State	<u>-</u>	<u>853,277</u>	<u>(853,277)</u>
Total Items Not Included In Budget	<u>\$ -</u>	<u>\$ 6,622,367</u>	<u>\$ (6,622,367)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,894,576)</u>	<u>\$ (7,531,245)</u>	<u>\$ (2,363,331)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>59,373,996</u>	
FUND BALANCE, END OF YEAR		<u>\$ 51,842,751</u>	

See accompanying independent auditor's report.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL  
JUNE 30, 2025

NOTE 1. Budget and Budgetary Accounting

The annual budget prepared by the District Board of Trustees presents total revenues and total expenditures using the budgetary basis that is required under the Illinois Downstate Operating Assistance. This budget was approved by the District Board of Trustees with no amendments during the fiscal year.

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

See accompanying independent auditor's report.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2015)

Calendar year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service Cost	\$ 68,830	\$ 63,116	\$ 61,384	\$ 65,539	\$ 68,979	\$ 81,090	\$ 49,502	\$ 76,053	\$ 70,793	\$ 67,972
Interest on the Total Pension Liability	116,916	108,021	99,373	91,557	85,317	76,696	70,075	68,842	61,965	51,741
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(53,391)	21,168	30,023	27,235	18,060	51,149	45,408	(6,177)	(17,311)	26,448
Assumption Changes	-	(3,426)	-	-	(5,306)	-	30,604	(44,925)	(1,220)	1,100
Benefit Payments and Refunds	(64,780)	(73,313)	(71,417)	(77,488)	(81,022)	(86,925)	(88,740)	(39,423)	(13,119)	(9,371)
<b>Net Change in Total Pension Liability</b>	67,575	115,566	119,363	106,843	86,028	122,010	106,849	54,370	101,108	137,890
<b>Total Pension Liability - Beginning</b>	1,610,607	1,495,041	1,375,678	1,268,835	1,182,807	1,060,797	953,948	899,578	798,470	660,580
<b>Total Pension Liability - Ending (a)</b>	\$ 1,678,182	\$ 1,610,607	\$ 1,495,041	\$ 1,375,678	\$ 1,268,835	\$ 1,182,807	\$ 1,060,797	\$ 953,948	\$ 899,578	\$ 798,470
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 51,167	\$ 46,063	\$ 44,445	\$ 51,476	\$ 52,283	\$ 48,980	\$ 61,250	\$ 55,120	\$ 58,410	\$ 57,955
Employee Contributions	33,712	29,868	28,130	29,163	30,357	71,463	36,545	29,045	31,291	29,874
Pension Plan Net Investment Income	143,325	145,263	(179,081)	212,520	156,383	176,669	(56,728)	119,161	47,952	3,366
Benefit Payments and Refunds	(64,780)	(73,313)	(71,417)	(77,488)	(81,022)	(86,925)	(88,740)	(39,423)	(13,119)	(9,371)
Other	(107,915)	43,740	9,184	9,764	11,772	(28,103)	20,544	(11,726)	(5,452)	(36,106)
<b>Net Change in Plan Fiduciary Net Position</b>	55,509	191,621	(168,739)	225,435	169,773	182,084	(27,129)	152,177	119,082	45,718
<b>Plan Fiduciary Net Position - Beginning</b>	1,523,916	1,332,295	1,501,034	1,275,599	1,105,826	923,742	950,871	798,694	679,612	633,894
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 1,579,425	\$ 1,523,916	\$ 1,332,295	\$ 1,501,034	\$ 1,275,599	\$ 1,105,826	\$ 923,742	\$ 950,871	\$ 798,694	\$ 679,612
<b>Net Pension Liability/(Asset) -Ending (a)-(b)</b>	98,757	86,691	162,746	(125,356)	(6,764)	76,981	137,055	3,077	100,884	118,858
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.12%	94.62%	89.11%	109.11%	100.53%	93.49%	87.08%	99.68%	88.79%	85.11%
Covered Valuation Payroll	\$ 749,148	\$ 663,725	\$ 625,107	\$ 625,823	\$ 674,614	\$ 633,589	\$ 757,118	\$ 645,431	\$ 695,349	\$ 663,869
Net Pension Liability as a Percentage of Covered Valuation Payroll	13.18%	13.06%	26.03%	-20.03%	-1.00%	12.15%	18.10%	0.48%	14.51%	17.90%

**Notes to Schedule:**

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

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JUNE 30, 2025

LAST 10 CALENDAR YEARS

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of</u> <u>Covered Valuation Payroll</u>
2015	\$ 57,956	\$ 57,955	\$ 1	\$ 663,869	8.73%
2016	58,409	58,410	(1)	695,349	8.40%
2017	55,120	55,120	-	645,431	8.54%
2018	61,251	61,250	1	757,118	8.09%
2019	42,134	48,980	(6,846)	633,589	7.73%
2020	52,283	52,283	-	674,614	7.75%
2021	49,753	51,476	(1,723)	625,823	8.23%
2022	44,445	44,445	-	625,107	7.11%
2023	46,063	46,063	-	663,725	6.94%
2024	51,167	51,167	-	749,148	6.83%

**Notes to Schedule:**

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

See accompanying independent auditor's report.

METRO-EAST TRANSIT DISTRICT OF ST. CLAIR COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2020 CONTRIBUTION RATE\*  
JUNE 30, 2025

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2024 Contribution Rates:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 19-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Other Information:**

Notes There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation.