



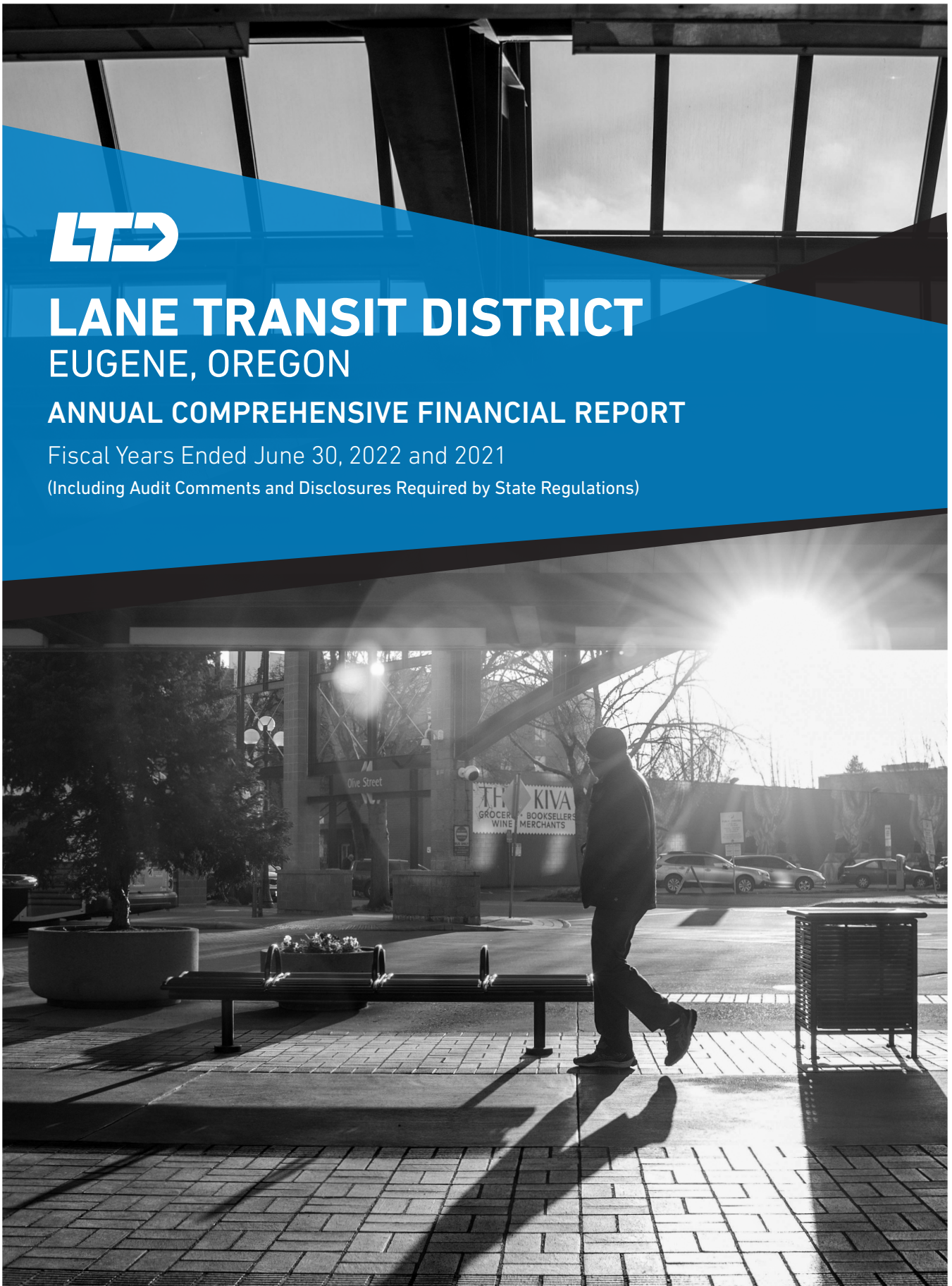
LANE TRANSIT DISTRICT

EUGENE, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2022 and 2021

(Including Audit Comments and Disclosures Required by State Regulations)





***2021-2022
Annual
Comprehensive
Financial
Report***

Lane Transit District
Eugene, Oregon

For Fiscal Years Ended June 30, 2022 and 2021

Prepared by the Finance Department
Christina Shew, Director of Finance

LANE TRANSIT DISTRICT
Annual Comprehensive Financial Report
June 30, 2022 and 2021

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INTRODUCTORY SECTION



December 20, 2022

Board of Directors
Lane Transit District
3500 East 17th Avenue
Eugene, OR 97403

It is our pleasure to submit to you the “Annual Comprehensive Financial Report” (ACFR) of the Lane Transit District for the fiscal year ended June 30, 2022.

Oregon Statutes require that Lane Transit District publish, within six months of the close of each fiscal year (unless extended), a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed, certified public accountants.

The accuracy of the District’s financial statements and the completeness and fairness of their presentation is the responsibility of District management. The District maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

The District’s financial statements were audited by Moss Adams LLP, a firm of licensed, certified public accountants. The goal of this independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s basic financial statements for the fiscal year ended June 30, 2022, are fairly presented in all material respects in conformity with GAAP. The independent auditor’s report is presented in the Financial Section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget’s (OMB) Uniform Guidance. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Management’s Discussion and Analysis (MD&A) is located in the Financial Section immediately following the independent auditor’s report and precedes the basic financial statements. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

District Overview

Lane Transit District (LTD) was established in 1970 under the laws of the State of Oregon that allowed the formation of transit districts as special taxing entities. The District began operating in the Eugene-Springfield area on November 23, 1970. LTD serves a population base of approximately 318,700 with a fleet of 100 buses in revenue service operating on 30 routes (31 routes pre-pandemic). Comparative Operating Characteristics for FY2019 (pre-pandemic) and FY2022 are provided below:

LTD Comparative Operating Characteristics FY2019 and FY2022		
	FY2019 Pre-COVID-19	FY2022
Annual Miles Travelled (Millions)	3.9	2.8
Revenue Hours Operated	284,000	228,285
Passenger Boardings (Millions)	10	5

The boundaries of Lane Transit District fall entirely within Lane County, encompassing approximately 482 square miles. LTD serves the Eugene-Springfield metropolitan area; the incorporated cities of Coburg, Creswell, Cottage Grove, Lowell, Veneta, and Junction City; and the unincorporated area along Highway 126 between Springfield and the McKenzie Bridge Ranger Station.

LTD is governed by a Board of Directors composed of seven members, each appointed by the governor of Oregon and confirmed by the Oregon State Senate. Each Board member represents a sub-district of LTD's service area. The Board is responsible for development of District policies and hires and directs the activities of the Chief Executive Officer (CEO). The CEO, in turn, directs the daily activities of the District and is responsible for the overall management of the District and its employees.

The District's mission is to connect our community. To achieve this, LTD collaborates with our regional partners throughout Lane County in order to meet the growing transportation needs of those we serve. Those transportation needs include the successful implementation of total fixed-route accessibility and the successful operation of a demand-response/paratransit service for persons unable to use the fixed-route system. All of LTD's fixed-route buses are equipped with wheelchair lifts or ramps. The District also provides comparable demand-response services for those persons who are unable to use the fixed-route system. In addition to the fixed-route and demand-response services, LTD also provides bus rapid transit services, Point2point non single occupancy transportation options, serves as the county's Medicaid non-emergency medical transportation brokerage, provides mobility-on-demand services and is the qualified entity for management of the region's Statewide transportation improvement fund.

The District was empowered by the state legislature, under Oregon Revised Statutes 267, to impose an excise tax on every employer on the wages paid with respect to employment of individuals. The same authority permits the District to levy an equal tax on self-employed individuals. The allowable rate has been gradually increased by amendment to the statute and the authority of the District's Board of Directors. Per LTD Ordinances 50 and 51, the payroll and self-employment taxes for calendar year 2021 were seventy-six one hundredths of one percent (.76%) and for calendar year 2022 were seventy-seven one hundredths of one percent (.77%).

In 2017, the state legislature passed House Bill 2017 (HB 2017). Section 122 of HB 2017 known as "Keep Oregon Moving" established funding intended to support improvements in public transportation in Oregon to help build vibrant economies with good jobs, increased quality of life, clean environment, and safe and healthy people. The fund provides a dedicated statewide resource for transit and is funded by an employee payroll tax of one-tenth of one percent. In FY2023, the District has budgeted \$3.2 million for new mobility programs and continuing previously funded programs, including the Florence Rhody Express, Oakridge Diamond Express, and Cottage Grove Connector Mobility on Demand services. Other programs include:

- Mobile Wallet multi-modal trip planning application across multiple transportation modes
- RideSource Shopper expansion for older adults and people with disabilities
- Pilot Mobility on Demand Services in areas with high concentrations of low-income and seniors
- Mobility Management Planning to explore investments in multi-modal transit
- Bike Share enhancement to expand and improve access to shared bicycles
- Fare collection integration for a seamless fare collection system when riders are moving between communities
- within and outside the District
- Procurement of fixed-route and demand-response vehicles
- Student transit passes providing free rides for students K-12
- Low-income fare programs

For financial planning and control, the District prepares and adopts an annual budget in accordance with Oregon Revised Statutes Chapters 294.305 through 294.565. The legally adopted budget is at the fund level for current expenditures, with separate appropriations established for capital outlay, inter-fund transfers contingencies and reserves. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons for each individual fund for which an appropriated annual budget has been adopted are provided as supplementary information in this report.

Factors Affecting Financial Condition

Local Economy

LTD serves the Eugene-Springfield metropolitan area. Lane Transit District's boundaries fall entirely within Lane County and encompasses 482 square miles serving a population base of approximately 318,700. In June 2022, total nonfarm employment in Lane County was 156,600 compared to 156,800 in June 2021, which is relatively flat from the prior year.

Eugene/Springfield MSA (Lane County) Economic Data

	June <u>2017</u>	June <u>2018</u>	June <u>2019</u>	June <u>2020</u>	June <u>2021</u>	June <u>2022</u>
Civilian labor force	181,413	181,050	181,479	180,444	181,991	180,635
Unemployment	8,435	8,213	7,854	19,481	10,271	11,096
Unemployment rate	4.6%	4.5%	4.3%	10.8%	5.6%	6.1%
Total employment	172,978	172,837	173,625	160,963	171,720	169,539
Total nonfarm employment	161,600	165,100	165,900	146,500	156,800	156,600
Percent annual change	6.1%	2.2%	0.5%	-11.7%	7.0%	-0.1%

The unemployment rate increased to 6.1 percent as of June 2022. Lane county has regained the majority of jobs lost in March and April of 2020. This represents a recovery of more than 95 percent of the jobs lost during the pandemic. The June 2022 unemployment rate was 4.7 percentage points lower than for June 2020.

Relevant Financial Policies

Relevant financial policies are addressed in Note 1 to the financial statements. In the current year no one policy produced a significant impact on the financial statements.

Long-Range Financial Plan

Annually, as part of the budget process, the District updates the rolling ten-year Long-Range Financial Plan (LRFP). The LRFP is reviewed in detail in a separate schedule that combines operating revenue and expenditure projections with capital outlay requirements as outlined in the Community Investment Plan (CIP).

Major assumptions for the LRFP include the following:

- Passenger fare revenue is forecasted to increase commensurate with returning service levels. We assume no major changes to our ongoing fare programs for students and low-income riders. Fare revenue is therefore projected to recover to roughly 70% of pre-pandemic levels by FY2024.
- Payroll-type taxes which include payroll, self-employment and government employee payroll taxes have exceeded pre-pandemic levels in FY2022 at \$50 million. FY2023 is conservatively forecasted to be roughly flat from FY2022. The following-fiscal years

growth is in alignment with tax receipt projections from the Oregon State Office of Economic Forecasting. This forecast projects FY24 growth of 4.9 percent.

- Federal assistance will continue to bridge the near-term expenditure-revenue gap resulting from higher costs to operate coupled with lower revenues in order to comply with OSHA and CDC requirements in an endemic environment. As the costs to operate normalize, operations are planned to be structurally balanced and Federal formula assistance for operating will no longer be utilized.

Major Initiatives

The District has a number of major initiatives that will impact current and future budgets:

- The Eugene Station which is the central point of our hub and spoke transit system is 25-years old. This station will be modernized to benefit existing riders, attract new riders and enhance the quality of life around this centrally located station at the heart of downtown Eugene.
- The core of our daily operations is our computer-aided dispatch/automatic vehicle location system. Our antiquated system does not seamlessly interact with other operational software. By upgrading this system we will reduce service disruptions and be able to provide our riders real-time vehicle location information that feeds directly into Google maps, our LTD website and the UMO mobility application. The modernized system will also include on-board video surveillance to increase driver and rider safety.
- EMX is short for Emerald Express which is the District's bus rapid transit system, also known as a BRT system. A BRT system provides the speed, reliability and frequency of light rail with the flexibility and simplicity of a bus at one quarter of the cost. The District's BRT system comprises 35% - 45% of our ridership which is the highest ridership within our system. This makes it an important part of the greenhouse gas emission solution as it provides a competitive, reliable alternative to a private vehicle. We will continue to invest in this critical service to improve safety, coverage and frequency.
- Public transportation plays an important role in combatting the climate emergency and helping Oregon to achieve its Climate Action Plan to reduce greenhouse gas pollution by at least 45% below 1990 levels by 2035 and by 80% by 2050. LTD has also been reducing our fleet's greenhouse gas emissions and consumption of fossil fuels through our fleet procurement plan. Currently, 13% of our fleet is electric. By 2024, 30% of our buses will be all electric. In addition, LTD is exploring emerging technologies and alternative clean or renewable fuels with a goal of phasing out 100% of our fossil fuel fleet by 2035.
- The District's Operation Command Control Center (OCC) is located on the Glenwood campus and was constructed 34 years ago. The OCC upgrade will allow for bus operations service supervision, incident response and bus dispatchers to communicate with bus operators and public safety officers despite service disruptions, traffic, construction, emergencies and mechanical failures. The upgrade will also improve heating, ventilation and air conditioning systems to mitigate the spread of contamination. Lastly, the upgrade includes installation of a training simulator which will reduce training costs, improve every day operations and increase employee development.

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the years ended June 30, 2020 and 2021. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Annual Comprehensive Financial Report that conforms to program standards. The report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe we have met the GFOA's standards for financial reporting for the year ended June 30, 2022, and therefore, the District will again be submitting its current Annual Comprehensive Financial Report to that body for consideration for a Certificate of Achievement. To that end, we will advise the Board of the results of the GFOA's review of our report.

Acknowledgments

The preparation of the "Annual Comprehensive Financial Report" was made possible by the efforts across the agency including Finance, Human Resources, Planning and Marketing. The Finance Department appreciates and thanks all staff who assisted and contributed to the report's presentation. Staff also thank the members of the LTD Board of Directors for their interest and support in managing the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Jameson Auten
Chief Executive Officer

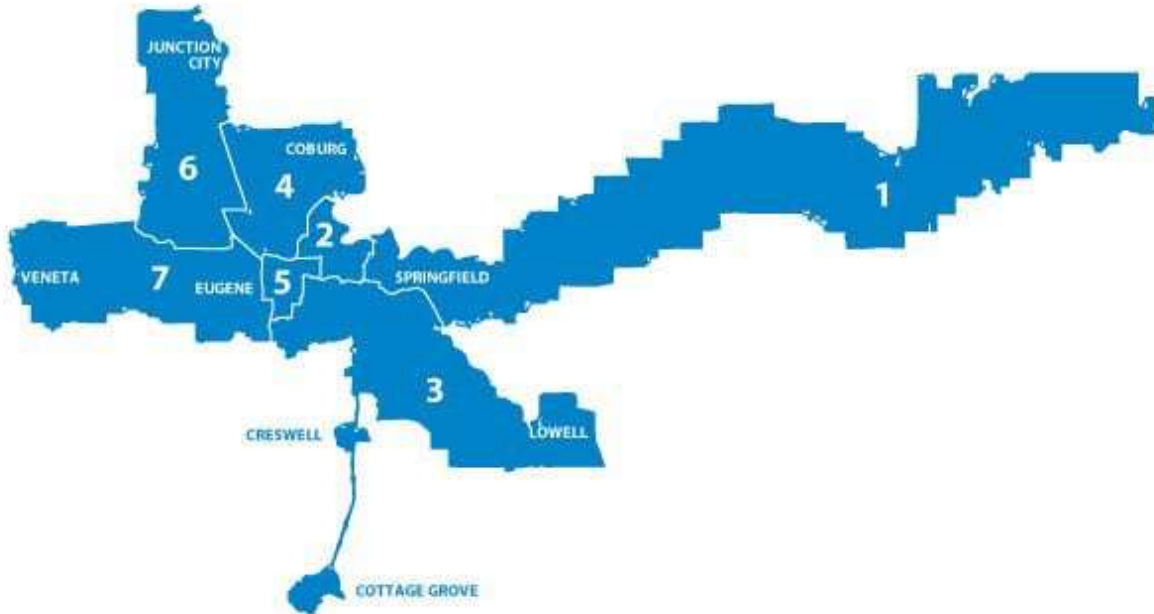


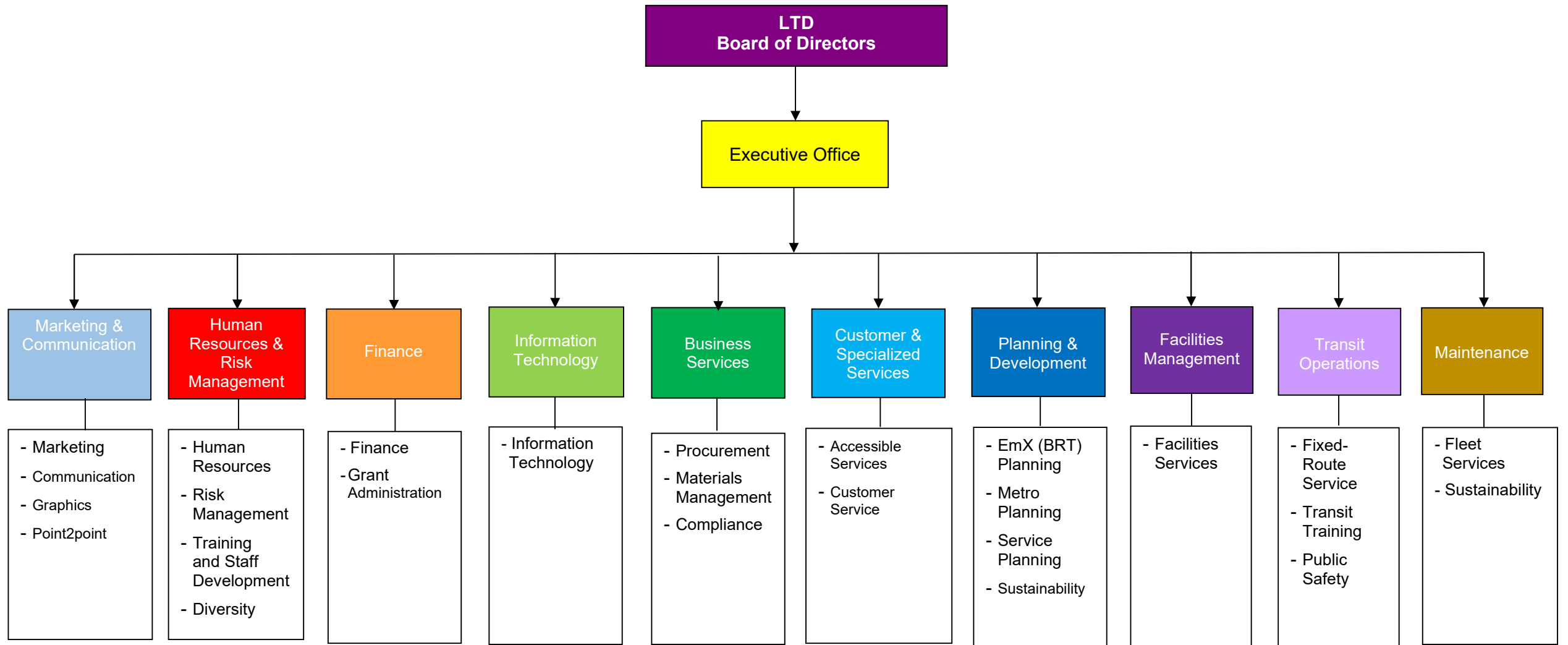
Christina Shew, CPA
Director of Finance

LTD Board of Directors

(Four-year Terms)

	<u>Sub-District</u>	<u>Term Expiration</u>
Gino Grimaldi	1	12/31/25
Michelle Webber	2	12/31/24
Don Nordin, Treasurer	3	12/31/22
Vacant	4	
Pete Knox	5	12/31/25
Caitlin Vargas	6	12/31/22
Susan Cox	7	12/31/24







Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lane Transit District
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**

Report of Independent Auditors

The Board of Directors
Lane Transit District, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Lane Transit District, Oregon (the District) and its fiduciary fund comprised of Lane Transit District Salaried Employee's Retirement Plan Trust Fund as of and for the years ended June 30, 2022 and 2021 and the Amalgamated Transit Union Local No. 757 Pension Trust Fund as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District and its fiduciary fund comprised of Lane Transit District Salaried Employee's Retirement Plan Trust Fund as of and for the years ended June 30, 2022 and 2021 and the Amalgamated Transit Union Local No. 757 Pension Trust Fund as of and for the years ended December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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.

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

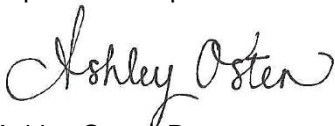
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022 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.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 20, 2022, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Partner,
For Moss Adams LLP
Portland, Oregon
December 20, 2022

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following management's discussion and analysis (MD&A) provides an overview of the Lane Transit District (LTD or the District) financial performance for the fiscal years ended June 30, 2022, 2021 and 2020. It is designed to assist the reader in focusing on significant financial issues, providing an overview of the District's financial activity, and identifying changes in the District's financial position.

This MD&A is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. As with other sections of the financial report, the information contained within the MD&A should be read in conjunction with the Financial statements, the notes to the financial statements and other supplementary information that is provided in addition to this MD&A. Additional information outside the scope of this analysis can be found in the Letter of Transmittal.

Overview of the Financial Statements

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). In accordance with GAAP, the District's financial statements have been prepared using the accrual basis of accounting. Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred, regardless of the timing of related cash flows.

The Financial statements provide information about the District's overall financial status as well as the District's net position, segregated by net investment in capital assets, restricted and unrestricted. Net position is the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Over time, increases or decreases in net position, as reported on the statements, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. In addition to the Statement of Net Position, the financial statements include Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. These statements offer short- and long-term financial information about all the District's activities. The notes to the financial statements contain more detail on some of the information presented in the financial statements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the financial statements. The notes to the financial statements are found on pages 29-63 of this report.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Summary

Statement of Net Position

	District Total			Increase (decrease) 2022-2021	Percentage Change 2022-2021	Increase (decrease) 2021-2020	Percentage Change 2021-2020
	2022	2021	2020				
Assets							
Current assets	\$ 85,390,621	\$ 54,247,709	\$ 44,174,300	\$ 31,142,912	57.4%	\$ 10,073,409	22.8%
Capital assets, net of depreciation	154,313,187	165,243,367	158,549,761	(10,930,180)	-6.6%	6,693,606	4.2%
Total assets	239,703,808	219,491,076	202,724,061	20,212,732	9.2%	16,767,015	8.3%
Deferred Outflows of Resources	7,550,226	7,613,208	4,665,520	(62,982)	-0.8%	2,947,688	63.2%
Total assets and deferred outflows of resources	247,254,034	227,104,284	207,389,581	20,149,750	8.9%	19,714,703	9.5%
Liabilities							
Current liabilities	21,619,434	14,996,365	11,741,277	6,623,069	44.2%	3,255,088	27.7%
Noncurrent liabilities	33,635,638	32,584,389	35,558,933	1,051,249	3.2%	(2,974,544)	-8.4%
Total liabilities	55,255,072	47,580,754	47,300,210	7,674,318	16.1%	280,544	0.6%
Deferred Inflows of Resources	6,206,311	8,115,917	2,538,142	(1,909,606)	-23.5%	5,577,775	219.8%
Net Position							
Investment in capital assets	154,313,187	165,243,367	158,549,761	(10,930,180)	-6.6%	6,693,606	4.2%
Restricted for STIF, Specialized Serv., Point2point and Medicaid programs	9,710,147	11,552,594	5,946,354	(3,202,743)	-27.7%	5,606,240	94.3%
Unrestricted	21,769, 17	(5,388,348)	(6,944,886)	28,517,962	-529.3%	1,556,538	-22.4%
Total net position	185,792,651	171,407,613	157,551,229	14,385,038	8.4%	13,856,384	8.8%
Total liabilities, deferred inflows of resources and net position	\$ 247,254,034	\$ 227,104,284	\$ 207,389,581	\$ 20,149,750	8.9%	\$ 19,714,703	9.5%

FY22

The District's total assets increased \$20.2 million. The portion of Current assets that is cash or convertible to cash increased \$31.1 million. Restricted cash increased \$5.6 million due to statewide transportation improvement fund programs that have been on hold during the pandemic. Grants receivable decreased \$2.4 million due to Federal grants that were drawn down in FY22, which allowed the District to be reimbursed for expenditures that were incurred in prior years. In FY22, Federal and state grant reimbursements totaled \$26.6 million.

The net book value of capital assets decreased \$10.9 million. This decrease in net value is the result of recording the annual depreciation expense, disposals and a delay in receiving fleet additions. In FY22, capital asset additions totaled \$3.2 million. Additions included building and station improvements of \$1.5 million, fleet technology additions of \$1.1 million, and other equipment for \$0.6 million which includes a new phone system. Construction-in-progress increased \$1.6 million due to several improvement projects in process at the Glenwood and RideSource locations. Disposed items totaled \$7.2M and included 14 vehicles, the old phone system and various equipment items. The district also sold a right-of-way for \$171 thousand and moved \$129 thousand of planning costs to expense.

The District's total liabilities increased \$7.7 million from \$47.6 million to \$55.3 million. This is largely attributable to changes in current liabilities, which increased primarily due to a \$5.5 million increase in unearned revenue from the Statewide Transportation Improvement Fund (STIF). The first distributions

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

of STIF funds for the program period ending in FY23 were received in FY22. A number of planned service expansion programs have been delayed as a result of COVID-19.

Noncurrent liabilities increased \$1.1 million. This is due to an increase in the Salaried Plan net pension liability of \$5.1 million, and a decrease in the ATU Plan net pension liability of \$3.4 million. The combined increase was partially offset by a decrease to the net OPEB obligation of \$0.6 million. The Salaried Plan pension liability increase was due to a reduction in the long-term expected rate of return from 5.5 percent to 5.0 percent and a decrease in the Plan's fiduciary net position as a result of negative investment returns. The ATU liability decrease was due to investment gains as of the end of the December 31, 2021 valuation period

The net OPEB obligation decrease of \$0.6 million is due to a decrease in the discount rate from 0 percent to 2.16 percent, combined with economic and demographic changes such as the repeal of the ACA Cadillac tax on high-cost health plans.

The net position of the District increased \$14.4 million (8.4 percent) in FY22, from \$171.4 million to \$185.8 million. Of the \$185.8 million, \$154.3 million is invested in capital assets and the remaining balance is unrestricted, or restricted for use in the Statewide Transportation Improvement Fund (STIF), Accessible Services, Medicaid, and Point2point programs.

FY21

The District's total assets increased \$16.8 million. Current assets, which are assets that are cash or convertible to cash increased \$10.1 million, including an increase of \$1.4 million from increases in cash and investments. Additionally, grants receivable increased \$6.0 million due to Federal grants that were executed in FY21, which allowed the District to be reimbursed for expenditures that were incurred in FY20 and FY21. The remaining increase was for restricted cash for statewide transportation improvement fund programs that have been on hold during the pandemic. In FY21, Federal and state grant reimbursements totaled \$27.6 million.

The net book value of capital assets increased \$6.7 million. This increase was the result of the addition of 11 all electric buses and 5 diesel electric-hybrid buses to our fleet. In FY21, capital asset additions totaled \$22.4 million. Additions included the previously mentioned 11 all electric buses, 5 diesel electric-hybrid buses, and 11 accessible service vehicles, the Santa Clara Transit station, shelters and signs. Construction-in-progress decreased \$1.9 million due to the completion of the Santa Clara Transit Station which opened for revenue service in February of 2021. This new station is along River Road in the Santa Clara community.

The District's total liabilities increased \$.3 million from \$47.3 million to \$47.6 million. This is largely attributable to changes in current liabilities, which increased primarily due to a \$3.6 million increase in unearned revenue from the Statewide Transportation Improvement Fund (STIF). A number of planned service expansion programs were delayed as a result of COVID-19.

Noncurrent liabilities decreased \$3 million. This is due to decreases in both the ATU and Salaried Plan net pension liabilities by \$1 million and \$5 million, respectively. These decreases were partially offset by an increase to the net OPEB obligation of \$2.9 million. Both the ATU and Salaried Plan pension liability decreases were due to positive net investment incomes of \$5.3 million and \$5.7 million, respectively. The ATU decrease was partially offset by a change in the long-term expected rate of return from 6.50 percent to 5.75 percent.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The net OPEB obligation increase of \$2.9 million is due to a decrease in the discount rate used to calculate the present value of the benefits from 3.50 percent to 2.21 percent.

The net position of the District increased \$13.9 million (8.8 percent) in FY21, from \$157.5 million to \$171.4 million. Of the \$171.4 million, \$165.2 million is invested in capital assets and the remaining balance is unrestricted or restricted for use in the Statewide Transportation Improvement Fund (STIF), Accessible Services, Medicaid, and Point2point programs.

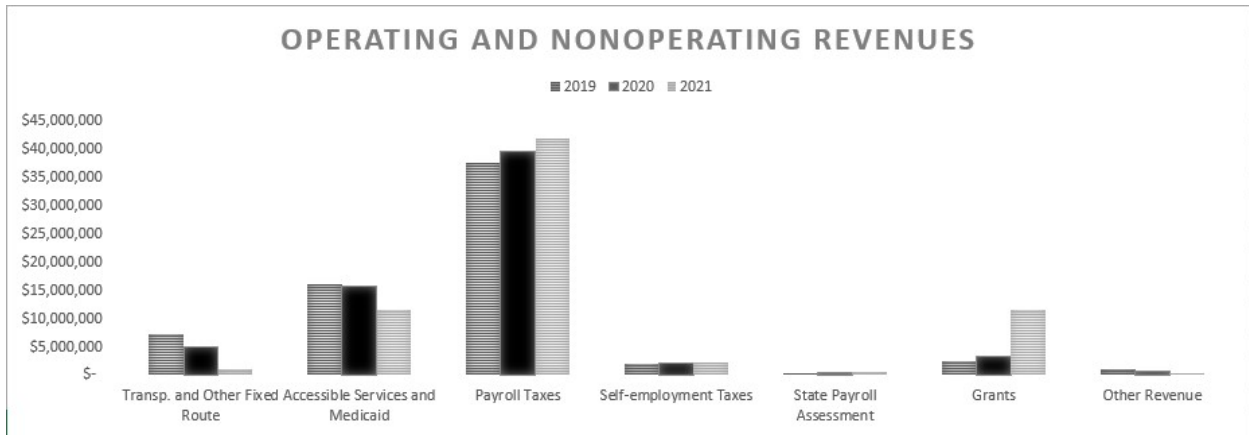
Statements of Revenues, Expenses, and Changes in Net Position

	District Total			Increase (decrease) 2022-2021	Percentage Change 2022-2021	Increase (decrease) 2021-2020	Percentage Change 2021-2020
	2022	2021	2020				
Operating Revenues							
Passenger fares	\$ 3,798,924	\$ 775,378	\$ 4,533,611	\$ 3,023,546	389.94%	\$ (3,758,233)	-82.90%
Special services	-	-	197,114	-	N/A	(197,114)	-100.00%
Accessible Services, Point2point, and Medicaid	13,978,068	11,579,378	15,825,212	2,398,690	20.72%	(4,245,834)	-26.83%
Advertising	31,125	276,512	366,667	(245,387)	-88.74%	(90,155)	-24.59%
Total operating revenues	17,808,117	12,631,268	20,922,604	5,176,849	40.98%	(8,291,336)	-39.63%
Nonoperating Revenues							
Employer payroll tax	47,048,331	42,081,318	39,842,212	4,967,013	11.80%	2,239,106	5.62%
Self-employment tax	2,323,671	2,203,730	2,017,855	119,941	5.44%	185,875	9.21%
State payroll assessment	646,016	589,303	555,192	56,713	9.62%	34,111	6.14%
Grant revenue	17,974,451	11,643,403	3,445,027	6,331,048	54.37%	8,198,376	237.98%
Interest	181,836	154,305	310,904	27,531	17.84%	(156,599)	-50.37%
Facility rental and other nonoperating revenues	50,477	33,308	115,456	17,169	51.55%	(82,148)	-71.15%
Miscellaneous income	375,729	194,899	285,823	180,830	NA	(90,924)	NA
Loss on disposal of capital assets	(313,277)	(14,983)	-	(298,294)	NA	(14,983)	NA
Total nonoperating revenues	68,287,234	56,885,283	46,572,469	11,401,951	20.04%	10,312,814	22.14%
Total operating and nonoperating revenues	86,095,351	69,516,551	67,495,073	16,578,800	23.85%	2,021,478	3.00%
Operating Expenses							
Personnel services	34,903,213	31,125,751	36,417,695	3,777,462	12.14%	(5,291,944)	-14.53%
Materials and services	11,561,068	9,720,500	9,415,470	1,840,568	18.93%	305,030	3.24%
Insurance	1,270,429	1,784,846	1,084,094	(514,417)	-28.82%	700,752	64.64%
Accessible Services, Point2point, and Medicaid	16,008,711	12,843,940	16,922,825	3,164,771	24.64%	(4,078,885)	-24.10%
Depreciation	15,383,574	15,727,034	14,005,049	(343,460)	-2.18%	1,721,985	12.30%
OPEB expense	699,290	746,187	479,250	(46,897)	-6.28%	266,937	100.00%
Total operating expenses	79,826,285	71,948,258	78,324,383	7,878,027	10.95%	(6,376,125)	-8.14%
Gain (Loss) before contributions	6,269,066	(2,431,707)	(10,829,310)	8,700,773	-357.81%	8,397,603	-77.55%
Capital contributions	8,115,972	16,288,091	12,340,910	(8,172,119)	-50.17%	3,947,181	31.98%
Changes in net position	14,385,038	13,856,384	1,511,600	528,654	3.82%	12,344,784	816.67%
Total net position - beginning of period	171,407,613	157,551,229	156,039,629	13,856,384	8.79%	1,511,600	0.97%
Total net position - end of period	\$185,792,651	\$171,407,613	\$157,551,229	\$ 14,385,038	8.39%	\$ 13,856,384	8.79%

FY22

The District's Change in net position was \$14.4 million in FY22 compared to \$13.9 million in FY21. Total revenues were up \$16.6 million (23.9 percent), accompanied by an increase in total expenses of \$7.9 million (10.9 percent).

**LANE TRANSIT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

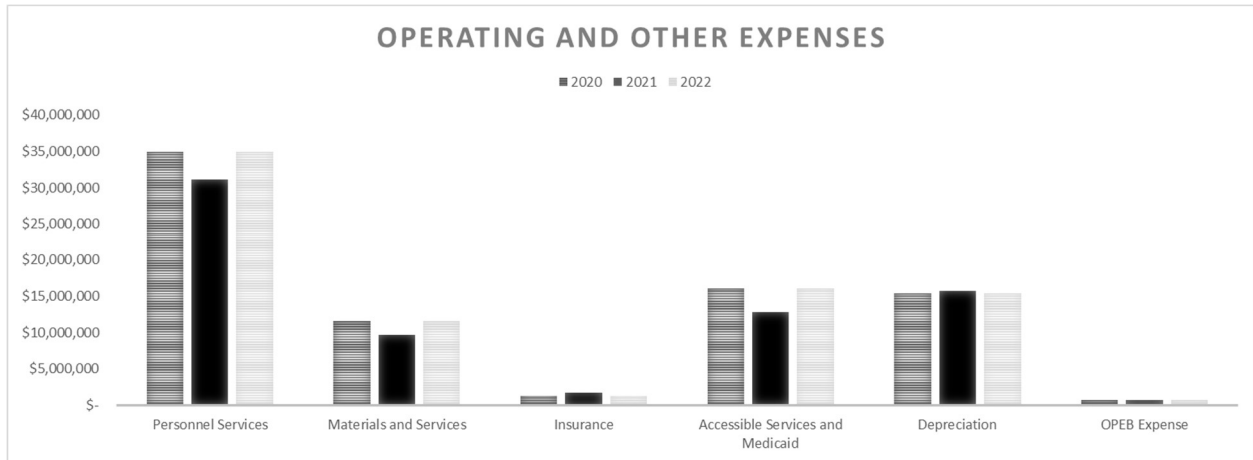


Operating revenues of \$17.8 million reflects an increase of 41.0 percent in FY22. This increase was due to a partial recovery from the effects of COVID-19. At the start of the pandemic, all modes of transit dropped to roughly one third of pre-pandemic volume, fares were not being collected, and grant funded programs such as mobility on demand and safe routes to schools were stopped or activity significantly reduced. By fiscal year-end, passenger boardings had recovered to approximately 50 percent of pre-pandemic levels.

Non-operating revenues of \$68.3 million were up 20 percent in FY22. The increase in non-operating revenues was due to increases in grant revenue of \$6.3 million (54.4 percent) and employer paid payroll-type tax revenues of \$5.0 million (11.8 percent). The employer paid payroll tax increase is due to a fast pandemic recovery, temporary COVID-19 related spikes in employment from vaccine testing sites and other health care and social assistance providers as well as increased economic activity in the run up to the world athletic championships. Grant revenues are from the Federal Coronavirus Aid Relief and grant completions that were delayed due to the pandemic.

Since March of 2022, the Federal government has been tightening financial conditions to get inflation under control including increasing the Federal Funds rate 6 times between March and November of 2022 which resulted in increases in our Oregon local government investment pool interest rates. Interest increased as interest rates began to recover. As of June 2022, the interest rate is 1.15 percent compared to June 2021 at .60 percent.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**



Operating expense of \$79.8 million was up 11 percent in FY22. The largest increases were in personnel services, materials & services, and Specialized Services and Medicaid non-emergency medical transportation expenses.

Personnel services at \$34.9 million was up \$3.8 million (12.1 percent) due to some recovery from COVID-related staff reductions and: 1) increases in medical premiums of 7 percent, 2) contractual ATU wage increases of 2 percent on July 1, 2021 and another 1.0 percent effective January 1, 2022 and 3) average administrative employee wage increases of 3.8 percent.

Materials and service increases totaled \$1.8 million (18.9 percent) as a result of 1) fuel cost increases, 2) COVID-19 expenses to improve worker safety and 3) contracted services to fill critical position gaps in HR and Administration.

Insurance decreased \$0.5 million (-28.8 percent) from a reduction in the amount due for unemployment claims. During the pandemic the District deposited funds for anticipated increases in claims. The increase in claims was less than estimated resulting in deposited funds being available to pay for current claims.

Increases in Specialized Services, Point2point, and Medicaid of \$3.2 million (24.6 percent) was primarily driven by an increase in transportation service costs as a result of rising administrative and variable trip costs from regulatory changes and COVID-19 protocols as well as inflation. The remaining increase was from resuming STIF projects that had been delayed due to the pandemic.

Depreciation is down \$0.3 million (2.2 percent). A number of fixed route and accessible service vehicles that had reached the end of their useful life were disposed of, and delivery of the replacement vehicles is delayed due to difficulty in obtaining parts.

Capital contributions reflect funds received from federal, state, and local sources for use in capital projects. This component of the change in net position can vary significantly from year to year depending on the number and type of capital projects undertaken. The decrease in capital contributions by \$8.2 million in FY22 is primarily related to the delay in delivery of our replacement

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

rolling stock. Details of capital spending can be found below in the capital assets portion of this analysis.

FY21

The District's net position increased \$13.9 million in FY21 to \$171.4 million. Total revenues were up \$2 million (3 percent), accompanied by a decrease in total expenses of \$6.4 million (8.1 percent). As a result of the COVID-19 pandemic, the District stopped collecting fares in mid-March of 2020 to protect the safety of our transit operators. Cash fare collection did not resume until February 2021 and contactless fares did not resume until April 2021. The result was a significant decrease in passenger fare revenue which was not proportionally offset by decreases in expenses. The District has continued to operate modified services since the pandemic began, incurred increased costs to comply with OSHA, CDC and other requirements to manage the pandemic diverting some operators to sanitizing buses rather than driving. By the end of FY21, service routes were restored to approximately 80 percent of pre-pandemic levels. The District was able to reduce some operating material and service costs, but fewer personnel service costs.

Operating revenues of \$12.6 million reflects a decrease of 39.6 percent in FY21. This decrease was due to COVID-19. At the start of the pandemic, all modes of transit dropped to roughly one third of pre-pandemic volume, fares were not being collected, and grant funded programs such as mobility on demand and safe routes to schools were stopped or activity significantly reduced. By fiscal year-end, passenger boardings had recovered to approximately 43 percent of pre-pandemic levels.

Non-operating revenues of \$56.9 million were up 22.1 percent in FY21. The increase in non-operating revenues was due to increases in grant revenue of \$8.2 million (238 percent) and payroll-type tax revenues of \$2.5 million (5.9 percent). The payroll tax increase aligns with the Lane county total nonfarm employment increase of 7 percent from June 2020 to June 2021. Grant revenues are from the Federal Coronavirus Aid Relief and Economic Security (CARES) Act and Federal section 5307 formula funds.

Interest is down \$157 thousand due to interest rates dropping by more than half in FY21. As of June 2021, the interest rate is .60 percent compared to June 2020 at 1.3 percent.

Operating expense of \$71.9 million was down 8.1 percent in FY21. The largest decreases were in personnel services and Specialized Services and Medicaid non-emergency medical transportation expenses.

Personnel services at \$31.1 million was down \$5.3 million due to COVID-related staff reductions partially offset by: 1) increases in medical premiums of 7 percent, 2) contractual ATU wage increases of 2 percent effective July 1, 2020 and 1.5 percent effective January 1, 2021 and 3) average administrative employee wage increases of 3.1 percent.

Materials and service increases totaled \$.3 million as a result of 1) hardware and software investments that harden our network system infrastructure and improve the rider experience and driver safety, 2) COVID-19 expenses to improve worker safety and 3) contracted services to fill critical position gaps in HR and operations. These increases were offset by decreases in fuel, lubricants, parts and tires as a result of the pandemic-induced modified service levels.

Decreases in Accessible Services, Point2point, and Medicaid of \$4.1 million (24.1 percent) was primarily driven by a decrease in demand for those programs as a result of the COVID-19 pandemic.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Ridership declined to less than half of pre-pandemic levels starting in March of 2020. The majority of that decrease was from both Eugene-Springfield ADA services and the Medicaid non-emergency medical transportation services.

Depreciation is up \$1.7 million (12.3 percent). A number of fixed route and accessible service vehicles that had reached the end of their useful life were disposed of and replaced with new environmentally-friendly electric and hybrid-electric vehicles. This is the majority of the annual depreciation cost increase. The new Santa Clara Transit station was also placed into service in February of 2021, but was only depreciated for less than half of the fiscal year.

Capital contributions reflect funds received from federal, state, and local sources for use in capital projects. This component of the change in net position can vary significantly from year to year depending on the number and type of capital projects undertaken. The increase in capital contributions by \$3.9 million in FY21 is primarily related to rolling stock and to the development of the Santa Clara Transit Station. Details of capital spending can be found below in the capital assets portion of this analysis.

Capital Assets

At June 30, 2022, the District had invested \$154.3 million, net of accumulated depreciation, in a variety of capital assets.

Capital Assets, net of depreciation							
As of June 30							
	District Total			Increase (decrease) 2022-2021	Percentage Change 2022-2021	Increase (decrease) 2021-2020	Percentage Change 2021-2020
	2022	2021	2020				
Land	\$ 17,476,089	\$ 17,646,689	\$ 17,612,178	\$ (170,600)	-1.0%	\$ 34,511	0.2%
Freestanding public art	366,917	366,917	366,917	-	0.0%	-	0.0%
Construction in progress	2,278,749	728,341	2,490,900	1,550,408	212.9%	(1,762,559)	-70.8%
Busways	76,967,661	83,513,498	90,062,145	(6,545,837)	-7.8%	(6,548,647)	-7.3%
Rolling stock and related equipment	27,992,987	31,459,642	20,236,349	(3,466,655)	-11.0%	11,223,293	55.5%
Stations, shelters, and bus signs	12,446,593	13,157,239	8,024,574	(710,646)	-5.4%	5,132,665	64.0%
Buildings and improvements	12,928,290	14,280,829	16,173,855	(1,352,539)	-9.5%	(1,893,026)	-11.7%
Accessible Services vehicles	2,383,579	2,520,897	1,611,526	(137,318)	-5.4%	909,371	56.4%
Other equipment and support vehicles	1,472,322	1,569,315	1,971,317	(96,993)	-6.2%	(402,002)	-20.4%
	<u>\$154,313,187</u>	<u>\$165,243,367</u>	<u>\$158,549,761</u>	<u>\$ (10,930,180)</u>	-6.6%	<u>\$ 6,693,606</u>	4.2%

FY22

In FY22, the District spent \$4.9 million for capital acquisition and construction, approximately 90 percent of which are eligible to be covered by federal and state grants. The reimbursement percentage is 83 percent, some with statewide transportation improvement fund match with only a few projects this year requiring general funding exclusively. Additions included building and station improvements of \$1.5 million, fleet technology additions of \$1.1 million, and other equipment for \$0.6 million which includes a new phone system. Construction-in-progress increased \$1.6 million due to several improvement projects in process at the Glenwood and RideSource locations.

**LANE TRANSIT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FY21

In FY21, the District spent \$22.4 million for capital acquisition and construction, approximately 80 percent of which are eligible to be covered by federal and state grants. The reimbursement percentage is up from 69 percent, as the majority of grants were 78 percent grant fund eligible, some with statewide transportation improvement fund match with only a few projects this year requiring general funding exclusively. Of the \$22.4 million capital additions, \$17.1 million was for rolling stock, including \$1.2 million in mobility management vehicles; \$4.9 million was associated with the Santa Clara Station; and the remaining \$.4 million in investments were in other supporting operating equipment. Overall, the District’s net position in capital assets increased by \$6.7 million, primarily as a result of additions.

Note 3(d) (page 40) contains additional detail information about capital assets activity.

Economic Factors and Related Budget Impact

During the preparation of the budget for the ensuing fiscal year, the impacts of the local economy were examined in conjunction with business decisions made by the District. A number of economic factors are at play. The FY23 budget was developed as we entered our third year amidst continuing uncertainty driven by COVID-19 and its variants which have been exacerbated by destabilizing world events. The economy has been facing significant headwinds as low interest rates, low inflation and government stimulus have come to an end. The State of Oregon’s Office of Economic Analysis has put the risk of recession as “uncomfortably high” beginning in late 2023. Other economic factors impacting the FY23 budget include continued rising costs for materials, services, and labor as a result of inflation which hit a record high of 9.1 percent in June. Labor and supply chain shortages are also having an impact. The District’s ability to increase service is highly dependent on its ability to hire bus operators and on-time completion of projects requires vendors to have the parts and supplies needed. In addition, the cost of operating under a post-pandemic and labor-shortage environment is expensive. Incremental costs are required for increased equipment, additional cleaning, overtime for absences, training new hires, and contracted services to fill critical position gaps.

The District’s Board of Directors adopted the FY23 budget on May 18, 2022. The total adopted budget for FY23 is \$203.6 million, which includes \$162.2 million in total appropriations, an 18 percent increase from the FY22 budget. 51 percent of the increase is due to partially grant-funded community investments in the Capital Projects fund and 44 percent of the increase is due to the creation of a sustainable services reserve. Fixed route services and general District operating costs budgeted through the District’s General Fund are up 13 percent. This increase is a result of both: 1) an increase in the number of employees needed to strategically build back our transit system given the demand for new mobility options and changed ridership demographics and 2) an increase in medical premium costs of 7%. The Amalgamated Transit Union working and wage agreement expired on June 30, 2022 and is currently under renegotiation. Changes to this contract may result in additional increases in operating costs. The FY23 adopted budget can be found under “Financials” and “Annual Budget” at: <https://www.ltd.org/financials/>. Budget highlights are listed below.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Resources:

The continuing impact of the COVID-19 pandemic on transit continues. While transit ridership has gradually improved through most of fiscal year 2022, it remains well below pre-pandemic levels. Although the majority of pre-pandemic jobs have been recovered, the August 2022 unemployment rate rose for the first time in nearly two years. 89 percent of LTD's FY2023 budgeted annual revenues are a combination of fares, taxes paid by local employers and employees and from state and federal sources. The remaining 11 percent is from Medicaid.

- For FY23, we expect to see some recovery of the District's non-grant revenue sources as we work to restore ridership. COVID-19 costs and revenue shortfalls will continue to be recovered through the remaining Federal pandemic relief act monies: Coronavirus Aid Relief and Economic Security (CARES) and American Rescue Plan (ARPA). The Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) grant has been fully utilized and closed. The majority of the relief funds for FY2023 will be from the American Rescue Plan (ARPA). All of these Federal relief act monies are finite and continue to be utilized strategically to cover the increased cost of running our services as a result of record inflation and rising wages. Key revenue changes are:
 - **Employer Payroll-type taxes** are flat to FY2022 actuals, but have increased 25% from the FY2022 budget, which was conservatively cautious given the ever-changing impacts of the COVID-19 variants. At \$50.1 million, the FY23 budget reflects the faster than anticipated pandemic recovery and strong wage growth expectations given the tight labor market.
 - **FY2023 Operating Revenues** at \$19.5 million is estimated to be roughly flat from the FY2022 budget, but \$1.7 million higher than FY2022 actuals. The FY22 budget projected a faster return to ridership than actually occurred. We expect fare revenues to recover to roughly 95% of pre-pandemic levels when ridership returns to pre-pandemic levels.
- **Statewide Transportation Improvement Fund (STIF) Revenue:** Oregon House bill 2017 established a .1% employee payroll tax for public transportation in Oregon that benefits a high percentage of students and low-income households. In FY2021 and FY2022 some projects funded through this program were put on hold due to COVID-19, but many have since resumed. The FY2023 programs funded included:
 - **Vehicle replacement:** Federal grant matches to replace aging fixed route vehicles with environmentally-friendly alternative fuel vehicles. \$5.9 million is budgeted for this grant match.
 - **Paratransit vehicle replacement** for vehicles that have reached the end of their useful lives. These programs are budgeted at \$1.1 million.
 - **Mobile Wallet:** An application that enables customers to plan a trip using a variety of transportation modes (transit, bike share, scooter share, walking, etc.) and to pay for that trip using an all-in-one "mobile wallet". This program is budgeted at \$470 thousand.
 - **Fare Subsidy Revenue:** The youth and low-income fare program provides a fare subsidy program for school districts to access free passes for middle- and high-school students and offers a discount for low-income individuals. These programs are budgeted at \$1.7 million.

**LANE TRANSIT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Expenditures:

LTD prides itself on serving our community and going above and beyond what is expected. The District worked overtime to coordinate with agencies across the state in order to increase service, prevent congestion and showcase our community to an international audience during the World Athletic Championships. We also responded quickly to evacuate Oakridge residents during the Cedar Creek Fire. Throughout the COVID-19 pandemic, the District provided essential services for our transit dependent community members, allowing them to get to jobs, medical appointments, shopping, school and social services. In addition to servicing our riders, our facilities serve as a community hub - allowing easy access to COVID-19 vaccines at our transit stations.

The COVID-19 pandemic has had profound impacts on our society and has drastically altered public travel behavior. Hybrid work schedules and remote learning options are shifting both the size and pattern of those commuting to work and school, affecting how public transit is used. Shifts in ridership demographics and an increased need for mobility services require that the District reimagine how we connect our community in the future while being a part of regional climate change and equity solutions. In FY2023 the District is focusing on gathering the information needed to create the plans to strategically and thoughtfully “build back smarter”. The FY2023 budget utilizes our finite dollars to 1) strategically cover the increased costs of running our service under COVID-19 endemic conditions, 2) ensure adequate reserves to minimize service disruptions as a result of adverse financial impacts, and 3) ensure investment in infrastructure that enables us to continue to provide safe, equitable and reliable service in the future.

The District’s General Fund is proposed to expend \$56.8 million in FY2023 compared to a FY2022 adopted budget expenditure of \$52.2 million. Below are the strategies and major factors impacting the expenditure decisions in FY23:

Operating Requirements:

- Reduced expenses in personnel services that resulted from COVID-19 related service reductions are budgeted to be replaced with increased expenses for personnel from a 7 percent increase in medical coverage and the addition of five critical positions that bring us back to our pre-pandemic staffing level. FY23 personnel service cost is up \$1.1 million (3%) from the FY2022 budget, but \$4.4 million (12%) over FY2022 actuals which was lower than budgeted due to bus operator hiring challenges.
- The FY21 – FY22 Amalgamated Transit Union (ATU) agreement was ratified in February 2021, increasing wages 2 percent on July 1, 2021, and 1 percent on January 1, 2022. This contract expired June 30, 2022 and is currently under negotiation.
- Fuel and Lubricant costs are our largest District materials expenditure. Fuel costs are budgeted to increase 57 percent per gallon adding \$1.3 million over the FY2022 budget as a result of high inflation.
- Parts and tires at \$2.5 million is up 19 percent from the FY2022 budget. This increase is the result of both high inflation and supply chain constraints. We are increasing our inventory on hand due to anticipated delivery delays.
- The tight labor market has impacted our ability to timely fill critical positions needed to achieve our strategic objectives. Professional services fill these gaps and is up \$.4 million over the FY2022 budget.

**LANE TRANSIT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

- Increased use of technology, inflation and supply chain disruptions have made computer software and hardware more expensive adding \$.2 million over the FY2022 budget.

General Fund Transfers:

- The FY23 budget General Fund transfer to the Specialized Services Fund has increased by \$.5 million over the FY2022 budget as a result of continuing increases to administrative and variable rate trip costs resulting from regulatory changes and COVID-19 protocols as well as anticipated increases to ridership.
- \$9.1 million is budgeted to be transferred to the Capital Projects Fund to cover grant matches. A few notable projects in the FY23 Capital Projects fund include:
 - \$24.7 million to replace buses that have reached the end of their useful life with electric buses to meet our Climate Action Policy and Fleet Procurement Goals of becoming 100% fossil fuel free by 2035.
 - \$3 million for the alternative fuels infrastructure which is a future need to achieve the community’s sustainability goals.
 - \$2.5 million which is half of the \$5 million contribution that LTD is making to the joint project with the cities of Eugene and Springfield along the Franklin Boulevard Opportunity zone corridor. This project will improve safety, add transit capacity and create safe pedestrian and bicycle access along this corridor.
 - \$1.9 million for frequent transit network safety and amenity improvements which will reduce the number of near misses and collisions along all EmX and improve comfort and accessibility with ADA improvements, bike lockers and real-time signs.
 - \$1.8 million to replace special transportation vehicles that have reached the end of their useful lives.
 - \$9.9 million in technology infrastructure & system projects to replace our aging systems, many of which are obsolete
 - \$1.4 million for the Operations Command Control Center which updates the operations dispatch, creates a separate training room, and updates the wellness center – all of which improve our operations and increase employee development.
 - \$1.2 million for major bus components to replace engines and other major parts.

Requests for Information

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

Finance Department
Lane Transit District
P.O. Box 7070
Springfield, OR 97475-0470

Basic Financial Statements

**Lane Transit District
Statements of Net Position
June 30, 2022 and 2021**

	2022	2021
Assets		
Current assets		
Cash and investments		
Unrestricted	\$ 42,427,081	\$ 17,175,489
Restricted	18,261,539	12,673,004
Accounts receivable	1,909,503	1,230,868
Taxes receivable	11,690,780	10,366,941
Grants receivable	8,434,303	10,874,370
Leases receivable	10,418	-
Inventory of parts and supplies	2,061,275	1,489,549
Prepaid expense	595,722	437,488
Total current assets	85,390,621	54,247,709
Capital assets		
Land	17,476,089	17,646,689
Freestanding public art	366,917	366,917
Construction in progress	2,278,749	728,341
Other capital assets (net of depreciation)	134,191,432	146,501,420
Net capital assets	154,313,187	165,243,367
Total assets	239,703,808	219,491,076
Deferred outflows of resources		
Deferred outflows - LTD ATU Pension Trust	3,843,491	5,136,462
Deferred outflows - LTD Salaried Employees' Plan	1,591,259	-
Deferred outflows - OPEB	2,115,476	2,476,746
Total deferred outflows of resources	7,550,226	7,613,208
Total assets and deferred outflows of resources	\$ 247,254,034	\$ 227,104,284

The notes to basic financial statements are an integral part of this statement.

Lane Transit District
Statements of Net Position (Continued)
June 30, 2022 and 2021

	2022	2021
Liabilities		
Accounts payable	\$ 3,067,768	\$ 2,193,300
Accrued payroll	1,134,529	955,887
Payroll withholdings and taxes	92,085	84,211
Accrued pension	34,878	14,327
Accrued vacation and sick leave	758,132	764,675
Unearned revenue	16,320,645	10,847,875
Other current liabilities	211,397	136,090
Total current liabilities	21,619,434	14,996,365
Noncurrent liabilities		
Accrued vacation and sick leave	2,011,677	2,007,697
Total OPEB liability	14,165,454	14,773,657
Net pension liability - LTD ATU Pension Trust	7,395,964	10,831,456
Net pension liability - LTD Salaried Employees' Plan	10,062,543	4,971,579
Total noncurrent liabilities	33,635,638	32,584,389
Total liabilities	55,255,072	47,580,754
Deferred inflows of resources		
Deferred inflows - Leases	10,418	-
Deferred inflows - LTD ATU Pension Trust	4,282,600	3,868,207
Deferred inflows - LTD Salaried Employees' Plan	44,945	3,325,585
Deferred inflows - OPEB	1,868,348	922,125
Total deferred inflows of resources	6,206,311	8,115,917
Net position		
Investment in capital assets	154,313,187	165,243,367
Restricted for transportation programs	5,687,227	8,264,291
Restricted for capital projects	4,022,920	3,288,303
Unrestricted	21,769,317	(5,388,348)
Total net position	185,792,651	171,407,613
Total liabilities, deferred inflows of resources and net position	\$ 247,254,034	\$ 227,104,284

The notes to basic financial statements are an integral part of this statement.

Lane Transit District
Statements of Revenues, Expenses, and Changes in Net Position
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Operating revenues		
Passenger fares	\$ 3,798,924	\$ 775,378
Accessible Services, Medicaid and Point2Point	13,978,068	11,579,378
Advertising	31,125	276,512
Total operating revenues	17,808,117	12,631,268
Operating Expenses		
Personnel services	34,903,213	31,125,751
Materials and services	11,561,068	9,720,500
Insurance	1,270,429	1,784,846
Accessible Services, Medicaid and Point2Point	16,008,711	12,843,940
Depreciation	15,383,574	15,727,034
OPEB expense	699,290	746,187
Total operating expenses	79,826,285	71,948,258
Operating loss	(62,018,168)	(59,316,990)
Nonoperating Revenues (Expenses)		
Employer payroll tax, net of state administrative fees (2022, \$624,996; 2021, \$675,927)	47,048,331	42,081,318
Self-employment tax, net of state administrative fees (2022, \$99,996; 2021, \$107,980)	2,323,671	2,203,730
State payroll assessment	646,016	589,303
Grant revenue	17,974,451	11,643,403
Interest	181,836	154,305
Facility rental and other nonoperating revenues	50,477	33,308
Miscellaneous income	375,729	194,899
Loss on disposal of capital assets	(313,277)	(14,983)
Total nonoperating revenues	68,287,234	56,885,283
Gain (loss) before capital contributions	6,269,066	(2,431,707)
Capital contributions		
Federal and state grants for capital acquisition	8,115,972	16,288,091
Changes in net position	14,385,038	13,856,384
Total net position - beginning	171,407,613	157,551,229
Total net position - ending	\$ 185,792,651	\$ 171,407,613

The notes to basic financial statements are an integral part of this statement.

Lane Transit District
Statements of Cash Flows
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Cash received from customers	\$ 17,129,479	\$ 13,315,910
Cash paid to suppliers for goods and services	(28,620,393)	(24,685,898)
Cash paid to employees for services	(36,207,772)	(32,079,283)
Cash received from other sources	426,206	504,719
Net cash used for operating activities	(47,272,480)	(42,944,552)
Cash flows from noncapital financing activities		
Employer payroll tax	45,724,492	41,725,100
Self-employment tax	2,323,671	2,203,730
State payroll assessment	646,016	589,303
Federal operating grant	17,974,451	11,643,403
Net cash provided by noncapital financing activities	66,668,630	56,161,536
Cash flows from capital and related financing activities		
Contribution from federal and state agencies	16,028,809	13,746,265
Proceeds from disposal of capital assets	170,600	-
Acquisition and construction of capital assets	(4,937,268)	(22,435,623)
Net cash used for capital and related financing activities	11,262,141	(8,689,358)
Cash flows from investing activities		
Interest receipts	181,836	154,305
Net change in cash and cash equivalents	30,840,127	4,681,931
Cash and cash equivalents, beginning of the year	29,848,493	25,166,562
Cash and cash equivalents, end of the year	\$ 60,688,620	\$ 29,848,493
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	(62,018,168)	(59,316,990)
Cash provided by rental activities	50,477	33,308
Miscellaneous income	375,729	194,899
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	15,383,574	15,727,034
Change in net pension liability and related deferred inflows and outflows	(1,509,063)	(1,232,489)
Change in net OPEB liability and related deferred inflows and outflows	699,290	746,187
Change in accounts receivable	(678,635)	961,154
Change in inventory of parts and supplies	(571,726)	(187,212)
Change in prepaid expenses	(158,234)	184,053
Change in accounts payable	74,466	(311,186)
Change in accrued payroll and related liabilities	204,501	278,957
Change in other current liabilities	75,307	(22,267)
	\$ (47,272,480)	\$ (42,944,552)

Cash and cash equivalents consist of unrestricted and restricted amounts.

The notes to basic financial statements are an integral part of this statement.

**Lane Transit District
Statements of Fiduciary Net Position**

	Pension Trust Funds As of June 30, 2022	Pension Trust Funds As of June 30, 2021
Assets		
Cash		
Cash and cash equivalents	\$ 1,521,708	\$ 1,158,796
Investments		
Shares of registered investment companies	62,626,425	62,007,852
Total Assets	64,148,133	63,166,648
Liabilities		
Accrued expenses	8,799	7,437
Fiduciary Net Position - Restricted for Pensions	\$ 64,139,334	\$ 63,159,211

**Lane Transit District
Statements of Changes in Fiduciary Net Position**

	Pension Trust Funds For the Year Ended June 30, 2022	Pension Trust Funds For the Year Ended June 30, 2021
Additions		
Employer contributions	\$ 5,208,819	\$ 4,141,969
Net change in fair value of investments	(924,287)	10,132,855
Interest, dividends and other income	1,774,046	905,690
Investment expenses	(111,758)	(96,891)
Net investment income	738,001	10,941,654
Total Additions	5,946,820	15,083,623
Deductions		
Benefits paid to participants	4,838,171	4,824,088
Administrative expenses	128,526	194,877
Total deductions	4,966,697	5,018,965
Net increase in fiduciary net position	980,123	10,064,658
Fiduciary Net Position - Restricted for Pensions Beginning of the year	63,159,211	53,094,553
Fiduciary Net Position - Restricted for Pensions End of the year	\$ 64,139,334	\$ 63,159,211

The notes to basic financial statements are an integral part of this statement.

LANE TRANSIT DISTRICT

Notes to Basic Financial Statements

Years Ended June 30, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies

Lane Transit District, Oregon (“LTD” or “the District”) was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 267 to provide mass transit services to the Eugene-Springfield area. Formation of the District was effective November 23, 1970, with the assumption of the operations of a privately-owned bus system. Under ORS 267, the District is authorized to levy taxes and charge fares to pay for the operations of the District. The District also is authorized to issue general obligation bonds and revenue bonds. The District is governed by a seven-member Board of Directors appointed by the Governor of the State of Oregon. Board members represent and must live in certain geographical subdistricts. The Board of Directors set District policy, levy taxes, appropriate funds, adopt budgets, serve as contract board, and perform other duties required by state and federal law. The District uses one budgetary fund to account for its operating activities: General Fund. The General Fund accounts for the financial resources associated with operating the District. Principle sources of revenue in the General Fund are passenger fares, employer payroll and self-employment taxes, State of Oregon payroll assessments (“in lieu”), federal grants, and interest. Primary expenditures in the General Fund are personnel services, materials and services, and principal and interest on debt secured by General Fund revenues. The District has the following four other funds: Point2point Fund, Specialized Services Fund, Medicaid Fund, and Capital Projects Fund. The District also has fiduciary responsibility for two pension plan trust funds: The Lane Transit District Salaried Employee’s Retirement Plan Trust Fund covering nonunion employees, and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund covering union employees. The investment, pension funding and benefit payment activity are reported in these two LTD fiduciary pension trust funds.

(a) Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations that, by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, LTD is considered a primary government and does not have any component unit relationships. Conversely, LTD is not considered a component unit of any primary government.

(b) Basis of Accounting and Revenue Recognition

The District’s financial statements are presented as a single proprietary fund. Proprietary funds are used to account for operations and activities that are similar to those found in the private sector. The measurement focus is on the determination of net income.

The financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized as an expense in the Statements of Revenues, Expenses, and Changes in Net Position, and all assets, deferred inflows of resources, liabilities, and deferred outflows associated with the operation of the District are included in the Statements of Net Position.

1. Summary of Significant Accounting Policies (Continued)

Operating revenues consist primarily of passenger fares. The District also recognizes contracted service revenue and transit advertising revenue as operating revenue. Operating expenses are the costs of operating the District, including depreciation on capital assets. Capital contributions include grant revenue and other contributions related to capital asset acquisitions or construction. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District has no allowance for doubtful accounts. Past experience has shown that uncollectible amounts are likely to be insignificant.

(c) Tax Revenues

Funding of day-to-day operations is primarily provided by the payroll tax imposed by the District pursuant to ORS 267.380 and the self-employment tax imposed by the District pursuant to ORS 267.385. The payroll tax is imposed on employers with respect to wages earned within the District service area. An employer is not permitted to deduct any portion of the tax from the wages of an employee. The self-employment tax is imposed on self-employed individuals with respect to their net earnings generated within the District service area. The District currently imposes these taxes at a rate of 0.75 percent of the wages paid to individuals (for payroll tax) and net earnings from self-employed individuals (for self-employment tax). The taxes are collected on the District's behalf by the Department of Revenue of the State of Oregon under an agreement entered into pursuant to ORS 305.620. Imposed tax revenues are recorded as assets and revenues in the period that the obligation is incurred by the employers and the self-employed individuals. Amounts paid are based on actual cash receipts from employers and are trueed up following the tax return filings of employers. Future cash distributions are adjusted for true-ups identified during the filing of employer tax returns.

(d) Restricted Assets

Restricted assets are assets set aside to meet externally-imposed legal and contractual obligations. Restricted assets are used in accordance with their requirements. Where both restricted and unrestricted resources are available for use, restricted resources are used first, and then unrestricted resources are used as they are needed. Restricted assets are current assets restricted for use in Specialized Services, Point2point and Medicaid programs, along with State Transportation Improvement Funding (STIF) which is restricted for use for various approved projects.

(e) Cash and Investments

Cash and cash equivalents include deposits in the State of Oregon Local Government Investment Pool and financial institutions.

ORS Chapter 294 authorizes the District to invest in obligations of the U.S. Treasury and U.S. Government agencies and instrumentalities, certain bankers' acceptances and corporate indebtedness, repurchase agreements, and the State of Oregon Local Government Investment Pool.

Investments are accounted for at fair value in accordance with GASB Statement No. 72.

1. Summary of Significant Accounting Policies (Continued)

For purposes of the Statement of Cash Flows, the District considers pooled cash, investments and deposits in financial institutions (including deposited cash) having an original maturity of three months or less to be cash and cash equivalents.

(f) Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by payments received.

(g) Grant Receivables

Grant receivables are recorded in accordance with the nonexchange guidance. Accordingly, receivables are recorded when all eligibility criteria have been met and agreements have been executed.

(h) Inventories and Prepaid Expenses

Inventories of fuel, lubricants, parts, and supplies are valued at cost, which approximates market, using the average-cost method.

Payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid expenses.

(i) Capital Assets and Depreciation

Capital assets are stated at cost, except for donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement, which are stated at the acquisition value on the date of donation. Expenditures for additions and improvements with a value in excess of \$5,000 and a useful life of more than one year are capitalized. Expenditures for maintenance, repairs, and minor improvements are charged to operations as incurred. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and the resulting gains or losses are reflected in the Statement of Revenues, Expenses, and Changes in Net Position as other nonoperating revenue.

Capital assets, excluding land, freestanding public art, and construction in progress, are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets or the maintenance requirements needed to maintain the assets at their current level of condition.

Fixed route revenue rolling stock is depreciated using a twelve-year life as suggested by the U.S. Government Federal Transit Administration (FTA). Shelters, stations, and buildings have estimated useful lives of ten to forty years. Demand Response vehicles have estimated useful lives of five to eight years. Useful lives for furniture and other equipment range from three to twenty years.

1. Summary of Significant Accounting Policies (Continued)

(j) Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

(k) Accrued Vacation and Sick Leave Liabilities

The liability for vested or accumulated leave pay is recorded as the benefits accrue to employees. Vacation pay is payable upon termination, retirement, or death for both union and nonunion employees. Sick leave is recorded at approximately 50 percent of total accumulated benefits based on the estimated total benefits to be paid to employees prior to or at retirement or separation from service.

(l) Unearned Revenue

Income from pass sales that relates to succeeding months is recognized when earned. Receipts in excess of related Medicaid program expenditures are recognized as revenues or refunded when program review is completed by the Oregon Department of Human Services. Manufacturers' rebates are recognized as revenue when grant-related conditions for application are met. Pass-through proceeds from the sale of State of Oregon Lottery bonds are recognized as revenues when grant-related conditions are met. Tax collections for the State Transportation Improvement Fund (STIF) are received quarterly in advance. STIF unearned revenue represents the portion of those payments that have not yet been spent on the approved projects.

(m) Net position

Net investment in capital assets consists of all capital assets reduced by amounts of accumulated depreciation and amounts related to issued debt that are attributable to the acquisition, construction, and improvement of those assets. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates. Unrestricted net position consists of all other net position not included in the above categories.

(n) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect reported amounts of certain assets, liabilities, revenues, and expenses. Actual results may differ from such estimates.

1. Summary of Significant Accounting Policies (Continued)

(o) New Accounting Pronouncements

GASB Statement No. 87 –Leases became effective for fiscal year 2021-2022. The District's only material lease is for parking spaces at the Eugene Station. The District is the lessor, and the lease receivable equals the deferred inflows of resources, so no restatement to beginning balances was necessary due to the implementation of GASB Statement No. 87.

2. Stewardship, Compliance, and Accountability

(a) Budgets and Appropriations

The District uses the following budgetary funds to account for its activities:

- **General Fund:** This fund accounts for the financial resources of the District that are not accounted for in any other fund. Principal sources of revenue are passenger fares, advertising and special services, employer payroll and self-employment taxes, State of Oregon payroll assessments, federal operating assistance, and interest. Primary expenditures are for personnel services, materials and services, insurance, and interfund transfers to support specialized services, Medicaid, Point2point, and capital acquisition programs.
- **Point2point Fund:** This fund accounts for federal, state, and local resources to provide transportation options projects and programs for the District and Lane Metropolitan Planning Organization. Resources include both one-time and ongoing financial resources.
- **Specialized Services Fund:** This fund is used to account for the financial resources received primarily from federal and state grants restricted to use for specialized services programs, primarily for seniors and persons with disabilities, which complement regular fixed-route service. Primary revenue sources include State of Oregon Special Transportation Fund (STF) dollars, federal grants, and interfund transfers from the General Fund. Primary expenditures are for contract services, program administration, and interfund transfers of local match funds for program capital asset acquisitions.
- **Medicaid Fund:** This fund is used to account for the financial resources received from federal and state Medicaid programs restricted to use for these programs. The Medicaid program provides transportation services to individuals who qualify for Oregon Health Plan (OHP) Plus medical coverage. With the opening of the RideSource Call Center on May 19, 2008, the District became the countywide broker for all Medicaid nonemergency medical transportation (NEMT) trips. Trips are provided door-to-door in most cases. Primary revenue sources are reimbursements for services provided; federal, state, and local grants; and interfund transfers from the General Fund. Primary expenditures are for contract services and program administration.
- **Capital Projects Fund:** This fund is primarily used to account for financial resources to be used for the acquisition or construction of capital assets. The primary revenue sources are federal and state grants and transfers from the General Fund and Specialized Services Fund.

2. Stewardship, Compliance, and Accountability (Continued)

The structure of the funds outlined above is in conformity with Oregon Local Budget Law (Oregon Revised Statutes 294.305 to 294.595). Budgetary basis revenues and expenditures are recognized on the modified accrual basis. The treatment of capital expenditures, pension expenses, and other post-employment benefits is the principal difference between the budgetary basis and the accrual basis. Capital expenditures on a budgetary basis are recorded as current expenditures.

The General Manager submits proposed operating and capital budgets to the Budget Committee in a sufficient length of time in advance to allow adoption of the budget prior to July 1. The operating and capital projects budgets include proposed expenditures and the means to finance them. Public hearings are conducted to obtain citizen comments.

The District legally adopts its annual budget prior to July 1 through passage of a resolution. The resolution authorizes appropriations by fund and at broad classification levels for personnel services, materials and services, capital outlay, and contingency. Expenditures cannot legally exceed appropriations at these control levels. Appropriations that have not been spent at year-end expire.

The Board of Directors, by resolution, may amend the budget as originally adopted. The District adopted one supplemental budget during the year to recognize additional service needs.

(b) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and commitments for the expenditure of monies are recorded to restrict a portion of the appropriation, is employed for administrative control purposes during the year. Encumbrances lapse at year-end and do not constitute expenses or liabilities.

3. Detail Notes

(a) Cash and Investments

Cash and investments at June 30 are comprised of the following:

	<u>2022</u>	<u>% of portfolio</u>	<u>2021</u>	<u>% of portfolio</u>
<u>Cash and investments</u>				
Cash on hand	\$ 4,485	0.0%	\$ 4,485	0.0%
Demand deposits with financial institutions	3,796,761	6.3%	1,835,388	6.1%
Oregon local government investment pool	<u>56,887,374</u>	93.7%	<u>28,008,620</u>	93.8%
Total cash and investments	<u>\$ 60,688,620</u>		<u>\$ 29,848,493</u>	

Cash and investments are reflected in the Statements of net position as follows:

Cash and investments		
Unrestricted	\$ 42,427,081	\$ 17,175,489
Restricted	<u>18,261,539</u>	<u>12,673,004</u>
Total cash and investments	<u>\$ 60,688,620</u>	<u>\$ 29,848,493</u>

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Demand deposits are covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held by the State of Oregon.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

3. Detail Notes (Continued)

The Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. The Oregon Audits Division of the Secretary of State's Office audits the LGIP annually. The Division's most recent audit report on the LGIP was unmodified. The fair value of pool shares is equal to Lane Transit District's proportionate position in the pool. The LGIP includes investments in external investment pools and does not meet the requirements for "leveling" disclosures as established in GASB Statement No. 72. Therefore, fair value of the LGIP is determined by the pool's underlying portfolio.

Investments

Oregon Revised Statutes Chapter 294 authorizes the District to invest in obligations of the U.S. Treasury and U.S. government agencies and instrumentalities, certain bankers' acceptances, and corporate indebtedness, repurchase agreements, the State of Oregon Local Government Investment Pool, time certificates of deposits, and various interest-bearing bonds of Oregon municipalities. The District's investment objectives, as stated in the District's Investment Policy, are as follows:

- Preservation of capital and the protection of investment principal
- Conformance with all federal and state statutes
- Maintenance of sufficient liquidity to meet operating requirements
- Diversification to avoid unreasonable risks
- Attainment of an investment return appropriate for the portfolio, using the State of Oregon Local Government Investment Pool (LGIP) as the performance yardstick

The District's position in the LGIP at June 30, 2022 and 2021 is reported at fair value, which approximates cost and its share value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments held in the LGIP have an interest rate risk based on the average maturity of the LGIP's investments. The LGIP manages this risk by limiting the period of the reset date (reset) or maturity of the investments held by the Pool. The LGIP rules require that at least 50 percent of the LGIP portfolio mature or reset within 93 days; not more than 25 percent of the LGIP portfolio may mature or reset in over a year; and no investments are reset more than three years from settlement date.

3. Detail Notes (Continued)

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 LGIP's policies provide for a composite minimum weighted average credit quality rating for the fund's holdings to be the equivalent of a AA Standard and Poor's (S&P) rating. This composite is calculated based on the median rating if three agencies rate the security, the lower rating if two ratings are available, or the single rating if only one rating is available. On June 30, 2022 and 2021, the LGIP fund's composite weighted average rating was equivalent to S&P's AA.

Concentration of Credit Risk

The District's investment policy requires that at least \$1 million be held outside of the LGIP and in accordance with State of Oregon statutes.

Custodial Credit Risk – Deposits and Investments

For deposits, custodial credit risk is the risk of loss of funds due to the event of a bank failure. In order to minimize this risk, ORS Chapter 295 governs the collateralization of certain Oregon public funds, including requiring that banks holding public funds become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. All banks holding funds in the District's name were properly included on the list of qualified depositories maintained by the Oregon State Treasurer.

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held, requires all investments purchased to be held in the District's name, and does not allow securities to be held by the counterparty.

(b) Receivables

Accounts - Unrestricted accounts receivable at June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Passenger fares	\$ 529,404	\$ 302,076
Medicaid reimbursement	1,360,296	667,640
Medicaid nonmedical reimbursement	5,000	213,392
Medicaid developmental disability reimbursement	13,991	8,462
Miscellaneous	812	39,298
Net total accounts receivable	<u>\$ 1,909,503</u>	<u>\$ 1,230,868</u>

3. Detail Notes (Continued)

Taxes - Unrestricted taxes receivable at June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Employer payroll taxes	\$ 11,422,088	\$ 10,127,818
Self-employment taxes	105,268	91,022
State-in-lieu	163,424	148,101
Total tax receivable	<u>\$ 11,690,780</u>	<u>\$ 10,366,941</u>

Grants - Grants receivable at June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Restricted federal grants	\$ 4,039,284	\$ 9,192,853
Restricted state grants	3,805,934	957,569
Total restricted grants	7,845,218	10,150,422
Grants restricted for Accessible Services, Medicaid, and Point2Point	589,085	723,948
Total grants receivable	<u>\$ 8,434,303</u>	<u>\$ 10,874,370</u>

Leases – In 2014 the District entered into a lease agreement with McDonald Theatre Properties, LLC and Kesey Enterprises, Inc. to allow the theatre to use a parking lot owned by the District. The lease did not include an interest rate, but the estimated incremental borrowing rate is 5.50%. The lease terminates on April 30, 2034.

Future maturities are as follows:

Fiscal <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	642	558	1,200
2024	679	521	1,200
2025	717	483	1,200
2026	758	442	1,200
2027	800	400	1,200
2028-2032	4,735	1,265	6,000
2033-2034	2,087	113	2,200
Total	<u>10,418</u>	<u>3,782</u>	<u>14,200</u>

(c) **Restricted Assets**

Restricted assets consist of current assets that are restricted for Specialized Services, Point2point and Medicaid programs, along with State Transportation Improvement Fund projects.

The components of the restricted assets, liabilities payable from restricted assets, and restricted net position as of June 30, 2022, were as follows:

3. Detail Notes (Continued)

	Specialized Services, Medicaid and Point2point	Capital Projects	General Fund	Total
Restricted assets				
Cash and investments	\$1,792,629	\$373,113	\$16,095,797	\$ 18,261,539
Accounts receivable	1,360,296	-	-	1,360,296
Federal and state grants receivable	589,085	4,022,919	3,822,299	8,434,303
Total restricted assets	<u>3,742,010</u>	<u>4,396,032</u>	<u>19,918,096</u>	<u>28,056,138</u>
Liabilities payable from restricted assets				
Accounts payable	(\$1,687,019)	(\$338,336)	\$ -	\$ (2,025,355)
Unearned revenue	(190,063)	(34,777)	(16,095,797)	(16,320,637)
Total liabilities payable from restricted assets	<u>(1,877,082)</u>	<u>(373,113)</u>	<u>(16,095,797)</u>	<u>(18,345,992)</u>
Total net restricted position	<u>\$ 1,864,928</u>	<u>\$ 4,022,919</u>	<u>\$ 3,822,299</u>	<u>\$ 9,710,147</u>

The components of the restricted assets, liabilities payable from restricted assets, and restricted net positions as of June 30, 2021, were as follows:

	Specialized Services, Medicaid and Point2point	Capital Projects	General Fund	Total
Restricted assets				
Cash and investments	\$ 1,389,315	\$ 575,552	\$10,708,137	\$12,673,004
Accounts receivable	678,223	-	-	678,223
Federal and state grants receivable	702,783	3,288,302	6,883,285	10,874,370
Total restricted assets	<u>2,770,321</u>	<u>3,863,854</u>	<u>17,591,422</u>	<u>24,225,597</u>
Liabilities payable from restricted assets				
Accounts payable	\$ (1,284,397)	\$ (540,731)	\$ -	\$ (1,825,128)
Unearned revenue	(104,918)	(34,820)	(10,708,137)	(10,847,875)
Total liabilities payable from restricted assets	<u>(1,389,315)</u>	<u>(575,551)</u>	<u>(10,708,137)</u>	<u>(12,673,003)</u>
Total net restricted positions	<u>\$ 1,381,006</u>	<u>\$ 3,288,303</u>	<u>\$ 6,883,285</u>	<u>\$11,552,594</u>

3. Detail Notes (Continued)

(d) Capital Assets

Major classes of capital assets and accumulated depreciation as of June 30, 2022 and 2021:

	Balance June 30, 2021	Additions	Disposals	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 17,646,689	\$ -	\$ (170,600)	\$ -	\$ 17,476,089
Public art	366,917	-	-	-	366,917
Construction in progress	728,341	1,724,439	(129,443)	(44,588)	2,278,749
Total capital assets not being depreciated	<u>18,741,947</u>	<u>1,724,439</u>	<u>(300,043)</u>	<u>(44,588)</u>	<u>20,121,755</u>
Capital assets being depreciated:					
Busways	129,274,804	-	-	-	129,274,804
Rolling stock and related equipment	77,675,510	837,098	(6,601,165)	-	71,911,443
Stations, shelters, and bus signs	33,748,774	868,857	-	44,588	34,662,219
Buildings and improvements	47,588,845	722,674	(345,982)	-	47,965,537
Accessible Services vehicles	6,357,082	253,818	(199,394)	-	6,411,506
Other equipment and support vehicles	17,136,587	530,384	(98,022)	-	17,568,949
Total capital assets being depreciated	<u>311,781,602</u>	<u>3,212,831</u>	<u>(7,244,563)</u>	<u>44,588</u>	<u>307,794,458</u>
Less accumulated depreciation for:					
Busways	45,761,306	6,545,837	-	-	52,307,143
Rolling stock and related equipment	46,215,868	4,303,754	(6,601,166)	-	43,918,456
Stations, shelters, and bus signs	20,591,535	1,624,091	-	-	22,215,626
Buildings and improvements	33,308,016	1,892,557	(163,326)	-	35,037,247
Accessible Services vehicles	3,836,185	391,136	(199,394)	-	4,027,927
Other equipment and support vehicles	15,567,272	626,199	(96,844)	-	16,096,627
Total accumulated depreciation	<u>165,280,182</u>	<u>15,383,574</u>	<u>(7,060,730)</u>	<u>-</u>	<u>173,603,026</u>
Total capital assets being depreciated, net	<u>146,501,420</u>	<u>(12,170,743)</u>	<u>(183,833)</u>	<u>44,588</u>	<u>134,191,432</u>
Total capital assets, net	<u>\$ 165,243,367</u>	<u>\$ (10,446,304)</u>	<u>\$ (483,876)</u>	<u>\$ -</u>	<u>\$ 154,313,187</u>

3. Detail Notes (Continued)

	Balance				Balance
	June 30, 2020	Additions	Disposals	Transfers	June 30, 2021
Capital assets not being depreciated:					
Land	\$ 17,612,178	\$ 34,511	\$ -	\$ -	\$ 17,646,689
Public art	366,917	-	-	-	366,917
Construction in progress	2,490,900	106,928	-	(1,869,487)	728,341
Total capital assets not being depreciated	<u>20,469,995</u>	<u>141,439</u>	<u>-</u>	<u>(1,869,487)</u>	<u>18,741,947</u>
Capital assets being depreciated:					
Busways	129,274,804	-	-	-	129,274,804
Rolling stock and related equipment	65,913,397	15,906,321	(4,144,208)	-	77,675,510
Stations, shelters, and bus signs	26,965,546	4,913,741	-	1,869,487	33,748,774
Buildings and improvements	47,588,845	-	-	-	47,588,845
Accessible Services vehicles	5,682,547	1,196,886	(522,351)	-	6,357,082
Other equipment and support vehicles	17,078,400	277,236	(219,049)	-	17,136,587
Total capital assets being depreciated	<u>292,503,539</u>	<u>22,294,184</u>	<u>(4,885,608)</u>	<u>1,869,487</u>	<u>311,781,602</u>
Less accumulated depreciation for:					
Busways	39,212,659	6,548,647	-	-	45,761,306
Rolling stock and related equipment	45,677,048	4,683,028	(4,144,208)	-	46,215,868
Stations, shelters, and bus signs	18,940,972	1,650,563	-	-	20,591,535
Buildings and improvements	31,414,990	1,893,026	-	-	33,308,016
Accessible Services vehicles	4,071,021	287,515	(522,351)	-	3,836,185
Other equipment and support vehicles	15,107,083	664,255	(204,066)	-	15,567,272
Total accumulated depreciation	<u>154,423,773</u>	<u>15,727,034</u>	<u>(4,870,625)</u>	<u>-</u>	<u>165,280,182</u>
Total capital assets being depreciated, net	<u>138,079,766</u>	<u>6,567,150</u>	<u>(14,983)</u>	<u>1,869,487</u>	<u>146,501,420</u>
Total capital assets, net	<u>\$ 158,549,761</u>	<u>\$ 6,708,589</u>	<u>\$ (14,983)</u>	<u>\$ -</u>	<u>\$ 165,243,367</u>

Depreciation expense was \$15,383,574 and \$15,727,034, for fiscal years ended June 30, 2022 and 2021, respectively.

The federal government retains a reversionary interest in property and equipment to the extent that capital grants provided for their purchase. Upon disposal of property and equipment, a prorated share of proceeds, if any, is returned to the federal government. There are no leased assets reported at June 30, 2022 or 2021.

3. Detail Notes (Continued)

(e) Accrued Vacation and Sick Leave Liabilities

Accrued vacation and sick leave payable at June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Accrued vacation and sick leave payable at beginning of period	\$ 2,772,372	\$ 2,551,529
Total vacation accrued for period	1,650,937	1,486,706
Total sick leave accrued for period	643,182	496,095
Total vacation taken for period	(1,569,658)	(1,270,950)
Total sick leave taken for period	(641,732)	(457,751)
Total sick leave lost for period	<u>(85,292)</u>	<u>(33,257)</u>
Accrued vacation and sick leave payable at end of period	<u>\$ 2,769,809</u>	<u>\$ 2,772,372</u>
Vacation time - union-represented employees	\$ 1,132,275	\$ 1,030,999
Combined annual leave - nonunion employees	743,827	763,825
Sick leave - union-represented employees	483,517	574,931
Extended illness bank - nonunion employees	<u>410,190</u>	<u>402,617</u>
Total accrued vacation and sick leave	<u>\$ 2,769,809</u>	<u>\$ 2,772,372</u>
Current portion vacation and sick leave	\$ 758,132	\$ 764,675
Noncurrent vacation and sick leave	<u>2,011,677</u>	<u>2,007,697</u>
Total	<u>\$ 2,769,809</u>	<u>\$ 2,772,372</u>

4. Other Information

(a) Pension Benefits

The District contributes to two single-employer public employee retirement plans. The Lane Transit District Salaried Employee's Retirement Plan Trust Fund (LTDSP) covers all nonunion employees hired before January 1, 2012. Amalgamated Transit Union, Local No. 757 Pension Trust Fund (LTD ATU Pension Trust) covers all union employees.

Each plan's assets are held in trust, independent of the District, and solely for the purpose of paying each plan's benefits and administrative expenses. The plans are included in the reporting entity of the District as fiduciary pension trust funds. The assets are invested in a variety of stocks, bonds, and other securities. Neither plan includes in its assets any District securities nor securities of any related parties. No loans have been granted to the District from plan funds.

4. Other Information (Continued)

Lane Transit District Salaried Employee's Retirement Plan Trust Fund (plan entrants prior to January 1, 2012)

Plan Description

Lane Transit District Salaried Employee's Retirement Plans' (LTDSP) combines a defined benefit plan (Part 1) and a defined contribution plan (Part 2) for all participants who entered the plan prior to January 1, 2012. Part 1 and Part 2 of the LTDSP are now closed to new participants.

The LTDSP is contained in a plan document that was originally adopted effective July 1, 1975, was amended on several subsequent occasions, was last restated effective July 1, 2011, and was last amended on February 1, 2021.

The plan is administered by three appointed trustees, including a member of the Lane Transit District Board of Directors, and the general manager and the director of finance of LTD.

The LTDSP Part 1 provides retirement, disability, and death benefits to participants and beneficiaries and covers all District nonunion employees hired before January 1, 2012.

Benefits Provided

Plan members are eligible to receive a full monthly benefit, payable for life, once they reach 60 years of age and have earned five years of vesting credit, or at any age with 30 years of vesting credit. Reduced benefits are available to plan members who retire at or after age 55 but before age 62 with five years of vesting credit, or at age 62 with less than five years of vesting credit.

Annual benefits are calculated as the higher of the following:

1. The number of years of benefit credit times average annual salary (determined for the 36 consecutive calendar months of employment that produce the highest average annual salary) times 1.67 percent; or
2. The number of years of benefit credit (not exceeding 25) times average annual salary times 3 percent, less the plan member's Primary Social Security Benefit; or
3. The benefit calculated under this plan in effect as of June 30, 1989, and determined as of that date, if applicable.

Unused sick leave is included as a component of compensation, which increases the annual retirement benefit. Ad hoc cost-of-living adjustments (most recently in 1998) have been provided to members and beneficiaries at the discretion of the District's Board of Directors.

Under LTDSP Part 2, the District contributes to an account, invested at the plan member's direction, 6 percent of a member's compensation for each payroll period that begins after six calendar months of employment. For the years ended June 30, 2022 and 2021, employer contributions to this plan recognized as expense were \$179,753 and \$125,108, respectively.

4. Other Information (Continued)

Members are immediately vested in their LTDSP Part 2 employer-contribution accounts.

Employees Covered by Benefit Terms

These employees were covered by benefit terms as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	98
Inactive employees entitled to but not yet receiving benefits (including transfers to the ATU Plan)	32
Active employees	25
	155
	155

Summary of Accounting Policies

The LTDSP financial statements are prepared using the accrual basis of accounting. LTD contributions are recognized in the period in which the contributions are earned. Benefits are recognized when due and payable in accordance with the terms of the plan.

Investment Policy and Method to Value Investments

The LTDSP investment policy allows the plan to utilize multiple professional investment management firms to implement the investment program. The long-term performance objective of the plan is an optimized return on plan funds achieved through a prudent mix of income production and asset growth, utilizing a diversified portfolio of asset classes. Eligible investments include the following: equity investments, fixed-income investments, short-term investments, and alternative investments.

Plan investments are reported at fair value. The LTDSP categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value of securities is determined by the plan asset managers at quoted market price, where available, except for securities which are not actively traded, which are valued at net asset value by the asset manager. The LTDSP has the following fair value measurements by fair value level at June 30, 2022 and 2021:

	Balance at June 30, 2022	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level:				
Mutual Funds - Fixed income	\$ 5,651,234	\$ -	\$ 5,651,234	\$ -
Mutual Funds - Equities	8,749,374	-	8,749,374	-
Collective Investment Trust	2,031,868	-	2,031,868	-
Mutual Funds - Balanced	4,897,635	-	4,897,635	-
Total Fair Value of Investments	\$ 21,330,111	\$ -	\$ 21,330,111	\$ -

4. Other Information (Continued)

	Fair Value Measurement Using			
	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level:				
Mutual Funds - Fixed income	\$ 6,308,112	\$ -	\$ 6,308,112	\$ -
Mutual Funds - Equities	10,789,379	-	10,789,379	-
Collective Investment Trust	2,343,231	-	2,343,231	-
Mutual Funds - Balanced	5,712,644	-	5,712,644	-
Total Fair Value of Investments	<u>\$ 25,153,366</u>	<u>\$ -</u>	<u>\$ 25,153,366</u>	<u>\$ -</u>

Net Pension Liability

The District's net pension liability for the LTDSP Part 1 at June 30, 2022, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation Rate	2.50%
Salary increases	Age based, with ultimate rate of 2.75% at ages 50+
Investment rate of return, net	5.00%
Mortality	Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2020 mortality improvement projection scales starting at the 2012 base year.
Actuarial cost method	Entry Age Normal as level % of pay

The LTDSP Part 1 does not provide for automatic, post-retirement benefit increases. However, the District's Board of Directors has adopted ad hoc increases from time to time (most recently in 1998). The long-term expected rate of return on pension plan investments was selected based on the plan's target asset allocation as of the valuation date combined with capital market assumptions from several sources, including published studies summarizing the expectations of various investment experts. Following are the target asset allocation percentages set by policy and expected arithmetic real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	28.0%	5.80%
International Equity	24.0%	8.35%
Fixed Income	25.0%	2.50%
Real Return (all asset strategies)	13.0%	4.70%
Global Tactical Asset Allocation (GTAA)	10.0%	5.00%
Total	<u>100.0%</u>	

4. Other Information (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00 percent. The projection of cash flows used to determine the discount rate were based on the District's funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/21	\$ 30,592,338	\$ 25,620,759	\$ 4,971,579
Changes for the year:			
Service cost	362,233	-	362,233
Interest	1,652,038	-	1,652,038
Economic/demographic (gains)	(157,307)	-	(157,307)
Changes of assumptions	1,392,657	-	1,392,657
Employer contributions	-	1,576,101	(1,576,101)
Net investment loss	-	(3,342,352)	3,342,352
Benefit payments	(1,835,050)	(1,835,050)	-
Administrative expense	-	(75,092)	75,092
Net changes	<u>1,414,571</u>	<u>(3,676,393)</u>	<u>5,090,964</u>
Balances at 6/30/22	<u>\$ 32,006,909</u>	<u>\$ 21,944,366</u>	<u>\$ 10,062,543</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/20	\$ 30,461,639	\$ 20,478,594	\$ 9,983,045
Changes for the year:			
Service cost	406,604	-	406,604
Interest	1,644,930	-	1,644,930
Economic/demographic (gains)	-	-	-
Changes of assumptions	-	-	-
Employer contributions	-	1,470,780	(1,470,780)
Net investment income	-	5,692,779	(5,692,779)
Benefit payments	(1,920,835)	(1,920,835)	-
Administrative expense	-	(100,559)	100,559
Net changes	<u>130,699</u>	<u>5,142,165</u>	<u>(5,011,466)</u>
Balances at 6/30/21	<u>\$ 30,592,338</u>	<u>\$ 25,620,759</u>	<u>\$ 4,971,579</u>

Contributions

The funding policy for the LTDSP Part 1 is established and may be amended by the District's Board of Directors. Contributions to the plan are made biweekly according to an actuarially determined rate recommended by an independent actuary. This rate is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as a percentage of covered payroll, was 16.9 percent for the years ended June 30, 2022 and 2021. The District makes an additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2022 and 2021, that amount was \$1,132,332 each year.

4. Other Information (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using a discount rate of 5.00 percent for 2022 and 5.50 for 2021, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the rate used:

	Net Pension Liability	
2022		
1% decrease (4.00%)	\$	13,651,827
Current discount rate (5.00%)		10,062,543
1% increase (6.00%)		7,025,183
2021		
1% decrease (4.50%)	\$	8,456,259
Current discount rate (5.50%)		4,971,579
1% increase (6.50%)		2,029,156

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

For the years ended June 30, 2022 and 2021, the District recognized pension expense of \$1,795,166 and \$693,969, respectively. The District reported deferred outflows of resources and deferred inflows of resources from the following sources at June 30 (note that because the measurement date and the report date are the same, there is no deferred outflows of resources for contributions made after the measurement date):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2022		
Differences between expected and actual experience	\$ -	\$ (44,945)
Changes in assumptions or inputs	397,902	-
Net difference between projected and actual earnings	1,193,357	-
Total	<u>\$ 1,591,259</u>	<u>\$ (44,945)</u>
2021		
Net difference between projected and actual earnings	\$ -	\$ (3,325,585)
Total	<u>\$ -</u>	<u>\$ (3,325,585)</u>

4. Other Information (Continued)

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

Year ended June 30,		
2023	\$	498,984
2024		117,633
2025		6,690
2026		923,007
	\$	<u>1,546,314</u>

The LTDSP financial statements are presented below. LTDSP does not issue stand alone financial statements.

4. Other Information (Continued)

**Lane Transit District
Statements of Fiduciary Net Position
Salaried Employee's Retirement Plan Trust Fund
As of June 30, 2022 and 2021**

	<u>As of June 30, 2022</u>	<u>As of June 30, 2021</u>
Assets		
Cash		
Cash and cash equivalents	\$ 623,054	\$ 467,393
Investments		
Shares of registered investment companies	21,330,111	25,153,366
Total Assets	<u>21,953,165</u>	<u>25,620,759</u>
Liabilities		
Accrued expenses	<u>8,799</u>	<u>-</u>
Fiduciary Net Position - Restricted for Pensions	<u>\$ 21,944,366</u>	<u>\$ 25,620,759</u>

**Lane Transit District
Statements of Changes in Fiduciary Net Position
Salaried Employee's Retirement Plan Trust Fund
For the Pan Years Ended June 30, 2022 and 2021**

	<u>For the Year Ended June 30, 2022</u>	<u>For the Year Ended June 30, 2021</u>
Additions		
Employer contributions	\$ 1,576,101	\$ 1,470,780
Investment income (loss)		
Net change in fair value of investments	(4,018,087)	5,310,638
Interest, dividends and other income	706,770	411,027
Investment expenses	(58,757)	(56,617)
Net investment income (loss)	<u>(3,370,074)</u>	<u>5,665,048</u>
Total (Net) Additions	<u>(1,793,973)</u>	<u>7,135,828</u>
Deductions		
Benefits paid to participants	1,835,050	1,920,824
Administrative expenses	47,370	72,839
Total deductions	<u>1,882,420</u>	<u>1,993,663</u>
Net increase (decrease) in fiduciary net position	(3,676,393)	5,142,165
Fiduciary Net Position - Restricted for Pensions Beginning of the year	<u>25,620,759</u>	<u>20,478,594</u>
Fiduciary Net Position - Restricted for Pensions End of the year	<u>\$ 21,944,366</u>	<u>\$ 25,620,759</u>

4. Other Information (Continued)

Lane Transit District Salaried Employee's Defined Contribution Program

Plan Description

The Lane Transit District Salaried Employee's Defined Contribution Program became effective on January 1, 2012. All nonunion employees hired after December 31, 2011 are eligible to participate.

Benefits Provided

This program provides contributions to a discretionary account and the opportunity to receive contributions to a matching account. The discretionary contribution made by the District is currently between 4.5 percent and 9 percent, depending on the number of years of vesting service completed. The matching contribution percentage is currently set at 50 percent of a participant's elective contribution (to a Section 457 deferred compensation account) up to a maximum of 3 percent of their base pay. For the years ended June 30, 2022 and 2021, employer contributions recognized as expense were \$335,231 and \$354,122, respectively.

Participants are immediately vested in their own contributions. They become vested in the discretionary and matching contributions according to a graduated schedule over 7 years.

Nonvested contributions are forfeited upon termination of employment and are used to offset future contributions, thereby reducing expense recognized by the District.

Amalgamated Transit Union, Local No. 757 Pension Trust Fund

Plan Description

The Amalgamated Transit Union, Local No. 757 Pension Trust Fund (ATU) provides retirement, disability, and death benefits to plan members and beneficiaries and covers all District union employees. The plan was created effective March 1, 1972, by collective bargaining agreement, was amended on several subsequent occasions, and was last amended on January 1, 2015.

The plan is administered by six appointed trustees, including a member of the Lane Transit District Board of Directors; the general manager of LTD; the director of finance; the president (or designee) of the ATU, Local No. 757; an ATU, Local No. 757 member; and an executive board officer of ATU, Local No. 757.

Benefits Provided

Participation begins after six months of employment. Benefits are 100 percent vested when the plan member earns five years of credited service or is an employee while age 60 or older. Vested plan members who retire at or after age 60, and plan members who terminate employment after June 30, 2000, with 30 years of credited service, are entitled to a monthly retirement benefit for life, with a minimum of 36 monthly payments made to the plan member or the member's beneficiary. The retirement benefit for plan members terminating employment before January 1, 2016, is \$65.50 per month per year of credited service.

4. Other Information (Continued)

This multiplier is scheduled to increase in annual increments, eventually reaching \$78 per month per year of credited service for members terminating employment on or after January 1, 2021. Plan members with ten years of credited service may also retire with a reduced benefit as early as age 55. One year of credited service is earned for the first 1,600 hours in a calendar year.

Partial credit of 0.25 of a year of credited service is earned for every 400 hours, up to 1,600 hours, in a calendar year. Unused sick leave does not increase the monthly retirement benefit or convert to any other pension benefit.

An Employee Participation Account is kept for each participant. Each participant's Employee Participation Account is credited with \$.10 per compensated hour. The value of the Employee Participation Account is adjusted once a plan year by an investment rate of return chosen by the trustees. The Employee Participation Account is paid to a plan member who terminates employment before age 60 with at least three, but less than five, years of credited service and is paid as a preretirement death benefit to the beneficiary of a married plan member who dies with at least three, but less than five, years of credited service or to the beneficiary of an unmarried plan member who dies with at least three years of credited service.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	265
Inactive employees entitled to but not yet receiving benefits	57
Active employees	213
	<hr/>
	535
	<hr/>

Net Pension Liability

The District's net pension liability for the LTD ATU Pension Trust at June 30, 2022, was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Summary of Accounting Policies

The LTD ATU Pension Trust financial statements are prepared using the accrual basis of accounting. LTD contributions are recognized in the period in which the contributions are earned. Benefits are recognized when due and payable in accordance with the terms of the plan.

Investment Policy and Method to Value Investments

The LTD ATU Pension Trust investment policy allows the plan to utilize multiple professional investment management firms to implement the investment program. The long-term performance objective of the plan is an optimized return on plan funds achieved through a prudent mix of income production and asset growth, utilizing a diversified portfolio of asset

4. Other Information (Continued)

classes. Eligible investments include the following: equity investments, fixed-income investments, short-term investments, and alternative investments.

Plan investments are reported at fair value. The LTD ATU Pension Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value of securities is determined by the plan asset managers at quoted market price, where available, except for securities which are not actively traded, which are valued at net asset value by the asset manager. The LTD ATU Pension Trust has the following fair value measurements by fair value level at December 31, 2021 and 2020:

	Balance at December 31, 2021	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level:				
Mutual Funds - Fixed income	8,209,006	-	8,209,006	-
Mutual Funds - Equities	18,873,621	-	18,873,621	-
Collective Investment Trust	4,219,545	-	4,219,545	-
Mutual Funds - Balanced	9,402,378	-	9,402,378	-
Miscellaneous	591,764	-	591,764	-
	<u>\$ 41,296,314</u>	<u>\$ -</u>	<u>\$ 41,296,314</u>	<u>\$ -</u>

	Balance at December 31, 2020	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level:				
Mutual Funds - Fixed income	\$ 8,382,574	\$ -	\$ 8,382,574	\$ -
Mutual Funds - Equities	17,055,213	-	17,055,213	-
Collective Investment Trust	3,524,812	-	3,524,812	-
Mutual Funds - Balanced	7,288,773	-	7,288,773	-
Miscellaneous	603,114	-	603,114	-
	<u>\$ 36,854,486</u>	<u>\$ -</u>	<u>\$ 36,854,486</u>	<u>\$ -</u>

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

4. Other Information (Continued)

Inflation Rate	2.50%
Salary increases	3.00%
Future benefit rate increases	3.00%
Investment rate of return, net	5.75%
Mortality	Pri-2012 Combined Mortality with Blue Collar Adjustment, generational projection using MP-2019 starting at the 2012 base year, and a one-year set-forward

Ad hoc cost-of-living adjustments are provided to members and beneficiaries at the discretion of the trustees. The trustees last adopted an ad hoc increase of 2 percent on January 1, 2006.

The long-term expected rate of return on pension plan investments was selected based on the plan's target asset allocation as of the valuation date, combined with capital market assumptions from several sources, including published studies summarizing the expectations of various investment experts. Following is the target asset allocation percentage set by policy and expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	28.0%	5.80%
International Equity	24.0%	8.35%
Fixed Income	25.0%	2.50%
Real Return (all asset strategies)	13.0%	4.70%
Global Tactical Asset Allocation (GTAA)	10.0%	5.00%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.75 percent. The projection of cash flows used to determine the discount rate were based on the District's funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

4. Other Information (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2020	\$ 48,369,908	\$ 37,538,452	\$ 10,831,456
Changes for the year:			
Service cost	1,446,066	-	1,446,066
Interest	2,778,079	-	2,778,079
Employer contributions	-	3,632,718	(3,632,718)
Net investment income	-	4,108,073	(4,108,073)
Benefit payments	(3,003,121)	(3,003,121)	-
Administrative expense	-	(81,154)	81,154
Net changes	<u>1,221,024</u>	<u>4,656,516</u>	<u>(3,435,492)</u>
Balances at December 31, 2021	<u>\$ 49,590,932</u>	<u>\$ 42,194,968</u>	<u>\$ 7,395,964</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2019	\$ 44,452,761	\$ 32,615,959	\$ 11,836,802
Changes for the year:			
Service cost	1,369,480	-	1,369,480
Interest	2,884,018	-	2,884,018
Employer contributions	-	2,671,188	(2,671,188)
Net investment income	-	5,276,607	(5,276,607)
Benefit payments	(2,905,472)	(2,905,472)	-
Administrative expense	-	(119,830)	119,830
Effect of economic/demographic (gains) or losses	(511,992)	-	(511,992)
Effect of assumptions changes or inputs	3,081,113	-	3,081,113
Net changes	<u>3,917,147</u>	<u>4,922,493</u>	<u>(1,005,346)</u>
Balances at December 31, 2020	<u>\$ 48,369,908</u>	<u>\$ 37,538,452</u>	<u>\$ 10,831,456</u>

Contributions

The funding policy of the LTD ATU Pension Trust is established and may be amended by the District's Board of Directors in compliance with the terms of the current Working and Wage Agreement between the ATU and the District.

Contributions are made according to an actuarially determined rate recommended by an independent actuary that is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as an amount per compensable hour, was \$5.52 for each of the years ended December 31, 2021 and 2020. No employee contributions are required or permitted.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using a discount rate of 5.75 percent as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the rate used:

4. Other Information (Continued)

	Net Pension Liability	
2021		
1% decrease (4.75%)	\$	12,690,157
Current discount rate (5.75%)		7,395,964
1% increase (6.75%)		2,891,889
2020		
1% decrease (4.75%)	\$	15,995,295
Current discount rate (5.75%)		10,831,456
1% increase (6.75%)		6,438,280

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

For the years ended December 31, 2021 and 2020, the District recognized pension expense of \$1,758,759 and \$2,679,081 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2021		
Differences between expected and actual experience	\$ 13,573	\$ (284,440)
Changes in assumptions or inputs	2,114,363	-
Net difference between projected and actual earnings	-	(3,998,160)
Total (prior to post-measurement date contributions)	<u>2,127,936</u>	<u>(4,282,600)</u>
Contributions made subsequent to the measurement date	1,715,555	-
Total	<u>\$ 3,843,491</u>	<u>\$ (4,282,600)</u>
2020		
Differences between expected and actual experience	\$ 28,652	\$ (398,216)
Changes in assumptions or inputs	3,246,424	-
Net difference between projected and actual earnings	-	(3,469,991)
Total (prior to post-measurement date contributions)	<u>3,275,076</u>	<u>(3,868,207)</u>
Contributions made subsequent to the measurement date	1,861,386	-
Total	<u>\$ 5,136,462</u>	<u>\$ (3,868,207)</u>

Deferred outflows of resources related to pensions of \$1,715,555 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ending December 31, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense/(income) as follows:

4. Other Information (Continued)

Year ended December 31,	
2022	\$ 92,668
2023	(1,076,978)
2024	(783,586)
2025	(386,768)
	<u>\$ (2,154,664)</u>

The ATU financial statements are presented below. The ATU plan does not issue stand-alone financial statements.

4. Other Information (Continued)

**Lane Transit District
Statements of Fiduciary Net Position
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
As of December 31, 2021 and 2020**

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Assets		
Cash		
Cash and cash equivalents	\$ 898,654	\$ 691,403
Investments		
Shares of registered investment companies	<u>41,296,314</u>	<u>36,854,486</u>
Total Assets	<u>42,194,968</u>	<u>37,545,889</u>
Liabilities		
Accrued expenses	<u>-</u>	<u>7,437</u>
Fiduciary Net Position - Restricted for Pensions	<u>\$ 42,194,968</u>	<u>\$ 37,538,452</u>

**Lane Transit District
Statements of Changes in Fiduciary Net Position
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
For the Plan Years Ended December 31, 2021 and 2020**

	<u>For the Year Ended December 31, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Additions		
Employer contributions	\$ 3,632,718	\$ 2,671,189
Investment income		
Net change in fair value of investments	3,093,800	4,822,217
Interest, dividends and other income	1,067,276	494,663
Investment expenses	<u>(53,001)</u>	<u>(40,274)</u>
Net investment income	<u>4,108,075</u>	<u>5,276,606</u>
Total Additions	<u>7,740,793</u>	<u>7,947,795</u>
Deductions		
Benefits paid to participants	3,003,121	2,903,264
Administrative expenses	<u>81,156</u>	<u>122,038</u>
Total deductions	<u>3,084,277</u>	<u>3,025,302</u>
Net increase in fiduciary net position	4,656,516	4,922,493
Fiduciary Net Position - Restricted for Pensions Beginning of the year	<u>37,538,452</u>	<u>32,615,959</u>
Fiduciary Net Position - Restricted for Pensions End of the year	<u>\$ 42,194,968</u>	<u>\$ 37,538,452</u>

4. Other Information (Continued)

Aggregate Deferred Inflows, Deferred Outflows, Net Pension Liability, and Pension Expense:

June 30, 2022	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Pension Liability	Pension Expense
Salaried	\$ 1,591,259	\$ (44,945)	\$ 10,062,543	\$ 1,795,166
ATU	3,843,491	(4,282,600)	7,395,964	1,758,759
Total	<u>\$ 5,434,750</u>	<u>\$ (4,327,545)</u>	<u>\$ 17,458,507</u>	<u>\$ 3,553,925</u>

June 30, 2021	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Pension Liability	Pension Expense
Salaried	\$ -	\$ (3,325,585)	\$ 4,971,579	\$ 693,969
ATU	5,136,462	(3,868,207)	10,831,456	2,679,081
Total	<u>\$ 5,136,462</u>	<u>\$ (7,193,792)</u>	<u>\$ 15,803,035</u>	<u>\$ 3,373,050</u>

Lane Transit District and Amalgamated Transit Union, Local No. 757, Defined Contribution Program

Plan Description

Lane Transit District and Amalgamated Transit Union, Local No. 757, Defined Contribution Program became effective on July 6, 2014. All union employees who are eligible for the defined benefit program above are eligible to participate in this program.

Benefits Provided

This program provides employer contributions to a matching account based on a participant's elective contribution to a Section 457 deferred compensation account. The matching contribution is currently set at 50 percent of the participant's elective contribution, up to a maximum of 3 percent of their base pay. For the years ended June 30, 2022 and 2021, employer contributions recognized as expense were \$353,754 and \$300,823, respectively.

Participants are immediately vested in their matching account. Forfeitures of contributions, arising from the inability to locate a valid beneficiary, are used to offset future contributions, thereby reducing expense recognized by the District.

(b) Other Post-Employment Benefits

Plan Description

The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements, which are applied uniformly to all employees. The plan provides an explicit employer-paid benefit, according to the option chosen by the retiree, as follows:

4. Other Information (Continued)

- Up to \$275 per month per pre-Medicare retiree until the retiree becomes eligible for Medicare, typically age 65. Once they become Medicare-eligible the benefit reduces to \$160 per month; or
- \$425 per month until the retiree becomes Medicare eligible, at which time the benefit reduces to zero.

This benefit can be used towards post-retirement healthcare insurance premiums or other healthcare costs of the retiree, their spouse, domestic partner, or eligible dependents. Retirees are allowed to continue District-sponsored insurance coverage or use their benefit to obtain coverage from a carrier of their choice.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs (which because of the effect of age is generally higher in comparison to all plan members) and the amount of retiree healthcare premiums represents the District's implicit employer contribution, which is a liability in addition to the employer-paid benefit described above.

The District has not established a trust fund to supplement the costs for the net other post-employment benefit (OPEB) obligation. No stand-alone financial report is generated for the plan.

Funding Policy

The District has elected not to prefund the actuarially determined future cost, choosing instead to finance the plan on a pay-as-you-go basis. The District contributes all benefits listed above to individual VEBA accounts from which the retiree is responsible for paying eligible premiums and costs.

Employees covered by benefit terms at the January 1, 2022 valuation date:

Active Employees	297
Eligible Retirees	199
Spouses of Ineligible Retirees	<u>0</u>
Total Participants	<u><u>496</u></u>

The District's total OPEB liability as of June 30, 2022 was \$14,165,454.

Actuarial assumptions and other inputs: The total OPEB liability was determined by an actuarial valuation, as of the valuation date of January 1, 2022, calculated based on the discount rate of 2.16 percent, and actuarial assumptions below, and was then projected backward to the measurement date of June 30, 2021.

The discount rate was based on a 20-year general obligation bond yield published by The Bond Buyer.

Changes in Total OPEB Liability:

4. Other Information (Continued)

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 6/30/21	\$ 14,773,657
Changes for the year:	
Service cost	1,076,830
Interest	343,840
Economic/demographic changes	(1,080,363)
Changes of assumptions	(361,074)
Benefit payments	(587,436)
Net changes	<u>(608,203)</u>
Balance at 6/30/22	<u>\$ 14,165,454</u>

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 6/30/20	\$ 11,873,234
Changes for the year:	
Service cost	825,960
Interest	427,108
Changes of assumptions	2,220,768
Benefit payments	(573,413)
Net changes	<u>2,900,423</u>
Balance at 6/30/20	<u>\$ 14,773,657</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate of 2.16 percent:

	1%	Current	1%
	Decrease	Discount	Increase
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Total OPEB Liability	\$ 16,157,830	\$ 14,165,454	\$ 12,521,001

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care trend rates:

4. Other Information (Continued)

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 13,951,293	\$ 14,165,454	\$ 14,416,109

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2022 and 2021, the District recognized an OPEB expense of \$1,256,914 and \$746,187, respectively. The District reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2022		
Differences between expected and actual experience	\$ -	\$ (1,081,767)
Changes in assumptions or inputs	1,557,852	(786,581)
Contributions made subsequent to the measurement date	<u>557,624</u>	<u>-</u>
Total	<u>\$ 2,115,476</u>	<u>\$ (1,868,348)</u>
2021		
Differences between expected and actual experience	\$ -	\$ (234,386)
Changes in assumptions or inputs	1,889,310	(687,739)
Contributions made subsequent to the measurement date	<u>587,436</u>	<u>-</u>
Total	<u>\$ 2,476,746</u>	<u>\$ (922,125)</u>

The amount \$557,624 reported as deferred outflows of resources related to OPEB resulting from District benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2023	\$ (163,756)
2024	(151,571)
2025	(37,202)
2026	29,895
2027	<u>12,138</u>
	<u>\$ (310,496)</u>

4. Other Information (Continued)

Actuarial Methods & Assumptions – The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial methods and assumptions:

Discount rate	2.16%
Valuation date	January 1, 2022
Measurement date	June 30, 2021
Inflation	2.50%
Salary increases	3.00%
Health Cost Trend	5.50% in the first year (anticipated January 1, 2023 premiums compared with January 1, 2022 premiums), 5.25% in the second year, 5.00% in the third through fourth year, 4.75% in the fifth through eighth years, 4.50% in the ninth through 43rd years, 4.25% in the 44th through 48th years, and 4.00% after the 48th year.
Mortality rates	For healthy ATU members and dependents: Pri-2012 Mortality Tables with Blue Collar adjustment, generational projection using MP-2021 mortality improvement projection scales starting at the 2012 base year, and a one-year set-forward. For Administration members and dependents: Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2020 mortality improvement projection scales starting at the 2012 base year. For disabled retirees: Pri-2012 Disabled Mortality Tables and generational projection using MP-2021 mortality improvement projection scales starting at the 2012 base year.
Election rates	100% for District-paid explicit benefits 50% for District-sponsored coverage prior to age 65 40% spouse coverage for District-sponsored coverage
Actuarial cost method	Entry Age Normal; Level Percent of Pay

(c) Risk Management

Risk is managed through a combination of purchased commercial insurance coverage and self-insurance with risk reserves. There has been no significant reduction in insurance coverage during the year. The limits are consistent with coverage carried by other public entities of the District's size and type in Oregon.

Oregon tort liability law generally limits claims for one incident to \$1,925,500. Additional coverage is for federal claims, out-of-state claims, or contractual liability. This coverage is tabulated as follows:

5. Other Information (Continued)

Description	Retention Level (Deductible)	Limits of Coverage
Vehicle liability / uninsured motorist	\$ 100,000	\$ 10,000,000
Property and contents	25,000	29,762,949
General and tort liability	25,000	10,000,000
Bus - physical damage	50,000	Stated value
Earthquake / flood	Greater of \$5,000 or 2% of covered loss	15,000,000
Pollution liability (fuel storage tanks)	10,000	1,000,000
Public employee blanket	1,000	250,000
Workers' compensation	N/A	500,000

The greatest risk exposure for the District is in vehicle liability. The District self-insures up to \$100,000 per accident. The level of risk reserving is set by Board policy considering both the history of payments and the potential exposure to risk. The reserve level is evaluated and the reserve amount is budgeted during the annual budget process. Current Board policy sets this amount at \$1,000,000. In the last three fiscal years, no settlements have exceeded the limits of insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss reasonably can be estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are set by an independent firm.

These liabilities are calculated considering the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

Changes in the balances of claims liabilities during the past three years are as follows:

	Automobile/Bus Liability		
	2022	2021	2020
Unpaid claims and claim adjustment expenses, beginning of the year	\$ 154,166	\$ 261,896	\$ 170,862
Incurred claims (including IBNRs)	171,767	(53,077)	109,041
Claim payments	(98,889)	(54,653)	(18,007)
Total unpaid claims and claim adjustment expenses, end of the year	\$ 227,044	\$ 154,166	\$ 261,896

Unpaid claims are carried at estimated gross settlement value.

(d) Commitments and Contingencies

Under the terms of federal and state grants, periodic audits are required and costs may be questioned as not being appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. District management believes disallowance, if any, will be immaterial.

As of June 30, 2022, the District has commitments of \$16,854,601 for electric buses.

*Required Supplementary
Information*

**LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022
Schedule of Changes in the Net Pension Liability and Related Ratios
LTD Salaried Employees' Retirement Plan Trust Fund
Last 10 Fiscal Years**

	2022	2021	2020	2019	2018 ¹	2017	2016 ¹	2015	2014 ¹	2013
Total pension liability										
Service cost	\$ 362,233	\$ 406,604	\$ 348,035	\$ 396,714	\$ 445,756	\$ 486,472	\$ 521,040	\$ 545,340	\$ 538,088	\$ 527,537
Interest	1,652,038	1,644,930	1,751,505	1,718,740	1,698,307	1,651,225	1,564,487	1,504,888	1,426,182	1,343,938
Economic/demographic (gains) or losses	(157,307)	-	(484,865)	(425)	(206,000)	-	99,443	-	354,334	-
Changes of assumptions	1,392,657	-	1,961,345	-	942,158	-	2,952,420	-	506,129	-
Benefit payments	(1,835,050)	(1,920,835)	(1,580,862)	(1,504,188)	(1,413,238)	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)	(690,418)
Net change in total pension liability	1,414,571	130,699	1,995,158	610,841	1,466,983	805,629	3,912,492	867,385	1,885,248	1,181,057
Total pension liability - beginning	30,592,338	30,461,639	28,466,481	27,855,640	26,388,657	25,583,028	21,670,536	20,803,151	18,917,903	17,736,846
Total pension liability - ending	<u>\$ 32,006,909</u>	<u>\$ 30,592,338</u>	<u>\$ 30,461,639</u>	<u>\$ 28,466,481</u>	<u>\$ 27,855,640</u>	<u>\$ 26,388,657</u>	<u>\$ 25,583,028</u>	<u>\$ 21,670,536</u>	<u>\$ 20,803,151</u>	<u>\$ 18,917,903</u>
Plan fiduciary net position										
Employer contributions	\$ 1,576,101	\$ 1,470,780	\$ 1,483,553	\$ 1,506,168	\$ 1,577,474	\$ 1,842,970	\$ 1,174,309	\$ 1,333,241	\$ 1,161,609	\$ 1,165,565
Net investment income (loss)	(3,342,352)	5,692,779	546,424	1,051,294	1,357,720	1,893,124	(361,265)	222,900	2,081,971	1,298,746
Benefit payments	(1,835,050)	(1,920,835)	(1,580,862)	(1,504,188)	(1,413,238)	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)	(690,418)
Administrative expense	(75,092)	(100,559)	(80,147)	(69,893)	(84,998)	(54,251)	(105,822)	(55,910)	(87,860)	(92,282)
Net change in plan fiduciary net position	(3,676,393)	5,142,165	368,968	983,381	1,436,958	2,349,775	(517,676)	317,388	2,216,235	1,681,611
Plan fiduciary net position - beginning	25,620,759	20,478,594	20,109,626	19,126,245	17,689,287	15,339,512	15,857,188	15,539,800	13,323,565	11,641,954
Plan fiduciary net position - ending	<u>\$ 21,944,366</u>	<u>\$ 25,620,759</u>	<u>\$ 20,478,594</u>	<u>\$ 20,109,626</u>	<u>\$ 19,126,245</u>	<u>\$ 17,689,287</u>	<u>\$ 15,339,512</u>	<u>\$ 15,857,188</u>	<u>\$ 15,539,800</u>	<u>\$ 13,323,565</u>
District's net pension liability - ending	<u>\$ 10,062,543</u>	<u>\$ 4,971,579</u>	<u>\$ 9,983,045</u>	<u>\$ 8,356,855</u>	<u>\$ 8,729,395</u>	<u>\$ 8,699,370</u>	<u>\$ 10,243,516</u>	<u>\$ 5,813,348</u>	<u>\$ 5,263,351</u>	<u>\$ 5,594,338</u>
Plan fiduciary net position as a percentage of the total pension liability	68.56%	83.75%	67.23%	70.64%	68.66%	67.03%	59.96%	73.17%	74.70%	70.43%
Covered payroll	\$ 2,112,000	\$ 1,985,000	\$ 2,876,162	\$ 3,166,571	\$ 3,331,000	\$ 3,717,503	\$ 4,028,000	\$ 4,263,366	\$ 5,226,297	\$ 5,214,746
District's net pension liability as a percentage of covered payroll	476.45%	250.46%	347.10%	263.91%	262.07%	234.01%	254.31%	136.36%	100.71%	107.28%

Notes to Schedule:

1. Assumed discount rate was lowered to reflect more conservative asset allocations given closure to new entrants.

**LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022
Schedule of Employer Contributions
LTD Salaried Employees' Retirement Plan Trust Fund
Last 10 Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,489,000	\$ 1,468,000	\$ 1,482,000	\$ 1,525,000	\$ 1,400,000	\$ 1,455,247	\$ 1,175,000	\$ 1,205,400	\$ 1,157,450	\$ 1,156,122
Contribution in relation to the actuarially determined contribution	<u>1,576,101</u>	<u>1,470,780</u>	<u>1,483,553</u>	<u>1,506,168</u>	<u>1,577,474</u>	<u>1,842,970</u>	<u>1,174,309</u>	<u>1,333,241</u>	<u>1,161,609</u>	<u>1,156,127</u>
Contribution deficiency (excess)	<u>\$ (87,101)</u>	<u>\$ (2,780)</u>	<u>\$ (1,553)</u>	<u>\$ 18,832</u>	<u>\$ (177,474)</u>	<u>\$ (387,723)</u>	<u>\$ 691</u>	<u>\$ (127,841)</u>	<u>\$ (4,159)</u>	<u>\$ (5)</u>
Covered payroll	\$ 2,112,000	\$ 1,985,000	\$ 2,876,162	\$ 3,166,571	\$ 3,331,000	\$ 3,717,503	\$ 4,028,000	\$ 4,263,366	\$ 5,226,297	\$ 5,214,746
Contributions as a percentage of covered payroll	74.63%	74.09%	51.58%	47.56%	47.36%	49.58%	29.15%	31.27%	22.23%	22.17%

Notes to Schedule:

Valuation date	7/1/2019	7/1/2019	7/1/2017	7/1/2017	7/1/2015	7/1/2015	7/1/2013	7/1/2013	7/1/2011	7/1/2011
Investment rate of return assumption	5.00%	5.50%	6.25%	6.25%	6.50%	6.50%	7.25%	7.25%	7.50%	7.50%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Effective July 1, 2011: Closed 20-year amortization, level dollar
Asset valuation method	Market value gains and losses smoothed over three years, with result not less than 80% or greater than 120% of market value
Healthy mortality	Effective July 1, 2019: Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2019 mortality improvement projection scales starting at the 2012 base year. Effective July 1, 2017: RP-2014 Mortality Tables with White Collar adjustments with fully generational mortality protection starting 2006 using mortality improvement Scale MP-2017 Effective July 1, 2015: RP-2014 Mortality Tables with White Collar adjustments Effective July 1, 2011: RP-2000 Combined Health Mortality Table projected using Scale AA to 2018 for retirees and 2026 for others
Inflation	Effective July 1, 2017: 2.50% per year Effective July 1, 2015: 2.75% per year Through July 1, 2013: 3.00% per year
Salary increases	Effective July 1, 2017: Age-based, with an ultimate rate of 2.75% per year at ages 50+ Effective July 1, 2015: Age-based, with an ultimate rate of 3.00% per year at ages 50+ Effective July 1, 2011: Age-based, with an ultimate rate of 3.50% per year at ages 50+

LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022
Schedule of Changes in the Net Pension Liability and Related Ratios
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
Last 10 Fiscal Years ¹

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability										
Service cost	\$ 1,446,066	\$ 1,369,480	\$ 1,329,592	\$ 1,021,112	\$ 991,371	\$ 817,980	\$ 794,155	\$ 853,018	\$ 828,173	\$ -
Interest	2,778,079	2,884,018	2,795,682	2,655,520	2,574,590	2,586,906	2,495,722	2,424,057	2,326,828	-
Changes of benefit terms	-	-	-	-	-	-	-	356,341 ¹	-	-
Economic/demographic losses	-	(511,992)	-	73,889	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	(627,827)	-	(646,134)	-	-
Changes of assumptions	-	3,081,113	-	2,192,110	-	1,752,783	-	-	-	-
Benefit payments	(3,003,121)	(2,905,472)	(2,706,819)	(2,456,503)	(2,336,977)	(2,148,257)	(1,963,737)	(1,916,128)	(1,761,397)	-
Net change in total pension liability	1,221,024	3,917,147	1,418,455	3,486,128	1,228,984	2,381,585	1,326,140	1,071,154	1,393,604	-
Total pension liability - beginning	48,369,908	44,452,761	43,034,306	39,548,178	38,319,194	35,937,609	34,611,469	33,540,315	32,146,711	-
Total pension liability - ending	<u>\$ 49,590,932</u>	<u>\$ 48,369,908</u>	<u>\$ 44,452,761</u>	<u>\$ 43,034,306</u>	<u>\$ 39,548,178</u>	<u>\$ 38,319,194</u>	<u>\$ 35,937,609</u>	<u>\$ 34,611,469</u>	<u>\$ 33,540,315</u>	<u>\$ 32,146,711</u>
Plan fiduciary net position										
Employer contributions	\$ 3,632,718	\$ 2,671,188	\$ 2,850,360	\$ 2,895,673	\$ 2,653,938	\$ 3,089,304	\$ 2,309,003	\$ 2,222,585	\$ 2,248,159	\$ -
Net investment income	4,108,073	5,276,607	4,707,038	(1,845,557)	4,247,805	1,506,119	(577,624)	1,008,693	2,498,570	-
Benefit payments	(3,003,121)	(2,905,472)	(2,706,819)	(2,456,503)	(2,336,977)	(2,148,257)	(1,963,737)	(1,916,128)	(1,761,397)	-
Administrative expense	(81,154)	(119,830)	(103,752)	(137,086)	(112,050)	(110,564)	(70,779)	(115,303)	(82,478)	-
Net change in plan fiduciary net position	4,656,516	4,922,493	4,746,827	(1,543,473)	4,452,716	2,336,602	(303,137)	1,199,847	2,902,854	-
Plan fiduciary net position - beginning	37,538,452	32,615,959	27,869,132	29,412,605	24,959,889	22,623,287	22,926,424	21,726,577	18,823,723	-
Plan fiduciary net position - ending	<u>\$ 42,194,968</u>	<u>\$ 37,538,452</u>	<u>\$ 32,615,959</u>	<u>\$ 27,869,132</u>	<u>\$ 29,412,605</u>	<u>\$ 24,959,889</u>	<u>\$ 22,623,287</u>	<u>\$ 22,926,424</u>	<u>\$ 21,726,577</u>	<u>\$ 18,823,723</u>
District's net pension liability - ending	<u>\$ 7,395,964</u>	<u>\$ 10,831,456</u>	<u>\$ 11,836,802</u>	<u>\$ 15,165,174</u>	<u>\$ 10,135,573</u>	<u>\$ 13,359,305</u>	<u>\$ 13,314,322</u>	<u>\$ 11,685,045</u>	<u>\$ 11,813,738</u>	<u>\$ 13,322,988</u>
Plan fiduciary net position as a percentage of the total pension liability	85.09%	77.61%	73.37%	64.76%	74.37%	65.14%	62.95%	66.24%	64.78%	58.56%
Covered payroll	\$ 12,247,000	\$ 11,101,000	\$ 14,007,000	\$ 13,176,000	\$ 13,645,000	\$ 11,848,000	\$ 11,344,000	\$ 10,802,000	\$ 10,625,000	\$ 10,629,000
District's net pension liability as a percentage of covered payroll	60.39%	97.57%	84.51%	115.10%	74.28%	112.76%	117.37%	108.17%	111.19%	125.35%

Notes to Schedule:

1. A new collective bargaining agreement increased the benefit multiplier.

**LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022
Schedule of Employer Contributions
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
Last 10 Fiscal Years**

	Plan Year Ending December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,465,000	\$ 2,920,000	\$ 2,849,000	\$ 2,896,000	\$ 2,671,000	\$ 2,490,859	\$ 2,324,000	\$ 2,118,000	\$ 2,152,000	\$ 2,055,000
Contribution in relation to the actuarially determined contribution	2,671,188	2,850,360	2,895,673	2,653,938	3,089,304	3,089,304	2,309,003	2,222,585	2,248,159	2,205,000
Contribution deficiency (excess)	\$ 793,812	\$ 69,640	\$ (46,673)	\$ 242,062	\$ (418,304)	\$ (598,445)	\$ 14,997	\$ (104,585)	\$ (96,159)	\$ (150,000)
Covered payroll	\$ 11,290,000	\$ 11,092,000	\$ 14,028,000	\$ 13,311,000	\$ 13,292,000	\$ 11,661,000	\$ 10,999,000	\$ 10,526,000	\$ 10,544,000	\$ 10,450,000
Contributions as a percentage of covered payroll	23.66%	25.70%	20.64%	19.94%	23.24%	26.49%	20.99%	21.12%	21.32%	21.10%

Notes to Schedule:

Valuation date	1/1/2020	1/1/2020	1/1/2018	1/1/2018	1/1/2016	1/1/2016	1/1/2014	1/1/2014	1/1/2012	1/1/2012
Investment rate of return assumption	5.75%	5.75%	6.50%	6.50%	6.75%	6.75%	7.25%	7.25%	7.25%	7.25%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Effective January 1, 2014: Individual entry age normal, level percentage of pay Through January 1, 2012: Individual entry age normal, level dollar
Amortization method	Effective January 1, 2014: Layered 20-year amortization, level percentage of pay Effective January 1, 2006: Layered 20-year amortization, level dollar
Asset valuation method	Market value gains and losses are smoothed over three years, with result not less than 80% or greater than 120% of market value The actuarial asset method was reset to the market value of assets effective January 1, 2018
Mortality	Effective January 1, 2020: Pri-2012 Combined Mortality with Blue Collar Adjustment, generational projection using MP-2019 starting at the 2012 base year, and a one-year set-forward Effective January 1, 2018: RP-2014 Combined Mortality with Blue Collar Adjustment, generational projection using MP-2017 starting at the 2006 base year, and a one-year set-forward Effective January 1, 2012: RP-2000 Combined Health Mortality Table with Blue Collar Adjustment, projected using Scale AA to 2015 Through January 1, 2008: 1994 Uninsured Pensioner Mortality
Inflation	Effective January 1, 2018: 2.50% per year Effective January 1, 2016: 2.75% per year Through January 1, 2014: 3.00% per year
Salary increases	Effective January 1, 2014: 3% per year Through January 1, 2012: N/A
Future benefit rate increases	Effective January 1, 2014: 3% per year

**LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021
Schedule of Total OPEB Liability (TOL)
Last 10 Fiscal Years ¹**

Fiscal Year Ended	Total OPEB Liability	Covered Employee Payroll	TOL as a percent of covered payroll
6/30/2022	\$ 14,165,454	\$ 13,402,000	105.70%
6/30/2021	14,773,657	13,077,000	112.97%
6/30/2020	11,873,234	16,904,162	70.24%
6/30/2019	11,660,678	16,477,571	70.77%
6/30/2018	9,605,874	16,623,000	57.79%
6/30/2017	9,853,579	15,378,503	64.07%

Notes to Schedule:

1. This schedule is intended to show a 10-year trend of changes in the total OPEB liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.
2. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

**LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021
Schedule of Changes in Total OPEB Liability (TOL)
Last 10 Fiscal Years ¹**

Fiscal Year Ended	TOL Beginning Balance	Service Costs	Interest on the TOL	Benefit Payments	Economic/ Demographic (gains)/losses	Changes of Assumptions	Changes to Benefit Terms	TOL Ending Balance
6/30/2021	\$ 14,773,657	\$ 1,076,830	\$ 343,840	\$ (587,436)	\$ (1,080,363)	\$ (361,074)	\$ -	\$ 14,165,454
6/30/2021	11,873,234	825,960	427,108	(573,413)	-	2,220,768	-	14,773,657
6/30/2020	11,660,678	830,562	473,004	(542,982)	(334,126)	(213,902)	-	11,873,234
6/30/2019	9,605,874	753,687	355,173	(490,681)	-	(326,239)	1,762,864	11,660,678
6/30/2018	9,853,579	792,964	296,401	(496,473)	-	(840,597)	-	9,605,874

Notes to Schedule:

1. This schedule is intended to show a 10-year trend of changes in the total OPEB liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

*Supplementary
Information*

Lane Transit District
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Passenger fares	\$ 4,448,880	\$ 4,448,880	\$ 3,798,924	\$ (649,956)
Advertising	-	-	31,125	31,125
Employer payroll tax	38,228,432	40,700,000	47,048,331	6,348,331
Self-employment tax	1,371,536	2,900,000	2,323,671	(576,329)
State payroll assessment	494,832	500,000	646,016	146,016
Federal assistance	20,030,000	20,030,000	16,907,812	(3,122,188)
State assistance	1,700,000	1,700,000	1,066,639	(633,361)
Capital asset disposal	-	-	170,600	170,600
Miscellaneous	504,912	504,912	426,202	(78,710)
Interest	274,700	274,700	181,836	(92,864)
Total revenues	67,053,292	71,058,492	72,601,156	1,542,664
Expenditures				
Personnel services	40,425,776	39,392,082	36,414,838	2,977,244
Materials and services	11,119,024	11,197,524	9,871,874	1,325,650
Insurance	676,291	1,631,685	1,270,429	361,256
Transit Services [1]	52,221,091	52,221,291	47,557,141	4,664,150
Other uses				
Transfer to Accessible Services Fund	3,736,631	5,236,631	2,100,000	3,136,631
Transfer to Medicaid Fund	400,200	400,200	400,200	-
Transfer to Point2point Fund	218,124	218,124	115,000	103,124
Transfer to Capital Projects Fund	12,420,116	12,420,116	12,420,116	-
Non-operating [1]	16,775,071	18,275,071	15,035,316	3,239,755
Reserve for future expenditure	550,000	562,130	-	562,130
Total expenditures and other uses	69,546,162	71,058,492	62,592,457	8,466,035
Excess (deficiency) of revenues over expenditures	(2,492,870)	-	10,008,699	10,008,699
Fund balance, beginning of year	2,492,870	-	26,538,029	26,538,029
Fund balance, end of year	\$ -	\$ -	\$ 36,546,728	\$ 36,546,728

[1] Legal level of appropriation

**Lane Transit District
Point2point Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal assistance	\$ 495,385	\$ 495,385	\$ 359,908	\$ (135,477)
Other sources				
Transfer from General Fund	218,124	218,124	115,000	(103,124)
Total revenues	<u>713,509</u>	<u>713,509</u>	<u>474,908</u>	<u>(238,601)</u>
Expenditures				
Point2Point Administration	135,750	135,750	71,273	64,477
Emergency Home Ride	2,000	2,000	177	1,823
Safe Routes to School	264,000	264,000	65,673	198,327
Vanpool	130,000	130,000	30,037	99,963
Projects:				
Safe Routes to School Bike Ped Safety Program	40,334	40,334	-	40,334
ETC program	40,000	40,000	-	40,000
Driveless Connection/Get There	-	-	121	(121)
SmartTrips	70,000	70,000	91	69,909
Non-program	26,425	26,425	-	26,425
Transit Services [1]	<u>708,509</u>	<u>708,509</u>	<u>167,372</u>	<u>541,137</u>
Other sources (uses)				
Working capital contingency	5,000	5,000	-	5,000
Total other uses	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures and other uses	<u>713,509</u>	<u>713,509</u>	<u>167,372</u>	<u>546,137</u>
Excess of revenues over expenditures	-	-	307,536	307,536
Fund balance, beginning of year	-	-	(166,867)	(166,867)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,669</u>	<u>\$ 140,669</u>

[1] Legal level of appropriation

Lane Transit District
Specialized Services Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Passenger fares	\$ 286,043	\$ 286,043	\$ 269,643	\$ (16,400)
Federal assistance	3,619,928	4,015,943	1,036,501	(2,979,442)
State assistance	3,775,973	3,514,630	1,287,089	(2,227,541)
Local assistance	296,057	161,384	147,996	(13,388)
Miscellaneous	-	-	50	50
Other sources				
Transfer from General Fund	3,736,631	5,236,631	2,100,000	(3,136,631)
Total revenues	<u>11,714,632</u>	<u>13,214,631</u>	<u>4,841,279</u>	<u>(8,373,352)</u>
Expenditures				
Eugene-Springfield services				
ADA RideSource	7,444,264	8,944,263	3,374,609	5,569,654
Transit training and hosts	154,038	154,038	13,780	140,258
Mental health transportation	231,064	231,064	103,186	127,878
LTD staff time	145,000	145,000	-	145,000
Total Eugene-Springfield services	<u>7,974,366</u>	<u>9,474,365</u>	<u>3,491,575</u>	<u>5,982,790</u>
Rural Lane County services				
South Lane	261,599	261,599	143,107	118,492
Oakridge	362,284	362,284	270,033	92,251
Florence	458,884	458,884	220,060	238,824
Volunteer coordination	-	-	74,089	(74,089)
Total rural Lane County services	<u>1,082,767</u>	<u>1,082,767</u>	<u>707,289</u>	<u>375,478</u>
Other services				
Mobility management	127,906	127,906	104,235	23,671
Crucial connections	7,500	7,500	4,019	3,481
Veterans transportation	12,500	12,500	1,328	11,172
Total other services	<u>147,906</u>	<u>147,906</u>	<u>109,582</u>	<u>38,324</u>
Statewide Transportation Improvement				
BikeShare enhancement	417,000	417,000	-	417,000
Cottage Grove MOD	260,000	260,000	-	260,000
Enhance Lane-Douglas connector	105,593	105,593	-	105,593
Fare collection integration	37,500	37,500	-	37,500
Florence/Eugene connector	60,000	60,000	-	60,000
Florence/Yachats	21,500	21,500	-	21,500
Lane County STIF program overview	55,000	55,000	-	55,000
Mobility management plan	275,000	275,000	-	275,000
Pilot MOD service	300,000	300,000	-	300,000
STIF transit demand plan	-	-	7,363	(7,363)
STIF grant administration	200,000	228,000	486,723	(258,723)
RideSource shopper expansion	300,000	300,000	-	300,000
Mobile wallet	450,000	450,000	-	450,000
STIF Reserve	28,000	-	-	-
Total Statewide Transportation Improvement	<u>2,509,593</u>	<u>2,509,593</u>	<u>494,086</u>	<u>2,015,507</u>
Transit Services [1]	<u>11,714,632</u>	<u>13,214,631</u>	<u>4,802,532</u>	<u>8,412,099</u>
Excess of revenues over expenditures	-	-	38,747	38,747
Fund balance, beginning of year	-	-	2,369,505	2,369,505
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,408,252</u></u>	<u><u>\$ 2,408,252</u></u>

[1] Legal level of appropriation

Lane Transit District
Medicaid Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Medicaid medical services	\$ 13,267,295	\$ 13,517,295	\$ 10,876,880	\$ (2,640,415)
Medicaid waived transportation	1,249,725	1,249,725	-	(1,249,725)
Other sources				
Transfer from General Fund	400,200	400,200	400,200	-
Total revenues and other sources	<u>14,917,220</u>	<u>15,167,220</u>	<u>11,277,080</u>	<u>(3,890,140)</u>
Expenditures				
Medicaid nonemergency medical transportation (NEMT)				
Services	10,240,000	10,490,000	7,382,433	3,107,567
Mobility management	96,000	96,000	63,793	32,207
Program administration	2,931,495	2,931,495	2,936,423	(4,928)
Total Medicaid NEMT	<u>13,267,495</u>	<u>13,517,495</u>	<u>10,382,649</u>	<u>3,134,846</u>
Medicaid waived transportation				
Services	1,259,600	1,259,600	628,540	631,060
Mobility management	41,975	41,975	20,852	21,123
Program administration	20,400	20,400	6,765	13,635
Grant program match requirements	327,750	327,750	-	327,750
Total Medicaid waived transportation	<u>1,649,725</u>	<u>1,649,725</u>	<u>656,157</u>	<u>993,568</u>
Transit Services [1]	<u>14,917,220</u>	<u>15,167,220</u>	<u>11,038,806</u>	<u>4,128,414</u>
Excess of revenues over expenditures	-	-	238,274	238,274
Fund balance, beginning of year	-	-	758,159	758,159
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 996,433</u></u>	<u><u>\$ 996,433</u></u>

[1] Legal level of appropriation

**Lane Transit District
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal assistance	\$ 22,099,496	\$ 22,099,496	\$ 4,245,993	\$ (17,853,503)
State assistance	2,545,806	2,545,806	3,805,978	1,260,172
Local assistance	180,000	180,000	64,000	(116,000)
CARES act	-	-	-	-
Other sources				
Transfer from General Fund	12,420,116	12,420,116	12,420,116	-
Total revenues and other sources	37,245,418	37,245,418	20,536,087	(16,709,331)
Expenditures				
Community Investments:				
Frequent transit network				
Franklin Blvd Transformation	5,000,000	5,000,000	-	5,000,000
MovingAhead	383,717	383,717	29,835	353,882
West Eugene EmX Extension	-	-	657	(657)
Main Street/McVay transit study	125,000	125,000	-	125,000
River Road Transit disposal	-	-	1,734	(1,734)
Planning studies	1,290,000	1,290,000	163,999	1,126,001
Total frequent transit network	6,798,717	6,798,717	196,225	6,602,492
Facilities				
SantaClara Community Transit Center	90,000	90,000	6,544	83,456
Eugene station modifications	-	-	61,151	(61,151)
Green Lane Corner improvements	10,000	10,000	-	10,000
Hunsaker Development Project	30,000	30,000	6,934	23,066
Passenger Boarding Improvements	200,000	200,000	152,989	47,011
Total facilities	330,000	330,000	227,618	102,382
Technology Infrastructure & Systems				
Fare management system	-	-	2,937	(2,937)
Novus modules	200,000	200,000	56,625	143,375
STIF Mobile Wallet/Trip Planner (MaaS)	450,000	450,000	-	450,000
EmX electronic sign management system	200,000	200,000	-	200,000
Website	450,000	450,000	-	450,000
Fare collection integration	75,000	75,000	-	75,000
Total technology infrastructure & systems	1,375,000	1,375,000	59,562	1,315,438
Safety & Security				
FTN safety and amenity improvements	500,000	500,000	1,886,643	(1,386,643)
System security improvements	1,200,000	1,200,000	-	1,200,000
Total safety and security	1,700,000	1,700,000	1,886,643	(186,643)
Total Community Investments	10,203,717	10,203,717	2,370,048	7,833,669
State of Good Repair				
Fleet				
Ten Yr.-Fixed Route fleet replacement	19,755,000	19,755,000	1,477,981	18,277,019
Ten-Year Non-revenue fleet	260,000	260,000	213,715	46,285
Ten Yr. Spec Srvc fleet replacement	1,500,000	1,500,000	-	1,500,000
Spare parts for vehicles	-	-	99,946	(99,946)
Fleet procurement plan	150,000	150,000	74,550	75,450
Total fleet	21,665,000	21,665,000	1,866,192	19,798,808

Continued on next page

**Lane Transit District
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Non-GAAP Budget Basis
For the fiscal year ended June 30, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Facilities				
Training facility	-	-	86,564	(86,564)
Bus wash replacement	750,000	750,000	81,481	668,519
Stations, shelters & facilities	450,000	450,000	362,627	87,373
Total facilities	<u>1,200,000</u>	<u>1,200,000</u>	<u>530,672</u>	<u>669,328</u>
Technology Infrastructure & Systems				
Computer hardware and software	2,788,400	2,788,400	240,580	2,547,820
NTD software	-	-	85,685	(85,685)
Scheduling software	-	-	51,984	(51,984)
Administrative software	-	-	10,872	(10,872)
CAD/AVL	-	-	538	(538)
Data warehouse	-	-	28,178	(28,178)
ERP	-	-	68,982	(68,982)
Microsoft 365	-	-	62,298	(62,298)
Mobile gateways	-	-	2,689	(2,689)
Operations software/Midas replacement	-	-	20,622	(20,622)
Disaster recovery preparedness	-	-	208,636	(208,636)
Total technology infrastructure & systems	<u>2,788,400</u>	<u>2,788,400</u>	<u>781,064</u>	<u>2,007,336</u>
Safety & Security				
System security improvements	-	-	982,799	(982,799)
Onboard security systems	298,301	298,301	-	298,301
Total safety and security	<u>298,301</u>	<u>298,301</u>	<u>982,799</u>	<u>(684,498)</u>
Total State of Good Repair	<u>25,951,701</u>	<u>25,951,701</u>	<u>4,160,727</u>	<u>21,209,019</u>
Grant Funded Non-Capitalized				
COVID-19	<u>360,000</u>	<u>360,000</u>	<u>95,686</u>	<u>264,314</u>
Transit Investments [1]	<u>36,515,418</u>	<u>36,515,418</u>	<u>6,626,461</u>	<u>29,307,002</u>
Total expenditures and other uses	<u>36,515,418</u>	<u>36,515,418</u>	<u>6,626,461</u>	<u>29,307,002</u>
Excess of revenues over expenditures	730,000	730,000	13,909,626	13,179,626
Fund balance, beginning of year	-	-	10,517,193	10,517,193
Fund balance, end of year	<u>\$ 730,000</u>	<u>\$ 730,000</u>	<u>\$ 24,426,819</u>	<u>\$ 23,696,819</u>

[1] Legal level of appropriation

Lane Transit District
Reconciliation of Excess (Deficiency) of Revenues
Over Expenditures on a Budgetary Basis to
Changes in Net Position on a GAAP Basis
For the fiscal year ended June 30, 2022

Excess of revenues over expenditures	
General Fund	\$ 10,008,699
Point2point Fund	307,536
Specialized Services Fund	38,747
Medicaid Fund	238,274
Capital Projects Fund	13,909,626
Total excess of revenues over expenditures	<u>24,502,882</u>
Reconciling items:	
Depreciation	(15,383,574)
Acquisition of capital assets	4,937,271
Sale of right-of-way	(170,600)
Loss on capital asset disposal	(313,277)
OPEB expense	(699,290)
Pension expense in excess of pension contribution	1,509,063
Accrued vacation and sick leave	2,563
Total reconciling items	<u>(10,117,844)</u>
Change in net position on a GAAP basis	<u>\$ 14,385,038</u>

Lane Transit District
Reconciliation of Budgetary Fund Balances to
Net Position on a GAAP Basis
June 30, 2022

Budgetary fund balances:	
General Fund	\$ 36,546,728
Point2point Fund	140,669
Specialized Services Fund	2,408,252
Medicaid Fund	996,433
Capital Projects Fund	24,426,819
Total budgetary fund balances	<u>64,518,901</u>
Reconciling items:	
Leases receivable	10,418
Capital assets	154,313,187
Deferred outflows of resources	7,550,226
Compensated absences	(2,769,809)
Total OPEB liability	(14,165,454)
Net pension liability	(17,458,507)
Deferred inflows of resources	(6,206,311)
Total reconciling items	<u>121,273,750</u>
Net position on a GAAP basis	<u>\$ 185,792,651</u>

Lane Transit District
Combining Statements of Fiduciary Net Position

	Amalgamated Transit Union, Local No. 757 Pension Trust Fund As of December 31, 2021	Lane Transit District Salaried Employee's Retirement Plan Trust Fund As of June 30, 2022	Total June 30, 2022
Assets			
Cash			
Cash and cash equivalents	\$ 898,654	\$ 623,054	\$ 1,521,708
Investments			
Shares of registered investment companies	41,296,314	21,330,111	62,626,425
Total Assets	42,194,968	21,953,165	64,148,133
Liabilities			
Accrued expenses	-	8,799	8,799
Fiduciary Net Position - Restricted for Pensions	\$ 42,194,968	\$ 21,944,366	\$ 64,139,334

	Amalgamated Transit Union, Local No. 757 Pension Trust Fund As of December 31, 2020	Lane Transit District Salaried Employee's Retirement Plan Trust Fund As of June 30, 2021	Total June 30, 2021
Assets			
Cash			
Cash and cash equivalents	\$ 691,403	\$ 467,393	\$ 1,158,796
Investments			
Shares of registered investment companies	36,854,486	25,153,366	62,007,852
Total Assets	37,545,889	25,620,759	63,166,648
Liabilities			
Accrued expenses	7,437	-	7,437
Fiduciary Net Position - Restricted for Pensions	\$ 37,538,452	\$ 25,620,759	\$ 63,159,211

Lane Transit District
Combining Statement of Changes in Fiduciary Net Position

	Amalgamated Transit Union, Local No. 757 Pension Trust Fund	Lane Transit District Salaried Employee's Retirement Plan Trust Fund	Total
	For the Year Ended December 31, 2021	For the Year Ended June 30, 2022	For the Year Ended June 30, 2021
Additions			
Employer contributions	\$ 3,632,718	\$ 1,576,101	\$ 5,208,819
Investment income			
Net change in fair value of investments	3,093,800	(4,018,087)	(924,287)
Interest, dividends and other income	1,067,276	706,770	1,774,046
Investment expenses	(53,001)	(58,757)	(111,758)
Net investment income	4,108,075	(3,370,074)	738,001
Total (Net) Additions	7,740,793	(1,793,973)	5,946,820
Deductions			
Benefits paid to participants	3,003,121	1,835,050	4,838,171
Administrative expenses	81,156	47,370	128,526
Total deductions	3,084,277	1,882,420	4,966,697
Net increase (decrease) in fiduciary net position	4,656,516	(3,676,393)	980,123
Fiduciary Net Position - Restricted for Pensions			
Beginning of the year	37,538,452	25,620,759	63,159,211
Fiduciary Net Position - Restricted for Pensions			
End of the year	\$ 42,194,968	\$ 21,944,366	\$ 64,139,334

	Amalgamated Transit Union, Local No. 757 Pension Trust Fund	Lane Transit District Salaried Employee's Retirement Plan Trust Fund	Total
	For the Year Ended December 31, 2020	For the Year Ended June 30, 2021	For the Year Ended June 30, 2019
Additions			
Employer contributions	\$ 2,671,189	\$ 1,470,780	\$ 4,141,969
Investment income			
Net change in fair value of investments	4,822,217	5,310,638	10,132,855
Interest, dividends and other income	494,663	411,027	905,690
Investment expenses	(40,274)	(56,617)	(96,891)
Net investment income	5,276,606	5,665,048	10,941,654
Total Additions	7,947,795	7,135,828	15,083,623
Deductions			
Benefits paid to participants	2,903,264	1,920,824	4,824,088
Administrative expenses	122,038	72,839	194,877
Total deductions	3,025,302	1,993,663	5,018,965
Net increase in fiduciary net position	4,922,493	5,142,165	10,064,658
Fiduciary Net Position - Restricted for Pensions			
Beginning of the year	32,615,959	20,478,594	53,094,553
Fiduciary Net Position - Restricted for Pensions			
End of the year	\$ 37,538,452	\$ 25,620,759	\$ 63,159,211

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Lane Transit District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trend Information

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Financial Trend Information

LANE TRANSIT DISTRICT
Comparative Statements of Net Position
Last Ten Years At June 30

	2022	2021	Restated 2020	2019	Restated 2018	2017	2016	2015	Restated 2014	2013
Assets										
Current assets	\$ 85,390,621	\$ 54,247,709	\$ 44,174,300	\$ 38,916,289	\$ 39,716,401	\$ 33,622,720	\$ 53,537,565	\$ 56,639,732	\$ 41,747,999	\$ 37,774,109
Capital assets, net of accumulated depreciation	154,313,187	165,243,367	158,549,761	162,507,251	176,573,417	182,179,014	160,464,158	125,447,247	113,337,904	114,242,299
Other assets	-	-	-	-	-	-	-	-	-	1,068,705
Total assets	239,703,808	219,491,076	202,724,061	201,423,540	216,289,818	215,801,734	214,001,723	182,086,979	155,085,903	153,085,113
Deferred outflows of resources	7,550,226	7,613,208	4,665,520	6,301,745	3,425,274	5,235,429	6,267,714	1,540,509	1,693,168	-
Total assets and deferred outflows of resources	\$ 247,254,034	\$ 227,104,284	\$ 207,389,581	\$ 207,725,285	\$ 219,715,092	\$ 221,037,163	\$ 220,269,437	\$ 183,627,488	\$ 156,779,071	\$ 153,085,113
Liabilities										
Current liabilities	\$ 21,619,434	\$14,996,365	\$11,741,277	\$ 5,932,870	\$ 8,635,621	\$ 9,017,767	\$17,233,164	\$ 22,159,541	\$ 10,036,528	\$ 9,926,804
Noncurrent liabilities	33,635,638	32,584,389	35,558,933	37,147,793	30,336,335	28,793,940	29,591,803	23,454,799	22,635,145	4,167,895
Total liabilities	55,255,072	47,580,754	47,300,210	43,080,663	38,971,956	37,811,707	46,824,967	45,614,340	32,671,673	14,094,699
Deferred outflows of resources	6,206,311	8,115,917	2,538,142	1,181,933	2,236,492	696,930	351,796	712,072	1,784,272	-
Net position										
Investment in capital assets	154,313,187	165,243,367	158,549,761	162,507,251	176,573,417	182,179,014	160,464,158	125,447,247	113,337,904	114,242,299
Restricted for Accessible Services, Point2point and Medicaid programs	9,710,147	11,552,594	5,946,354	579,853	1,792,304	38,863	2,775,776	440,273	398,255	436,632
Unrestricted	21,769,317	(5,388,348)	(6,944,886)	375,585	140,923	310,649	9,852,739	11,413,556	8,586,967	24,311,483
Total net position	185,792,651	171,407,613	157,551,229	163,462,689	178,506,644	182,528,526	173,092,673	137,301,076	122,323,126	138,990,414
Total liabilities, deferred inflows of resources and net position	\$ 247,254,034	\$ 227,104,284	\$ 207,389,581	\$ 207,725,285	\$ 219,715,092	\$ 221,037,163	\$ 220,269,437	\$ 183,627,488	\$ 156,779,071	\$ 153,085,113

Source: Lane Transit District Financial Statements

LANE TRANSIT DISTRICT

**Changes in Net Position
Last Ten Years Ended June 30**

	2022	2021	Restated 2020	2019	Restated 2018	2017	2016	2015	Restated 2014	2013
Operations										
Fixed route										
Revenue	\$ 3,830,049	\$ 1,051,890	\$ 5,097,392	\$ 7,344,209	\$ 7,338,415	\$ 7,921,433	\$ 7,807,665	\$ 7,893,869	\$ 7,733,140	\$ 7,640,918
Expense	(47,734,710)	(42,631,097)	(46,917,260)	(48,814,789)	(45,931,894)	(47,650,802)	(40,932,868)	(38,541,017)	(36,660,628)	(35,813,713)
Total fixed route	(43,904,661)	(41,579,207)	(41,819,868)	(41,470,580)	(38,593,479)	(39,729,369)	(33,125,203)	(30,647,148)	(28,927,488)	(28,172,795)
Accessible Services, Point2point and Medicaid										
Revenue	13,978,068	11,579,378	15,825,212	16,244,867	14,115,229	12,572,295	14,115,352	13,173,252	9,857,780	9,394,430
Expense	(16,008,711)	(12,843,940)	(16,922,825)	(18,697,692)	(17,118,488)	(15,482,280)	(16,768,307)	(14,617,685)	(12,314,118)	(10,841,746)
Total Accessible Services, Point2point and Medicaid	(2,030,643)	(1,264,562)	(1,097,613)	(2,452,825)	(3,003,259)	(2,909,985)	(2,652,955)	(1,444,433)	(2,456,338)	(1,447,316)
Loss from operations	(45,935,304)	(42,843,769)	(42,917,481)	(43,923,405)	(41,596,738)	(42,639,354)	(35,778,158)	(32,091,581)	(31,383,826)	(29,620,111)
Nonoperating revenues										
Employer payroll tax	47,048,331	42,081,318	39,842,212	37,749,489	35,797,722	32,827,455	34,394,558	30,981,560	25,374,737	24,891,777
Self-employment tax	2,323,671	2,203,730	2,017,855	1,932,829	2,072,662	1,983,365	1,902,866	1,683,987	1,647,329	1,576,826
State payroll assessment	646,016	589,303	555,192	439,545	439,600	411,860	400,795	609,978	1,914,665	1,941,063
Federal assistance	17,974,451	11,643,403	3,445,027	2,487,542	2,825,907	-	4,736,708	6,001,519	5,993,929	6,563,936
State assistance	-	-	-	-	-	115,475	154,426	29,688	723,888	-
Interest	181,836	154,305	310,904	338,244	167,305	201,295	99,207	52,359	85,619	77,171
Other revenues	426,206	228,207	401,279	639,391	166,934	349,986	400,494	433,787	366,327	325,339
Total nonoperating revenues	68,600,511	56,900,266	46,572,469	43,587,040	41,470,130	35,889,436	42,089,054	39,792,878	36,106,494	35,376,112
Income (loss) before capital contributions	22,665,207	14,056,497	3,654,988	(336,365)	(126,608)	(6,749,918)	6,310,896	7,701,297	4,722,668	5,756,001
Capital contributions										
Federal and state grants for capital acquisition	8,115,972	16,288,091	12,340,911	3,638,471	17,530,013	27,832,523	40,998,913	18,893,678	8,564,456	2,165,876
Changes in net position before depreciation, OPEB expense, and gain (loss) on sale of assets	30,781,179	30,344,588	15,995,899	3,302,106	17,403,405	21,082,606	47,309,808	26,594,975	13,287,124	7,921,877
Depreciation	(15,383,574)	(15,727,034)	(14,005,049)	(16,192,571)	(15,613,426)	(11,331,319)	(11,129,702)	(11,152,433)	(10,519,936)	(10,561,286)
OPEB expense	(699,290)	(746,187)	(479,250)	(2,159,635)	247,705	(353,155)	(395,154)	(461,715)	(555,778)	(614,905)
Gain (loss) on disposal of capital assets	(313,277)	(14,983)	-	6,145	(1,075,334)	37,721	6,644	(2,877)	13,052	7,635
Changes in net position	\$ 14,385,038	\$ 13,856,384	\$ 1,511,600	\$ (15,043,955)	\$ 962,350	\$ 9,435,853	\$ 35,791,596	\$ 14,977,950	\$ 2,224,462	\$ (3,246,679)

Source: Lane Transit District Financial Statements

*Demographic and Economic
Information*

**LANE TRANSIT DISTRICT
Principal Employers of Lane County
Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees ³	Rank	Percentage of Lane County Employment	Employees ³	Rank	Percentage of Lane County Employment
PeaceHealth Corp	5,347	1	3.54%	4,212	2	2.7%
University of Oregon	5,036	2	3.34%	4,847	1	3.1%
Eugene 4J School District	2,347	3	1.56%	1,900	4	1.2%
U.S. Government	1,813	4	1.20%	1,625	5	1.0%
Oregon State Government	1,805	5	1.20%	1,100	9	0.7%
City of Eugene	1,733	6	1.15%	1,427	7	0.9%
Lane Community College	1,721	7	1.14%	1,151	8	0.7%
Lane County Government	1,552	8	1.03%	2,000	3	1.3%
Springfield School District	1,130	9	0.75%	1,500	6	0.9%
Mckenzie-Willamette Med Ctr	1,060	10	0.70%	N/A	N/A	N/A
Wal-Mart	N/A	N/A	N/A	1,050	10	0.7%
	<u>23,546</u>		<u>15.61%</u>	<u>20,812</u>		<u>13.1%</u>
Total Employees	<u>153,276</u> ¹			<u>158,703</u> ²		

¹Per Bureau of Labor Statistics, total covered employment as of Dec 2021

²Per OLMIS Labor Force Data - Employed Level - Monthly Data (January)

³ Employee count and percent of county employment is as of January 1st of each year

Source: Eugene Chamber of Commerce, Oregon Employment Department

Demographic and Economic Statistics Last Ten Years

Fiscal Year	Lane Transit District Population (a)	Lane County, Oregon			
		Population (b)	Personal Income (,000) (c)	Per Capita Income (c)	Unemployment Rate (d)
2012	297,500	354,506	12,784,129	36,062	8.8%
2013	298,300	356,212	13,047,961	36,630	8.1%
2014	300,000	358,805	13,575,594	37,867	7.0%
2015	302,200	362,600	14,597,955	40,259	6.1%
2016	305,350	369,519	15,160,278	41,027	5.5%
2017	311,395	374,748	16,275,162	43,430	4.0%
2018	314,500	379,611	17,431,415	45,919	4.3%
2019	316,600	382,067	18,087,217	47,340	4.2%
2020	317,600	382,986	18,989,468	49,583	10.7%
2021	318,700	383,189	21,131,525	55,146	5.5%

Notes

a. District population in census years determined by Lane Transit District planning staff from U.S. Census Bureau census tract information. Intervening years are an estimate using information from the Census and

Source

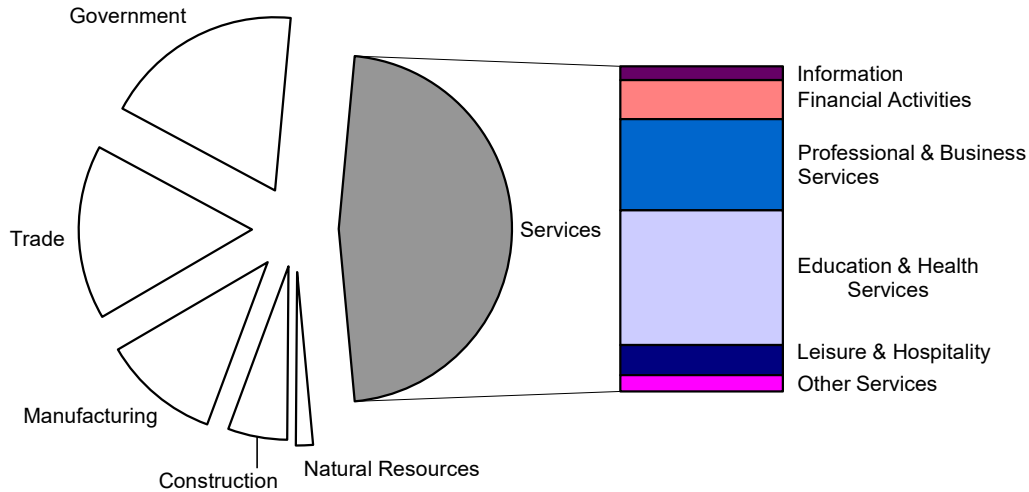
b. Oregon Employment Department and the Population Research Center at Portland State University

c. Bureau of Economic Analysis, U.S. Department of Commerce.

d. Bureau of Labor Statistics, U.S. Department of Labor. Rates presented are annualized for the calendar year.

LANE TRANSIT DISTRICT

Lane County 2021 Covered Payroll



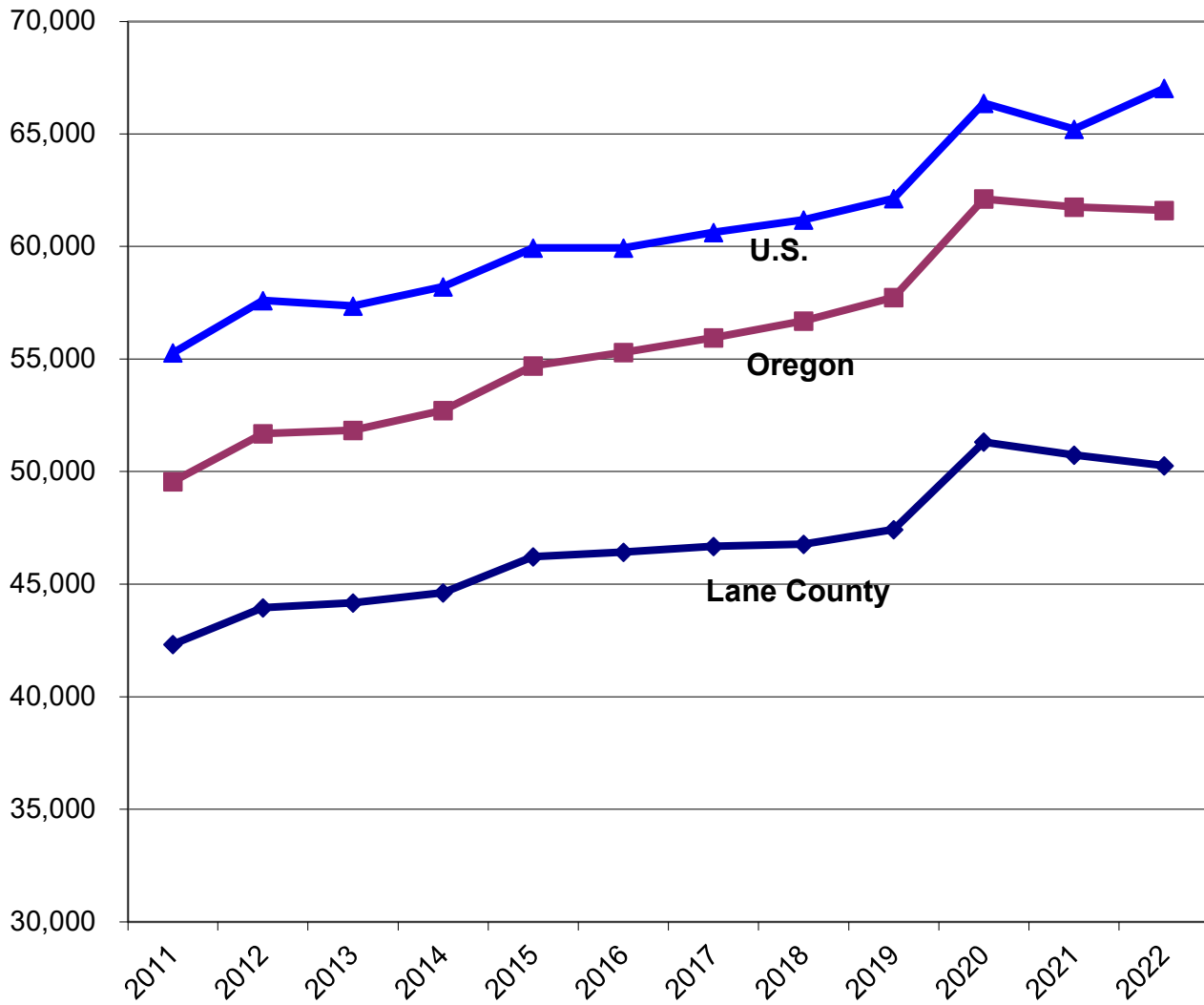
2021 Covered Employment and Wages Summary Report for Lane County

	Units	Covered Employment		Covered Payroll		Average Pay
		Count	Percent	Total in Millions	Percent	
Natural resources and mining	308	2,592	1.7%	\$ 126	1.6%	\$ 48,628
Construction	1,158	7,460	5.0%	\$ 438	5.5%	\$ 58,674
Manufacturing	561	14,367	9.5%	\$ 866	10.9%	\$ 60,295
Trade, transportation and utilities Service	2,005	29,300	19.5%	\$ 1,289	16.3%	\$ 43,996
Information	320	1,913	1.3%	\$ 158	2.0%	\$ 82,797
Financial activities	1,158	6,318	4.2%	\$ 447	5.6%	\$ 70,742
Professional and business services	1,912	17,827	11.8%	\$ 1,045	13.2%	\$ 58,603
Education and health services	2,824	27,921	18.5%	\$ 1,548	19.5%	\$ 55,427
Leisure and hospitality	1,183	14,843	9.9%	\$ 342	4.3%	\$ 23,069
Other services	1,187	4,813	3.2%	\$ 175	2.2%	\$ 36,415
Total Service	8,584	73,635	48.9%	\$ 3,715	46.9%	\$ 50,456
Unclassified	465	244		\$ 12	0.2%	\$ 23,069
Total all government	435	23,001	15.3%	\$ 1,474	18.6%	\$ 64,083
Total 2021 Covered Employment	13,516	150,599	100%	\$ 7,921	99.8%	\$ 52,596

Source: Oregon Employment Department

LANE TRANSIT DISTRICT

Inflation Adjusted Annual Average Wages



Source: Oregon Employment Department

Operating Information

LANE TRANSIT DISTRICT
Expenditures and Full-Time Equivalent Employees (FTEs) by Organizational Units
Budgetary Basis
Last Ten Fiscal Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operations										
Transportation	\$23,362,870	\$20,849,603	\$23,496,971	\$23,817,103	\$24,126,915	\$23,803,818	\$ 21,227,434	\$ 19,006,723	\$ 17,775,567	\$ 17,278,362
FTEs at end of period	192.0	192.0	169.0	232.0	222.0	245.5	203.6	203.6	202.0	202.0
Maintenance	\$12,107,492	\$10,489,274	\$11,501,372	\$12,276,394	\$11,966,793	\$11,540,571	\$9,976,217	\$9,893,756	\$9,712,732	\$9,472,080
FTEs at end of period	50.0	47.0	46.0	56.0	50.0	54.0	52.5	52.5	51.1	51.3
Customer Service, Marketing, and Planning	\$2,731,040	\$2,286,134	\$2,749,516	\$2,854,091	\$3,264,027	\$4,325,815	\$3,645,111	\$3,284,172	\$3,733,361	\$3,150,530
FTEs at end of period	20.0	18.0	19.0	21.0	32.9	33.2	27.9	27.9	22.2	22.3
Administration	\$8,085,155	\$6,919,019	\$5,929,333	\$6,347,874	\$7,179,980	\$7,154,290	\$4,146,877	\$3,835,509	\$4,406,890	\$4,002,512
FTEs at end of period	47.5	33.0	27.0	31.0	35.7	30.7	25.8	25.8	35.0	31.0
Insurance and Risk	\$1,270,429	\$1,788,727	\$1,091,939	\$974,086	\$1,200,016	\$1,058,700	\$941,876	\$1,092,057	\$1,084,682	\$1,224,832
FTEs at end of period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accessible Services, Medicaid and P2p	\$16,008,711	\$12,984,024	\$17,067,824	\$18,697,683	\$16,213,315	\$15,482,279	\$16,768,307	\$14,617,685	\$12,314,118	\$10,841,746
FTEs at end of period	3.0	3.0	2.0	8.0	2.6	2.6	2.6	2.6	3.0	3.0
Total operations	\$63,565,697	\$55,316,781	\$61,836,955	\$64,967,231	\$63,951,046	\$63,365,473	\$56,705,822	\$51,729,902	\$49,027,350	\$45,970,062
Total FTEs at end of period	312.5	293.0	263.0	348.0	343.2	366.0	312.4	312.4	313.3	309.5
Capital Transfers from General Fund	\$12,420,116	\$5,454,930	\$0	\$0	\$5,273,562	\$18,487,923	\$1,667,600	\$3,351,100	\$1,792,700	\$1,600,000
Capital Transfers from Specialized Services Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,236
Total operations and capital transfers	\$ 75,985,813	\$ 64,170,924	\$ 61,836,955	\$ 64,967,231	\$ 69,224,608	\$ 81,853,396	\$ 58,373,422	\$ 55,081,002	\$ 50,820,050	\$ 47,577,298

LANE TRANSIT DISTRICT
Capital Asset Statistics
Last Ten Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Miles of busway	15.4	15.4	15.4	15.4	15.4	15.4	8.45	8.45	8.45	8.45
Rolling stock										
40-foot buses	52	57	69	78	77	78	73	75	79	79
40-foot buses (electric)	11	11	0	0	0	0	0	0	0	0
60-foot buses	14	19	19	18	18	18	18	24	15	15
< 40-foot buses	0	0	0	0	0	0	0	3	6	6
EmX vehicles	21	21	18	18	18	18	18	11	11	11
Total rolling stock	98	108	106	114	113	114	109	113	111	111
Accessible Services vehicles	66	65	73	77	71	73	88	79	82	82
Primary stations	2	2	2	2	2	2	2	2	2	2
EmX station platforms	60	60	59	59	59	59	31	31	31	31
Other stations	9	9	9	9	9	9	6	9	9	9
Shelters	186	186	186	184	184	183	181	183	193	193
Signed stops	1137	1137	1137	1137	1137	1,147	1,250	1,233	1,218	1,217
Maintenance facility	1	1	1	1	1	1	1	1	1	1
Administration facility	1	1	1	1	1	1	1	1	1	1
Brokerage/paratransit facility	1	1	1	1	1	1	1	1	1	1

LANE TRANSIT DISTRICT
Operating Revenue & Cost Measurements - Fixed-Route System
Last Ten Fiscal Years

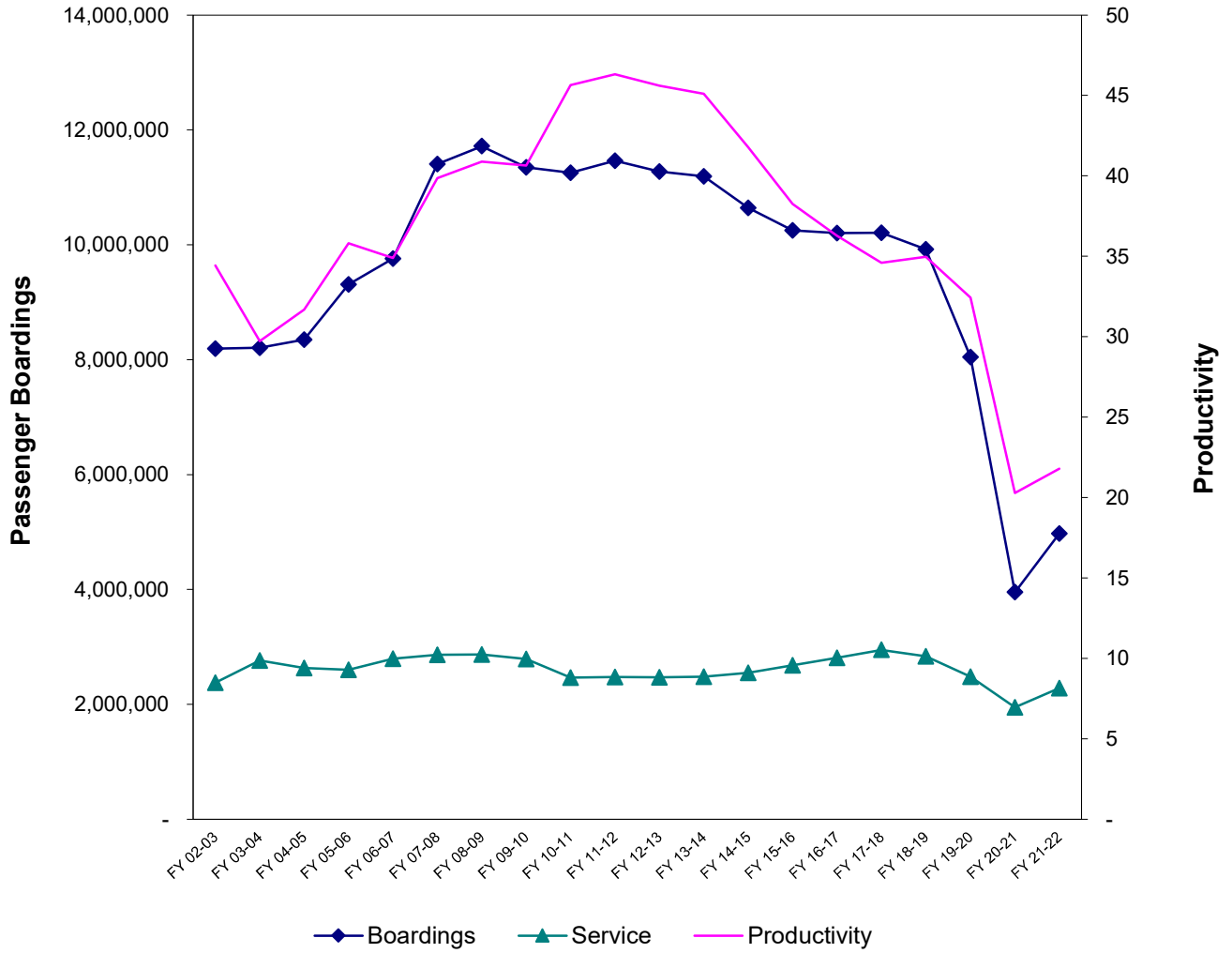
Fiscal Year	Operating* Revenues	Operating* Expenses	Revenue Margin	Revenue Hours	Percent Change	Operating Revenue / Service Hour	Percent Change	Operating Expenses / Revenue Hour	Percent Change
2021-22	3,830,049	47,734,710	8.0%	228,285	17.1%	16.78	210.9%	209.10	-3.7%
2020-21	1,051,890	42,332,758	2.5%	194,899	-21.5%	5.40	-73.7%	217.20	20.4%
2019-20	5,097,392	44,769,129	11.4%	248,190	-12.6%	20.54	-20.6%	180.38	10.7%
2018-19	7,344,209	46,268,303	15.9%	283,835	-3.8%	25.87	4.1%	163.01	5.2%
2017-18	7,338,415	45,714,796	16.1%	295,103	4.9%	24.87	-11.7%	154.91	-0.7%
2016-17	7,921,433	43,893,522	18.0%	281,280	5.0%	28.16	-3.3%	156.05	6.4%
2015-16	7,807,665	39,310,213	19.9%	268,010	5.2%	29.13	-6.0%	146.67	0.7%
2014-15	7,893,869	37,112,217	21.3%	254,779	3.0%	30.98	-0.9%	145.66	-1.9%
2013-14	7,733,140	36,713,232	21.1%	247,286	0.0%	31.27	1.2%	148.46	4.5%
2012-13	7,640,918	35,128,316	21.8%	247,303	-0.1%	30.90	0.5%	142.05	2.6%

Fiscal Year	Employees	Revenue Hours / Employees	Percent Change	Passenger Fares	Passenger Boardings	Passenger Fares / Boarding	Operating Expenses / Boarding	Percent Change	Revenue Hours / Trip
2021-22	313	730.51	18.1%	3,798,924	4,975,763	0.76	9.59	-9.5%	0.046
2020-21	315	618.73	-8.8%	775,378	3,991,821	0.19	10.60	90.6%	0.049
2019-20	366	678.11	-16.9%	4,533,611	8,047,918	0.56	5.56	19.3%	0.031
2018-19	348	815.62	-1.9%	6,755,899	9,923,771	0.68	4.66	3.5%	0.029
2017-18	355	831.28	1.1%	6,740,382	10,146,391	0.66	4.51	4.7%	0.029
2016-17	342	822.46	-3.0%	7,242,637	10,203,700	0.71	4.30	12.2%	0.028
2015-16	316	848.13	3.9%	7,141,779	10,250,227	0.70	3.84	10.0%	0.026
2014-15	312	816.60	3.4%	7,200,332	10,644,718	0.68	3.49	6.3%	0.024
2013-14	313	790.05	-1.0%	6,948,609	11,192,854	0.62	3.28	5.3%	0.022
2012-13	310	797.75	-2.3%	6,914,308	11,276,282	0.61	3.12	4.2%	0.022

Fiscal Year	Miles	Operating Expenses / Mile	Percent Change	Fleet Maintenance Costs	Fleet Maintenance Cost / Mile	Percent Change	Fuel Cost	Fuel Cost / Mile	Percent Change
2021-22	3,144,375	15.181	-19.5%	8,717,839	2.773	-12.9%	2,150,895	0.684	99.3%
2020-21	2,245,947	18.849	44.0%	7,152,595	3.185	28.7%	770,973	0.343	-30.1%
2019-20	3,420,369	13.089	10.2%	8,461,989	2.474	36.2%	1,680,022	0.491	-15.2%
2018-19	3,896,512	11.874	-4.2%	7,078,508	1.817	6.4%	2,256,354	0.579	-5.4%
2017-18	3,688,939	12.392	11.0%	6,298,321	1.707	8.7%	2,258,902	0.612	-1.4%
2016-17	3,930,595	11.167	6.5%	6,175,683	1.571	3.7%	2,441,661	0.621	11.6%
2015-16	3,750,517	10.481	0.4%	5,683,792	1.515	-6.2%	2,086,824	0.556	-2.6%
2014-15	3,554,759	10.440	0.5%	5,740,550	1.615	10.1%	2,030,066	0.571	-21.8%
2013-14	3,534,864	10.386	3.8%	5,186,756	1.467	3.0%	2,580,822	0.730	-1.4%
2012-13	3,512,473	10.001	3.6%	5,002,973	1.424	-1.5%	2,601,015	0.741	-7.8%

*Excludes Specialized Services, depreciation, and OPEB expense

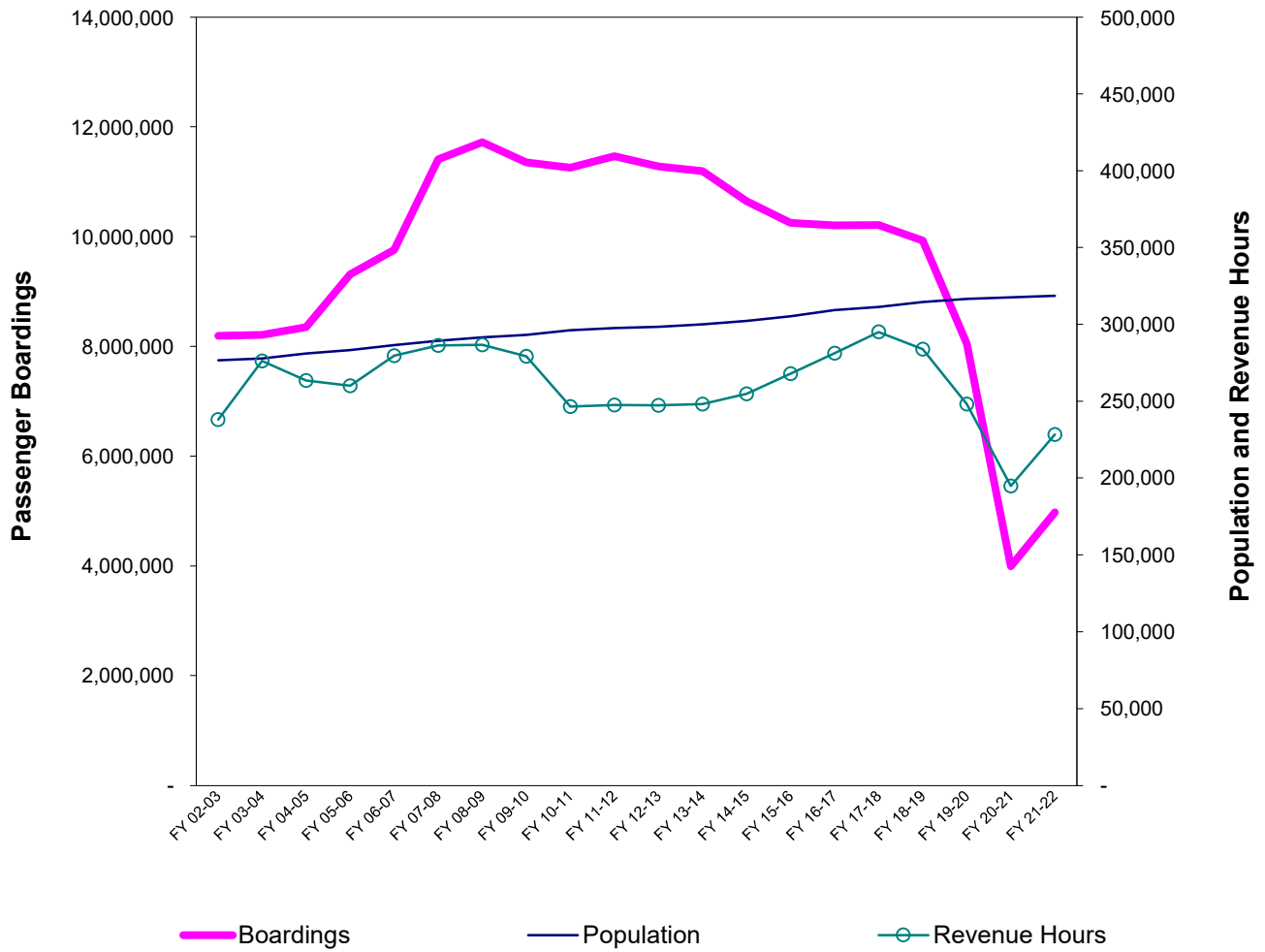
LANE TRANSIT DISTRICT Ridership, Service, and Productivity Last Twenty Years



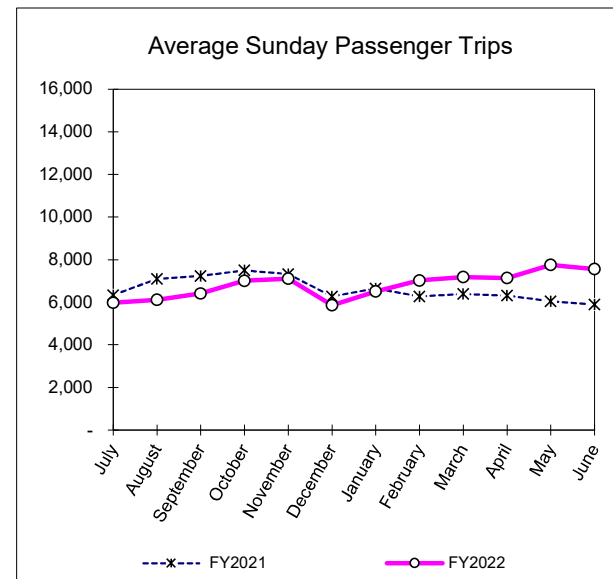
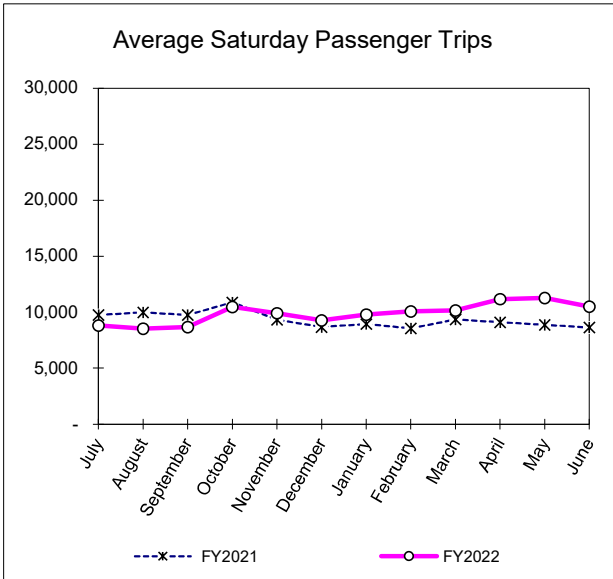
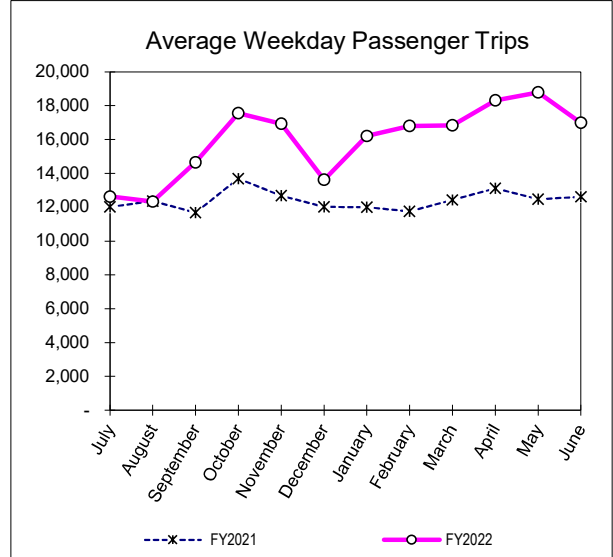
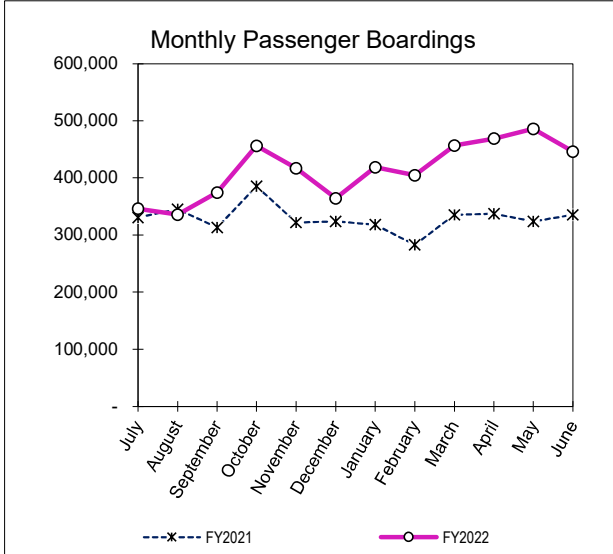
LANE TRANSIT DISTRICT
Ridership, Fare, Service, and Productivity
Last Twenty Years

Fiscal Year	Revenue Hours	Percent Change	Passenger Boardings	Percent Change	System Productivity	Percent Change	Base Cash Fare
2021-22	228,285	17.1%	4,975,763	24.6%	21.796	6.42%	1.75
2020-21	194,899	-21.5%	3,991,821	-50.4%	20.481	-36.84%	1.75
2019-20	248,190	-12.6%	8,047,918	-18.9%	32.426	-7.26%	1.75
2018-19	283,835	-3.8%	9,923,771	-2.8%	34.963	1.04%	1.75
2017-18	295,103	4.9%	10,211,323	0.1%	34.603	-4.61%	1.75
2016-17	281,280	5.0%	10,203,700	-0.5%	36.276	-5.15%	1.75
2015-16	268,010	5.2%	10,250,227	-3.7%	38.246	-8.46%	1.75
2014-15	254,779	2.7%	10,644,718	-4.9%	41.780	-7.36%	1.75
2013-14	248,172	0.4%	11,192,854	-0.7%	45.101	-1.09%	1.75
2012-13	247,303	-0.1%	11,276,282	-1.6%	45.597	-1.56%	1.50
2011-12	247,480	0.4%	11,463,124	1.9%	46.319	1.48%	1.50
2010-11	246,556	-11.7%	11,253,628	-0.8%	45.643	12.30%	1.50
2009-10	279,241	-2.6%	11,349,579	-3.1%	40.644	-0.57%	1.50
2008-09	286,654	0.1%	11,718,189	2.7%	40.879	2.58%	1.25
2007-08	286,226	2.3%	11,406,316	16.9%	39.851	14.22%	1.25
2006-07	279,688	7.6%	9,757,984	4.8%	34.889	-2.57%	1.25
2005-06	259,985	-1.3%	9,309,528	11.5%	35.808	13.04%	1.25
2004-05	263,537	-4.6%	8,348,313	1.7%	31.678	6.60%	1.25
2003-04	276,207	16.1%	8,207,818	0.2%	29.716	-13.67%	1.25
2002-03	237,949	-9.3%	8,190,436	-4.6%	34.421	5.18%	1.25
2001-02	262,242	-4.0%	8,582,138	-0.5%	32.726	3.64%	1.00

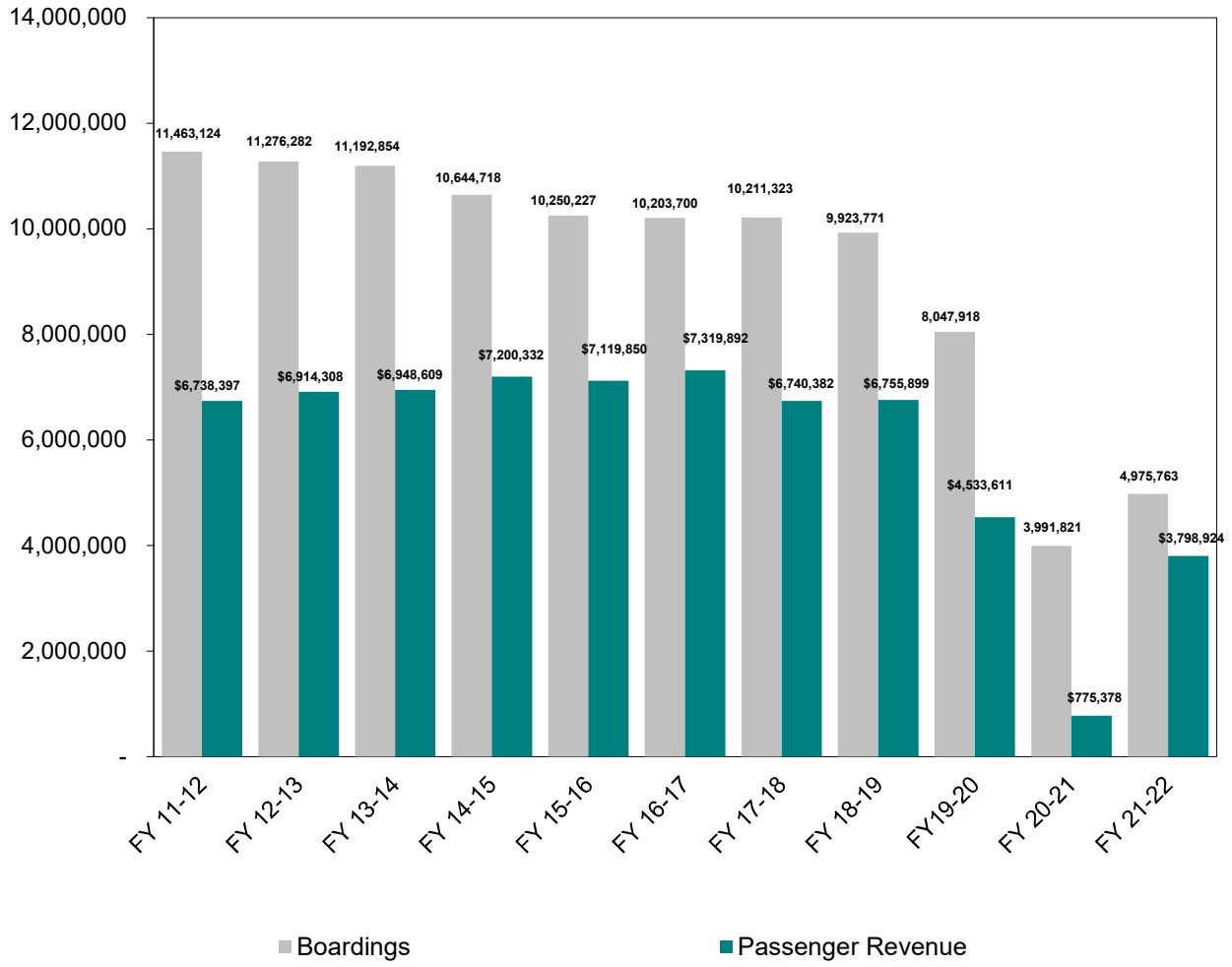
LANE TRANSIT DISTRICT Ridership, Service, and Service Area Population Last Twenty Years



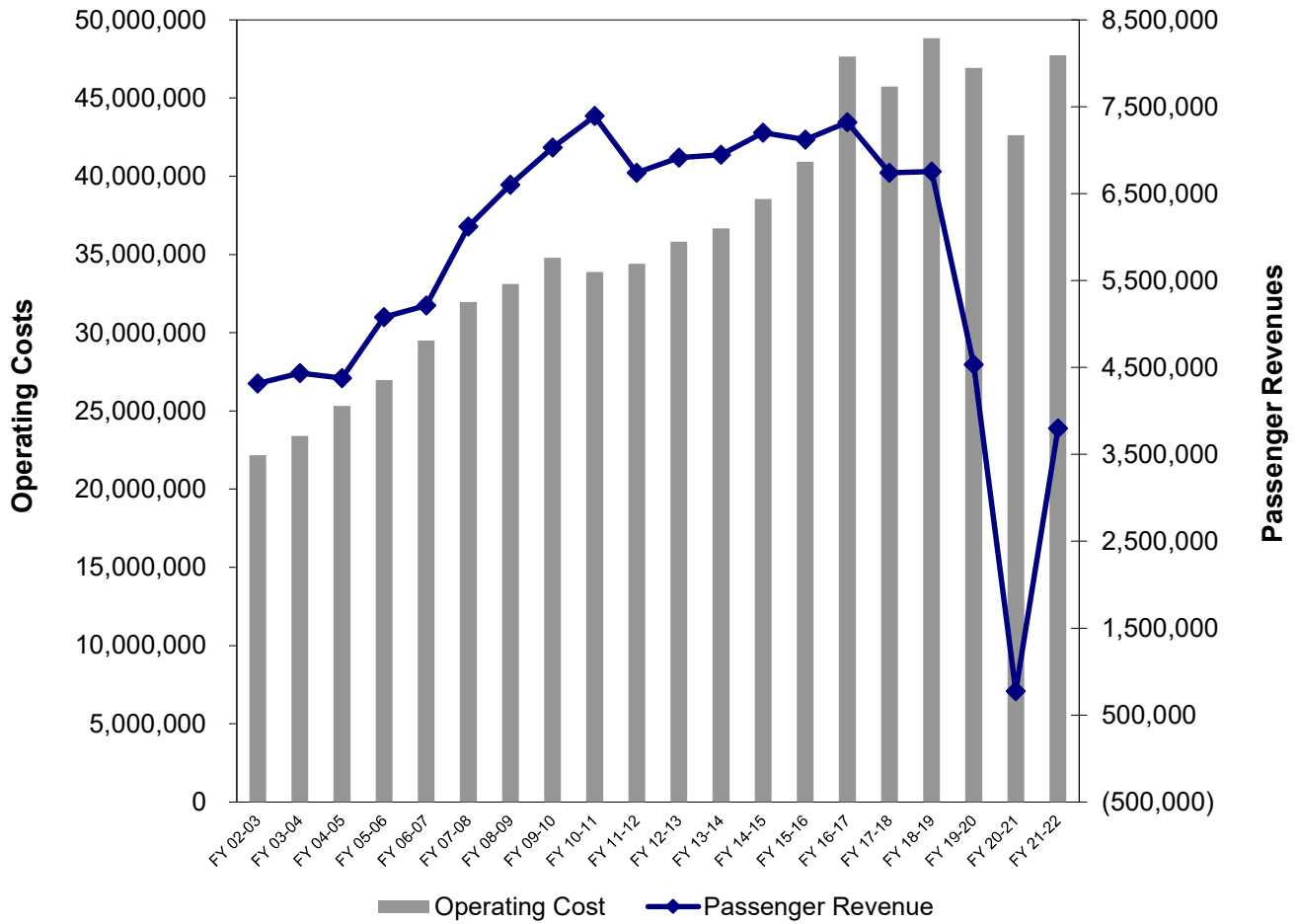
LANE TRANSIT DISTRICT Ridership Trends by Month For the fiscal years ended June 30, 2022 and 2021



LANE TRANSIT DISTRICT Passenger Boardings and Passenger Revenues Last Ten Years



LANE TRANSIT DISTRICT
Passenger Revenues and Operating Costs
Last Twenty Years

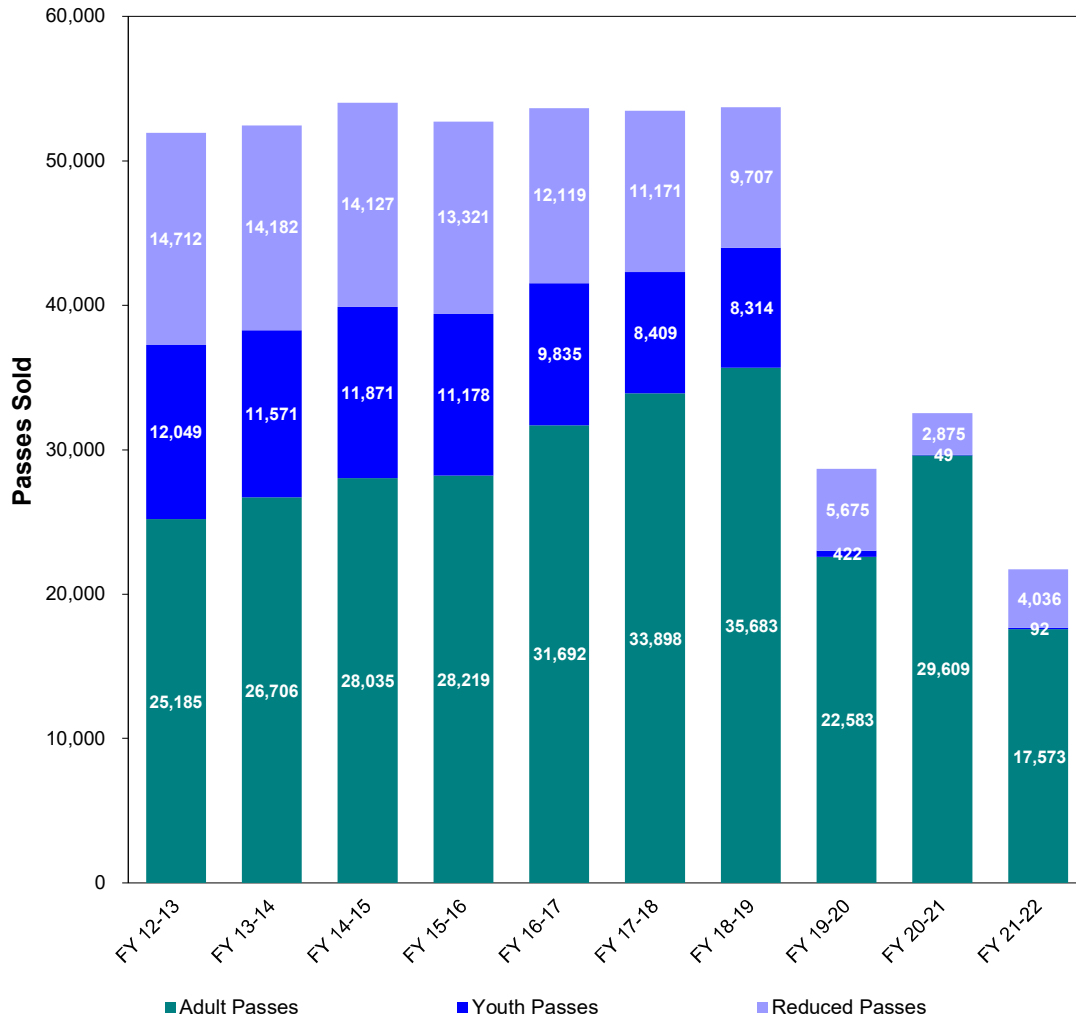


LANE TRANSIT DISTRICT
Transportation Revenues by Category
Last Ten Years

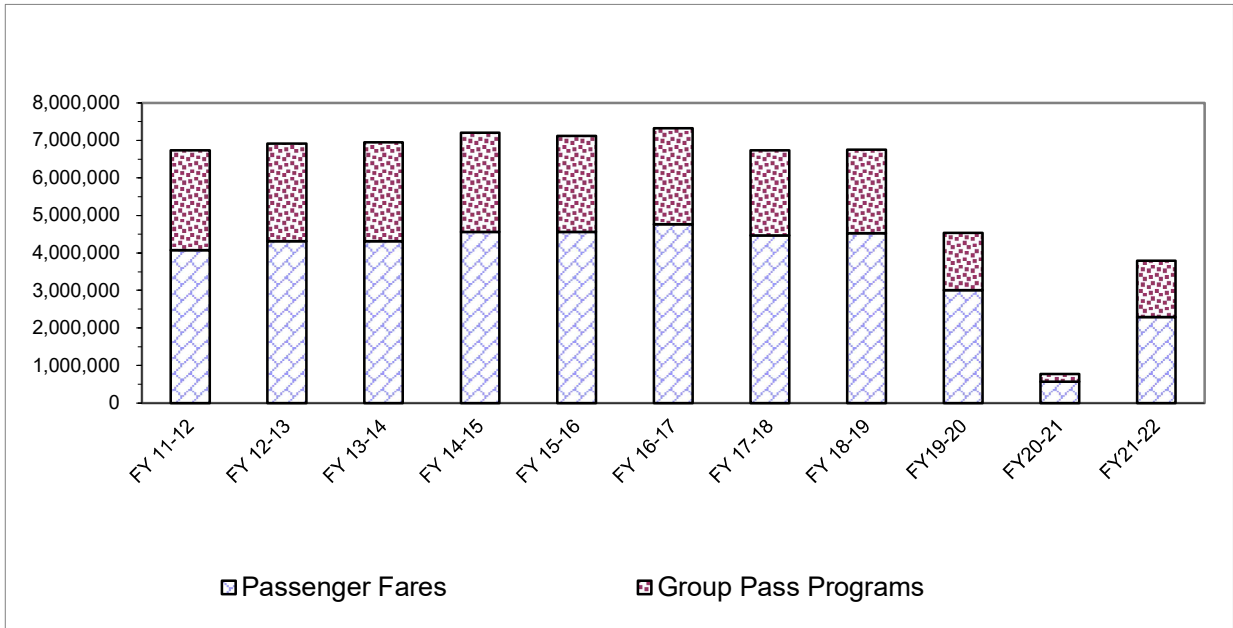
Fiscal Year	Fare Box/ Cash	Percentage Change	Ten-Ride Ticket Books	Percentage Change	Touchpass	Percentage Change	Annual & Monthly Passes	Percentage Change
2021-22	\$ 669,368	193.1%	\$ -	-100.0%	\$ 1,249,503	225.5%	\$ 372,468	844.8%
2020-21	228,388	-81.5%	(510)	-100.3%	383,875	-14.5%	39,424	-97.0%
2019-20	1,236,409	-22.9%	164,279	-56.1%	449,079	-	1,318,908	-45.5%
2018-19	1,603,722	-9.1%	374,176	5.0%	-	-	2,418,570	3.2%
2017-18	1,763,975	-8.3%	356,350	-5.9%	-	-	2,344,198	-1.7%
2016-17	1,923,688	-5.9%	378,690	4.7%	-	-	2,385,603	-16.5%
2015-16	2,043,958	0.7%	361,792	33.2%	-	-	2,858,164	26.7%
2014-15	2,029,943	1.1%	271,712	3.7%	-	-	2,256,492	10.1%
2013-14	2,007,169	-3.6%	262,028	15.3%	-	-	2,049,093	2.0%
2012-13	2,081,984	0.5%	227,321	46.1%	-	-	2,008,581	9.1%

Fiscal Year	Group Pass	Percentage Change	Special Service	Percentage Change	Total Transportation Revenues	Percentage Change
2021-22	\$ 1,506,909	633.8%	\$ 31,800	-73.6%	\$ 3,830,048	292%
2020-21	205,353	-86.5%	120,266	-53.4%	976,796	-80%
2019-20	1,526,638	-31.5%	258,028	-10.5%	4,953,341	-28%
2018-19	2,227,545	-2.1%	288,310	-12.1%	6,912,324	-2.2%
2017-18	2,275,859	-10.9%	328,033	41.5%	7,068,415	-5.4%
2016-17	2,554,656	-0.4%	231,795	-5.0%	7,474,433	-7.4%
2015-16	2,565,681	-2.9%	243,928	-4.6%	8,073,523	8.3%
2014-15	2,642,185	0.5%	255,587	-21.2%	7,455,919	2.5%
2013-14	2,630,319	1.3%	324,531	-26.1%	7,273,140	-1.1%
2012-13	2,596,422	-2.7%	439,110	-25.4%	7,353,418	0.4%

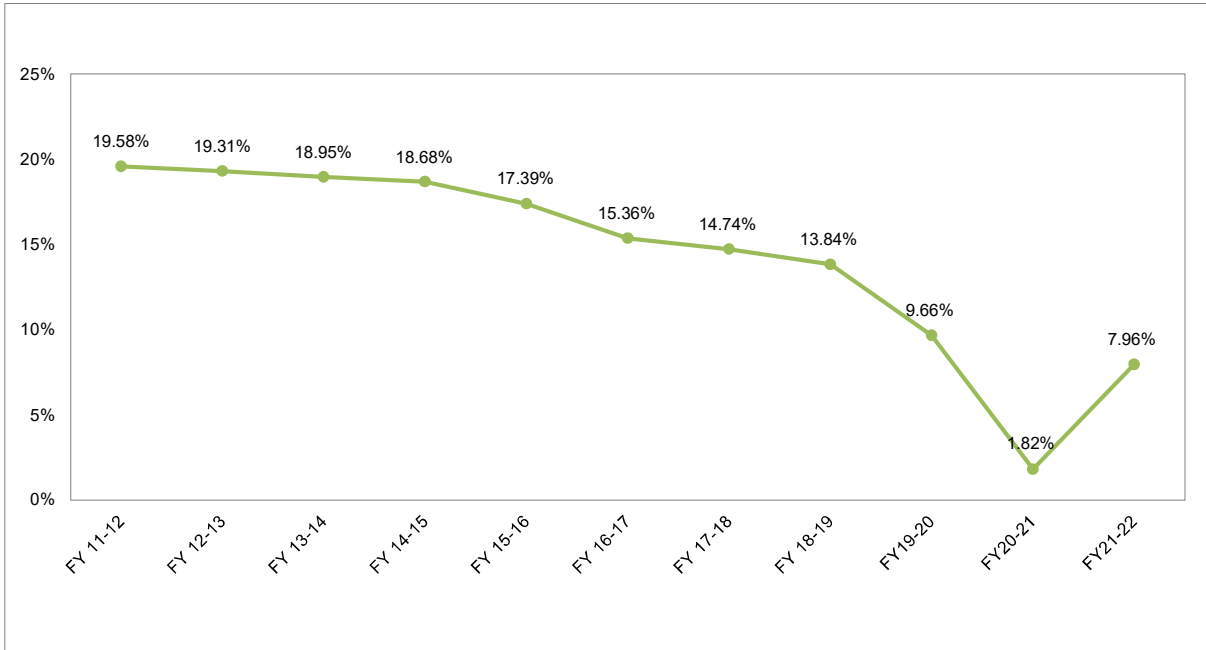
**LANE TRANSIT DISTRICT
Annual Monthly Pass Sales
Last Ten Years**



LANE TRANSIT DISTRICT Passenger Revenues



Farebox Recovery Ratio



LANE TRANSIT DISTRICT
Fare Structure
Last Ten Years

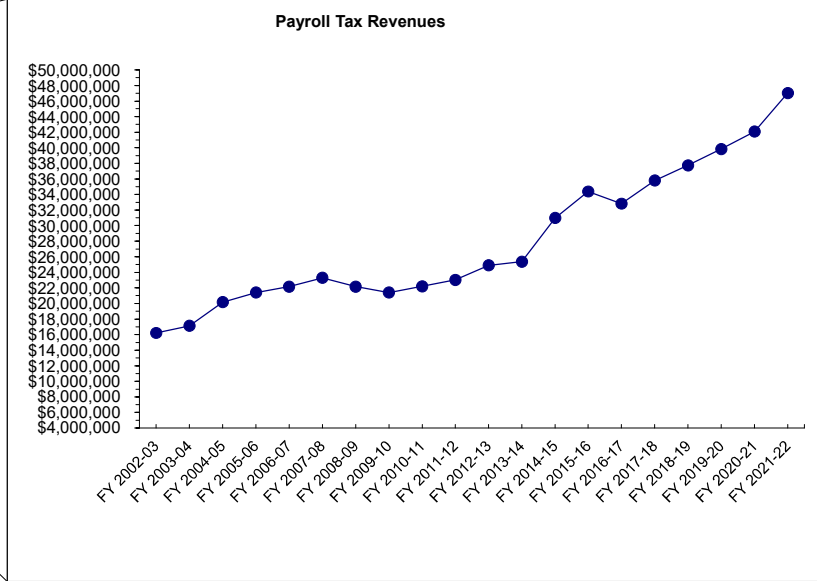
June 30	Cash Fare Adult Age 19-64	Cash Fare Youth Age 6-18	Cash Fare Senior Age 65+	Lane County Students K- 12	Low Income	Children Age 5 & younger	Cash Fare Reduced	Age - Reduced
2022	\$ 1.75	\$ 0.85	free	free	75% discount	free	\$ 0.85	NA
2021	1.75	0.85	free	free	75% discount	free	0.85	NA
2020	1.75	0.85	free	free	75% discount	free	0.85	NA
2019	1.75	0.85	free	free	75% discount	free	0.85	NA
2018	1.75	0.85	free	free	75% discount	free	0.85	NA
2017	1.75	0.85	free	free	75% discount	free	0.85	NA
2016	1.75	0.85	free	free	75% discount	free	0.85	NA
2015	1.75	0.85	free	free	75% discount	free	0.85	NA
2014	1.75	0.85	free	free	75% discount	free	0.85	NA
2013	1.75	0.85	free	free	75% discount	free	0.85	NA

June 30	One-Month Adult Pass	One-Month Youth Pass	One-Month Senior Pass	One-Month Reduced Pass	Three-Month Adult Pass	Three-Month Youth Pass	Three-Month Senior Pass	Three-Month Reduced Pass
2022	\$ 50.00	\$ 25.00	free	\$ 25.00	\$ 135.00	\$ 67.50	free	\$ 67.50
2021	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2020	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2019	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2018	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2017	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2016	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2015	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2014	48.00	24.00	free	24.00	130.00	65.00	free	65.00
2013	48.00	24.00	free	24.00	130.00	65.00	free	65.00

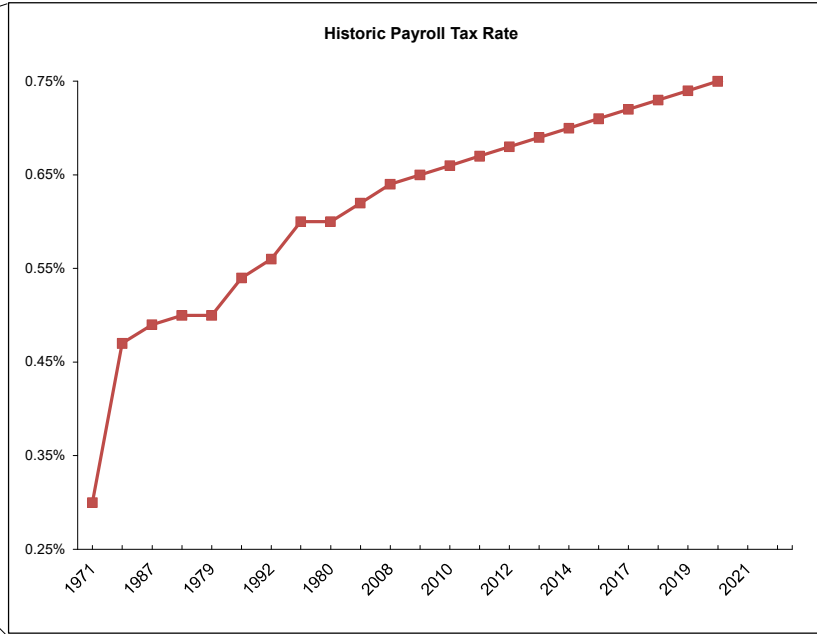
June 30	RideSource Regular Fare	RideSource Escort Fare	RideSource Shopper Fare (Roundtrip)	RideSource Ten-Ride Ticket Book	Ten-Ride Ticket Book Adult	Ten-Ride Ticket Book Reduced	Mobility on Demand Cottage Grove	Mobility on Demand Eugene
2022	\$ 3.50	\$ 3.50	\$ 2.00	\$ 35.00	discontinued	discontinued	\$ 1.00	free
2021	3.50	3.50	2.00	35.00	16.00	8.00	1.00	free
2020	3.50	3.50	2.00	35.00	16.00	8.00	1.00	free
2019	3.50	3.50	2.00	35.00	16.00	8.00	1.00	free
2018	3.50	3.50	2.00	35.00	16.00	8.00	NA	NA
2017	3.50	3.50	2.00	35.00	16.00	8.00	NA	NA
2016	3.50	3.50	2.00	35.00	16.00	8.00	NA	NA
2015	3.50	3.50	2.00	35.00	16.00	8.00	NA	NA
2014	3.00	3.00	2.00	30.00	16.00	8.00	NA	NA
2013	3.00	3.00	2.00	30.00	16.00	8.00	NA	NA

LANE TRANSIT DISTRICT Comparative Payroll Tax Information Last Twenty Years

PAYROLL TAX REVENUE	
Fiscal Year	Amount
FY 2001-02	16,121,110
FY 2002-03	16,214,994
FY 2003-04	17,138,342
FY 2004-05	20,168,976
FY 2005-06	21,416,021
FY 2006-07	22,162,590
FY 2007-08	23,303,571
FY 2008-09	22,169,136
FY 2009-10	21,424,079
FY 2010-11	22,197,770
FY 2011-12	23,047,471
FY 2012-13	24,891,777
FY 2013-14	25,374,737
FY 2014-15	30,981,560
FY 2015-16	34,394,558
FY 2016-17	32,827,455
FY 2017-18	35,797,722
FY 2018-19	37,749,489
FY 2019-20	39,842,212
FY 2020-21	42,081,318
FY 2021-22	47,048,331



HISTORIC PAYROLL TAX RATE	
Date Implemented	Rate
January, 1 2022	0.77%
January, 1 2021	0.76%
January, 1 2020	0.75%
January, 1 2019	0.74%
January, 1 2018	0.73%
January, 1 2017	0.72%
January, 1 2016	0.71%
January 1, 2014	0.70%
January 1, 2013	0.69%
January 1, 2012	0.68%
January 1, 2011	0.67%
January 1, 2010	0.66%
January 1, 2009	0.65%
January 1, 2008	0.64%
January 1, 2007	0.62%
October 1, 1994	0.60%
January 1, 1992	0.56%
July 1, 1987	0.49%
October 1, 1983	0.50%
January 1, 1980	0.60%
January 1, 1979	0.50%
July 1, 1974	0.54%
July 1, 1973	0.47%



DISCLOSURES AND COMMENTS REQUIRED BY STATE MINIMUM STANDARDS

Oregon Administrative Rules 162-10-050 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.

Report of Independent Auditors Required by Oregon State Regulations

The Board of Directors
Lane Transit District, Oregon

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 Lane Transit District, Oregon (the District) and its fiduciary fund comprised of Lane Transit District Salaried Employee's Retirement Plan Trust Fund as of and for the year ended June 30, 2022 and the Amalgamated Transit Union Local No. 757 Pension Trust Fund as of and for the year ended December 31, 2021, 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 20, 2022.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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.

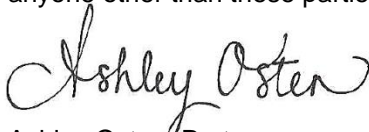
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination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

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. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the board of directors and management of the District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
December 20, 2022