



Lane Transit District

LANE TRANSIT DISTRICT

EUGENE, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2021 and 2020

(Including Audit Comments and Disclosures Required by State Regulations)



2020-2021 Annual Comprehensive Financial Report

Lane Transit District
Eugene, Oregon

For Fiscal Years Ended June 30, 2021 and 2020

Prepared by the Finance Department
Christina Shew, Director of Finance

LANE TRANSIT DISTRICT
Annual Comprehensive Financial Report
June 30, 2021 and 2020

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INTRODUCTORY SECTION



February 25, 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, 2021.

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. Lane Transit District received approval for an extension to February 28, 2022 for the fiscal year ending June 30, 2021.

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, 2021, 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, 2021, 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 316,600 with a fleet of 101 buses in revenue service operating on 31 routes (pre-pandemic). COVID impacts reduced the routes to 28, but the goal is to get back to full operation over the course of the next fiscal year, dependent on hiring enough operators. Comparative Operating Characteristics for FY2019 (pre-pandemic) and FY2021 are provided below:

LTD Comparative Operating Characteristics FY2019 and FY2021		
	FY2019 Pre-COVID-19	FY2021
Annual Miles Travelled (Millions)	3.9	2.4
Revenue Hours Operated	284,000	195,000
Passenger Boardings (Millions)	10	4

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 general manager. The general manager, 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 2020 were seventy-five one hundredths of one percent (.75%) and for calendar year 2021 were seventy-six one hundredths of one percent (.76%).

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 FY2022, the District has budgeted \$2.5 million for new mobility programs, continuing previously funded programs, and resuming programs suspended due to COVID-19, including the Florence Rhody Express and Oakridge Diamond Express. Other in-district programs include:

- Mobile Wallet multi-modal trip planning and payment application across multiple transportation modes
- Mobility-on-demand in Cottage Grove
- RideSource Shopper expansion for older adults and people with disabilities
- Bike Share enhancement to expand and improve access to shared bicycles
- Procurement of fixed-route and demand-response vehicles
- Student transit passes providing free rides for students K-12
- Low-income fare programs
- A seamless fare collection system when riders are moving between communities
- Lane-Douglas connector

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, and contingencies. 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 316,600. In June 2021, total nonfarm employment in Lane County was 156,800 compared to 146,500 in June 2020, representing an increase of 10,300 jobs in the last year as pandemic restrictions were loosened and people started to return to their pre-pandemic activities.

Eugene/Springfield MSA (Lane County) Economic Data

	<u>June</u> <u>2016</u>	<u>June</u> <u>2017</u>	<u>June</u> <u>2018</u>	<u>June</u> <u>2019</u>	<u>June</u> <u>2020</u>	<u>June</u> <u>2021</u>
Civilian labor force	178,897	181,413	181,050	181,479	180,444	181,991
Unemployment	10,102	8,435	8,213	7,854	19,481	10,271
Unemployment rate	5.6%	4.6%	4.5%	4.3%	10.8%	5.6%
Total employment	168,795	172,978	172,837	173,625	160,963	171,720
Total nonfarm employment	159,100	161,600	165,100	165,900	146,500	156,800
Percent annual change	4.5%	1.6%	2.2%	0.5%	-11.7%	7.0%

The unemployment rate decreased to 5.6 percent as of June 2021. This represents a recovery of more than 50% of the jobs lost during the pandemic. The June 2021 unemployment rate was 5.2 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 95% of pre-pandemic levels by FY2023.
- Payroll-type taxes which include payroll, self-employment and government employee payroll taxes are conservatively projected to be 5% below pre-pandemic levels for FY2022, but the following-fiscal years growth is in alignment with tax receipt projections

from the Oregon State Office of Economic Forecasting. This forecast projects strong job and personal income growth as Oregon recovers from its pandemic losses.

- Federal assistance will 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 a pandemic environment. As the economy recovers and the costs to operate normalize, operations will be structurally balanced and Federal assistance for operating will no longer be needed.

Major Initiatives

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

- The District has engaged in a cooperative effort, known as MovingAhead, with the City of Eugene, regional partners, and community members to determine how best to invest in the main corridors that connect neighborhoods, shopping areas and places of employment. MovingAhead is a key component to the success of Envision Eugene which prioritizes investments in transit, walking and biking projects in each of five key corridors.
- 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, 11% 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.
- 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 40% - 48% 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.
- LTD's Mobility Management Strategy is designed to anticipate and plan for the community's likely future mobility needs through collaborating and partnering with both public and private partners. Our approach is to develop a framework around multi-modal solutions that meet future mobility needs.
- The Main Street-McVay Study is a partnership with the City of Springfield and the Oregon Department of Transportation. The goal of this project is to identify longer-term improvements that will facilitate high quality, efficient, & safe transportation that connects the Springfield station, the Thurston area and Lane Community College.

- The District's local Statewide Transportation Improvement Fund (STIF) plan includes projects that: 1) improve public transportation between communities, 2) provide rural community access to the metropolitan areas, 3) increase transit subsidies to low income households, 4) reduce greenhouse gas emissions, 5) provide free k-12 student transit passes, 6) enable multi-modal mobility solutions and 7) address the increase in demand-response and paratransit services.
- The future of transit is a convenient, multi-modal system. In preparation for that future, LTD is partnering with other agencies on The Mobile Wallet/Trip Planner project which envisions simplifying trip planning across various transportation options in order to encourage active and sustainable transportation choices and to empower the traveler to make informed decisions armed with the knowledge of trip time and costs as well as the ability to utilize the array of mobility options available, all in a single planning and payment.

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, 2019 and 2020. 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, 2021, 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 of the entire Finance Department and other support from the Planning Department. 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,



Mark Johnson
General Manager

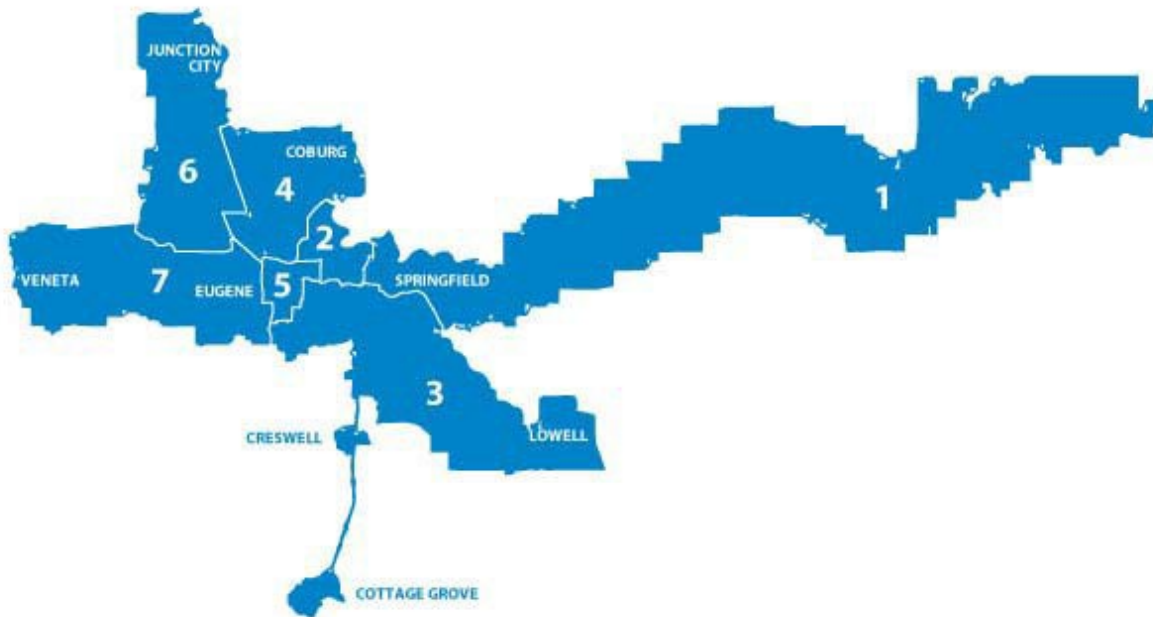


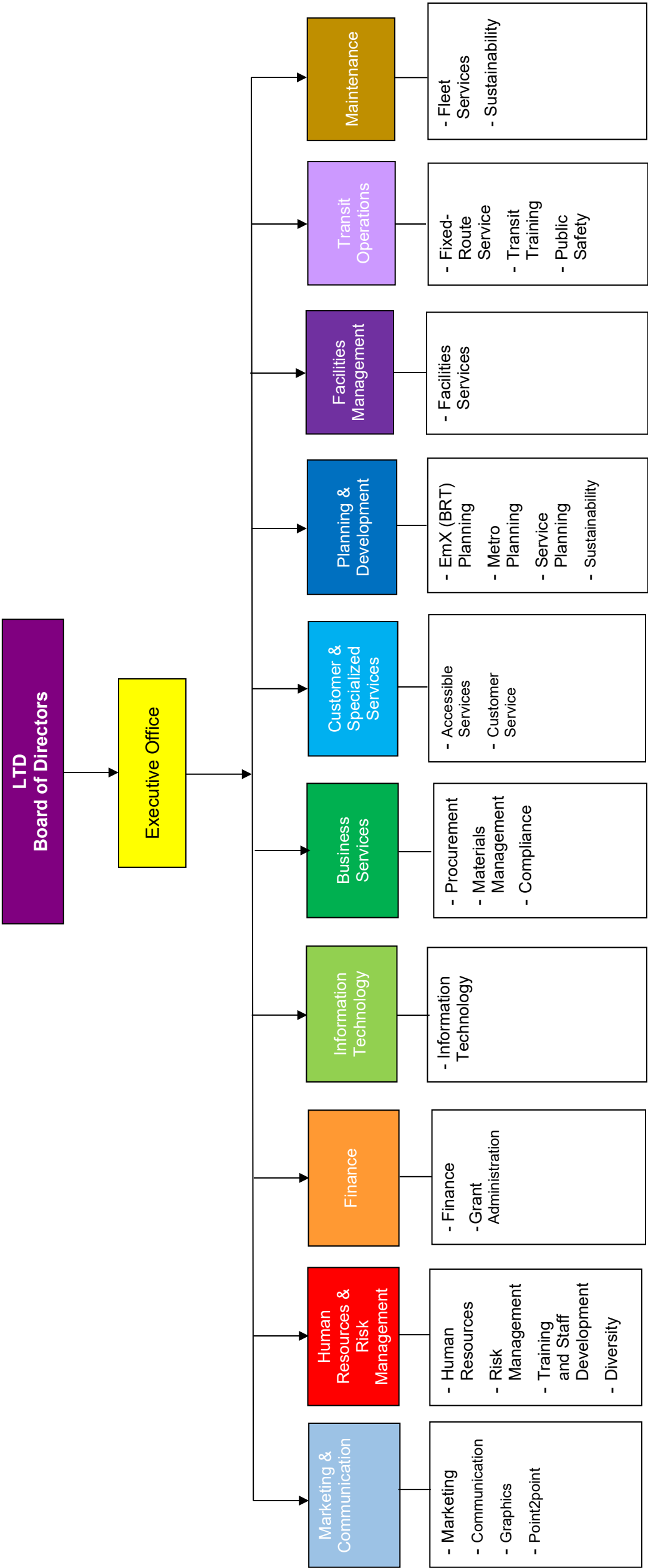
Christina Shew, CPA
Director of Finance

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
Emily Secord, Secretary	4	12/31/22
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
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Reporting

Presented to

**Lane Transit District
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditors

The Board of Directors
Lane Transit District, Oregon

Report on the Financial Statements

We have audited the accompanying 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, 2021 and 2020 and the Amalgamated Transit Union Local No. 757 Pension Trust Fund as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the 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 June 30, 2021 and 2020, and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund as of December 31, 2020 and 2019, 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.

Restatement of Previously Issued Financial Statements

As discussed in Note 4(e) to the financial statements, the District has restated the financial statements of the District for the year ended June 30, 2020 to correct for a misstatement related to recognition of grant revenue and related amounts. Our opinion is not modified with respect to this matter.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical information, each as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report February 25, 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 issued our report dated February 25, 2022, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. 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.

A handwritten signature in black ink that reads "Ashley Osten". The signature is written in a cursive, flowing style.

Ashley Osten, Partner
For Moss Adams LLP
Portland, Oregon
February 25, 2022

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, 2020 and 2019. 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 31-65 of this report.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Summary

Statement of Net Position

	District Total						
	2021	2020 (as restated)	2019 (as restated)	Increase (decrease) 2021-2020	Percentage Change 2021-2020	Increase (decrease) 2020-2019	Percentage Change 2020-2019
Assets							
Current assets	\$ 54,247,709	\$ 44,174,300	\$ 31,953,723	\$ 10,073,409	22.8%	\$ 12,220,577	38.2%
Capital assets, net of depreciation	165,243,367	158,549,761	162,507,251	6,693,606	4.2%	(3,957,490)	-2.4%
Total assets	219,491,076	202,724,061	194,460,974	16,767,015	8.3%	8,263,087	4.2%
Deferred Outflows of Resources	7,613,208	4,665,520	6,301,745	2,947,688	63.2%	(1,636,225)	-26.0%
Total assets and deferred outflows of resources	227,104,284	207,389,581	200,762,719	19,714,703	9.5%	6,626,862	3.3%
Liabilities							
Current liabilities	14,996,365	11,741,277	6,393,364	3,255,088	27.7%	5,347,913	83.6%
Noncurrent liabilities	32,584,389	35,558,933	37,147,793	(2,974,544)	-8.4%	(1,588,860)	-4.3%
Total liabilities	47,580,754	47,300,210	43,541,157	280,544	0.6%	3,759,053	8.6%
Deferred Inflows of Resources	8,115,917	2,538,142	1,181,933	5,577,775	219.8%	1,356,209	114.7%
Net Position							
Investment in capital assets	165,243,367	158,549,761	162,507,251	6,693,606	4.2%	(3,957,490)	-2.4%
Restricted for Accessible Services, Point2point and Medicaid programs	11,552,594	5,946,354	579,853	5,606,240	94.3%	5,366,501	925.5%
Unrestricted	(5,388,348)	(6,944,886)	(7,047,475)	1,556,538	-22.4%	102,589	-1.5%
Total net position	171,407,613	157,551,229	156,039,629	13,856,384	8.8%	1,511,600	1.0%
Total liabilities, deferred inflows of resources and net position	\$ 227,104,284	\$ 207,389,581	\$ 200,762,719	\$ 19,714,703	9.5%	\$ 6,626,862	3.3%

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.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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). The first distributions of STIF funds for the program period ending in FY21 were received in FY20. A number of planned service expansion programs have been 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.

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.

FY20

The District's total assets increased \$6.6 million. Current assets increased \$12.2 million, predominately from increases to cash and investments. Cash and investments increased in FY20 as expenditures incurred in prior fiscal years against Federal grants that were not fully executed were executed in FY20 allowing reimbursement. In FY20, Federal grant drawdowns totaled \$14.4 million.

The net book value of capital assets decreased \$4 million. This decrease was the result of \$14 million in asset depreciation. In FY20, capital asset additions totaling \$10 million included buses, a new fare management system and shelters. Construction-in-progress increased \$1.7 million due to construction of the Santa Clara Transit Station, which is a new station along River Road in the Santa Clara community.

The District's total liabilities increased \$3.8 million from \$43.5 million to \$47.3 million. This is largely attributable to changes in current liabilities, which increased primarily due to a \$7.1 million increase in unearned revenue from the Statewide Transportation Improvement Fund (STIF). The first distributions of STIF funds for the program period ending in FY21 were received in FY20. A number of planned service expansion programs have been delayed as a result of COVID-19.

Noncurrent liabilities decreased \$1.6 million. This decrease is due to a decrease in the ATU net pension liability by \$3.3 million which was partially offset by an increase of \$1.6 million in the Salaried Plan net pension liability. The ATU pension liability decrease was due to positive net investment income of \$4.7 million. The Salaried Plan pension liability increase was due to a change in the long-term expected rate of return from 6.25 percent in FY19 to 5.50 percent in FY20.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The net OPEB obligation increase of \$.2 million is due to a decrease in the discount rate used to calculate the present value of the benefits from 3.58 percent to 3.50 percent.

The net position of the District increased \$1.5 million (1 percent) in FY20, from \$156 million to \$157.5 million. Of the \$157.5 million, \$158.5 million is invested in capital assets and \$5.9 million is restricted for use in the State Transportation Improvement Fund (STIF), Accessible Services, Medicaid, and Point2point program. The remaining deficit amount is unrestricted.

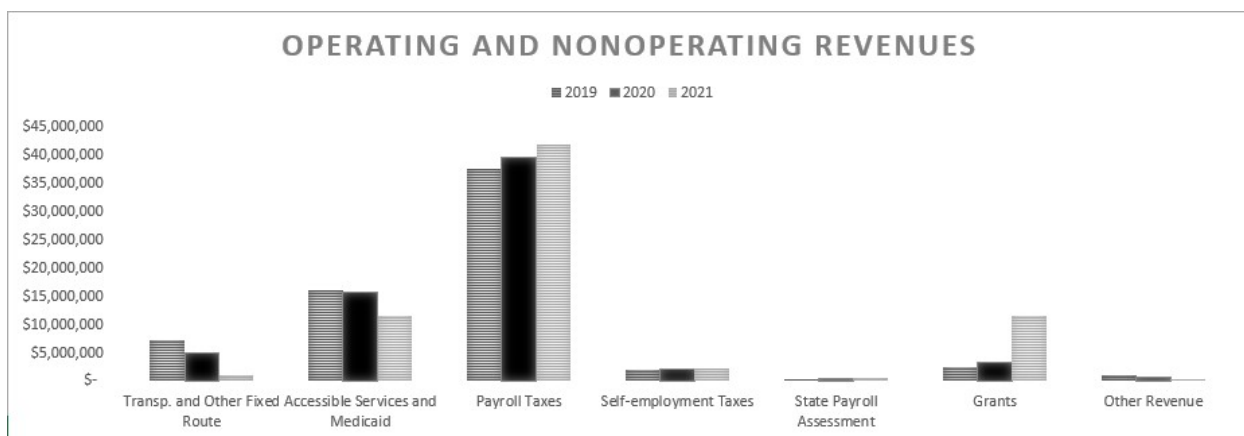
Statements of Revenues, Expenses, and Changes in Net Position

	District Total			Increase (decrease) 2021-2020	Percentage Change 2021-2020	Increase (decrease) 2020-2019	Percentage Change 2020-2019
	2021	2020 (as restated)	2019 (as restated)				
Operating Revenues							
Passenger fares	\$ 775,378	\$ 4,533,611	\$ 6,755,899	\$ (3,758,233)	-82.90%	\$ (2,222,288)	-32.89%
Special services	-	197,114	288,310	(197,114)	-100.00%	(91,196)	-31.63%
Accessible Services, Point2point, and Medicaid	11,579,378	15,825,212	16,244,867	(4,245,834)	-26.83%	(419,655)	-2.58%
Advertising	276,512	366,667	300,000	(90,155)	-24.59%	66,667	22.22%
Total operating revenues	12,631,268	20,922,604	23,589,076	(8,291,336)	-39.63%	(2,666,472)	-11.30%
Nonoperating Revenues							
Employer payroll tax	42,081,318	39,842,212	37,749,489	2,239,106	5.62%	2,092,723	5.54%
Self-employment tax	2,203,730	2,017,855	1,932,829	185,875	9.21%	85,026	4.40%
State payroll assessment	589,303	555,192	439,545	34,111	6.14%	115,647	26.31%
Grant revenue	11,643,403	3,445,027	2,487,542	8,198,376	237.98%	957,485	38.49%
Interest	154,305	310,904	338,244	(156,599)	-50.37%	(27,340)	-8.08%
Facility rental and other nonoperating revenues	33,308	115,466	263,414	(82,148)	-71.15%	(147,958)	-56.17%
Miscellaneous income	194,899	285,823	375,977	(90,924)	-31.81%	(90,154)	-23.98%
Gain (loss) on disposal of capital assets	(14,983)	-	6,145	(14,983)	-100.00%	(6,145)	-100.00%
Total nonoperating revenues	56,885,283	46,572,469	43,593,185	10,312,814	22.14%	2,979,284	6.83%
Total operating and nonoperating revenues	69,516,551	67,495,073	67,182,261	2,021,478	3.00%	312,812	0.47%
Operating Expenses							
Personnel services	31,125,751	36,417,695	36,849,484	(5,291,944)	-14.53%	(431,789)	-1.17%
Materials and services	9,720,500	9,415,470	10,992,464	305,030	3.24%	(1,576,994)	-14.35%
Insurance	1,784,846	1,084,094	972,841	700,752	64.64%	111,253	11.44%
Accessible Services, Point2point, and Medicaid	12,843,940	16,922,825	18,697,692	(4,078,885)	-24.10%	(1,774,867)	-9.49%
Depreciation	15,727,034	14,005,049	16,192,571	1,721,985	12.30%	(2,187,522)	-13.51%
OPEB expense	746,187	479,250	2,159,635	266,937	55.70%	(1,680,385)	100.00%
Total operating expenses	71,948,258	78,324,383	85,864,687	(6,376,125)	-8.14%	(7,540,304)	-8.78%
(Loss) before contributions	(2,431,707)	(10,829,310)	(18,682,426)	8,397,603	-77.55%	7,853,116	-42.03%
Capital contributions	16,288,091	12,340,910	2,165,609	3,947,181	31.98%	10,175,301	469.86%
Changes in net position	13,856,384	1,511,600	(16,516,817)	12,344,784	816.67%	18,028,417	-109.15%
Total net position - beginning of period	157,551,229	156,039,629	178,506,644	1,511,600	0.97%	(22,467,015)	-12.59%
Restatement	-	-	(5,950,198)	-	-	5,950,198	-100.00%
Total net position - beginning of period, restated	157,551,229	156,039,629	172,556,446	1,511,600		(16,516,817)	-9.57%
Total net position - end of period	\$171,407,613	\$157,551,229	\$156,039,629	\$ 13,856,384	8.79%	\$ 1,511,600	0.97%

LANE TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 levels were restored to approximately 80 percent of pre-pandemic levels. The District was therefore able to reduce some operating material and service costs, but fewer personnel service costs.

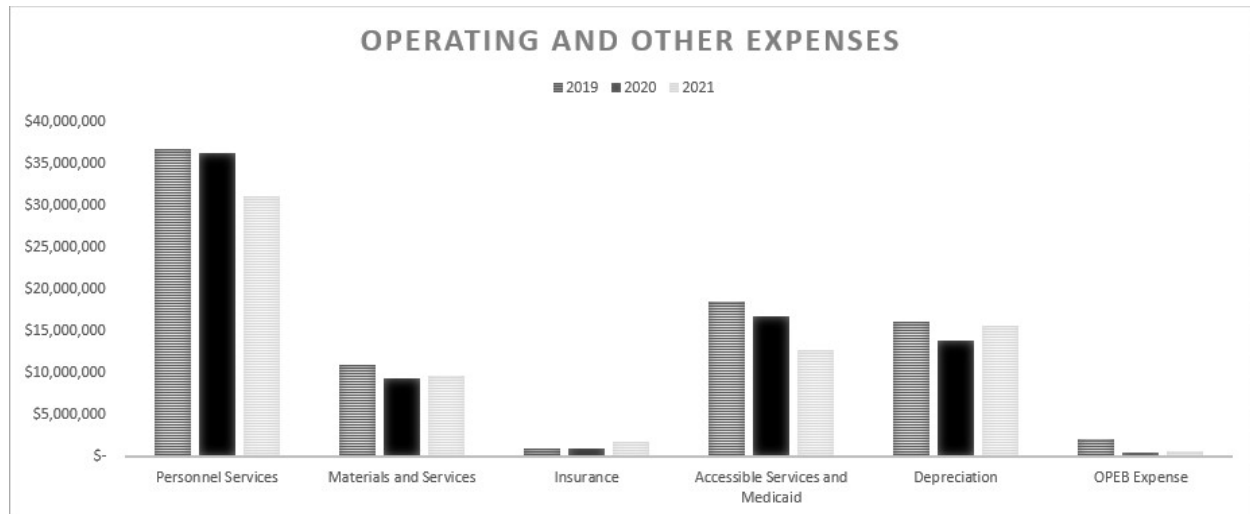


Operating revenues of \$12.6 million reflects a decrease of 39.6 percent in FY21. This decrease was due to COVID-19. At the start of the pandemic, all modes of transit dropped to roughly one third of pre-pandemic volume, fares were not being collected, and grant funded programs such as mobility on demand 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.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



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. 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

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

FY20

The District's net position decreased \$16.5 million in FY20 to \$156 million. Total revenues were flat at an increase of \$.3 million (0.5 percent), accompanied by a decrease in total expenses of \$7.5 million (8.8 percent). As a result of the COVID-19 pandemic, the District stopped collecting fares in mid-March to protect the safety of our transit operators resulting in 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 and diverted some operators to sanitizing buses rather than driving. The District was therefore able to reduce some operating material and service costs, but not personnel service costs.

Operating revenues of \$20.9 million reflects a decrease of 11.3 percent in FY20. This decrease was due to COVID-19. All modes of transit were 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.

Non-operating revenues of \$46.6 million were up 6.8 percent in FY20. The increase in non-operating revenues was due to increases in grant revenue of \$957 thousand and payroll tax receipts of \$2.3 million. Payroll tax receipt favorability is due primarily to a strong and growing economy with record low unemployment prior to the COVID-19 pandemic. Lane county employment prior to the pandemic was 175 thousand (February 2020), up from 173 thousand (June 2019).

Interest is down \$27 thousand due to declining interest rates in FY20.

Operating expense of \$78.3 million was down 8.8 percent in FY20. The largest decreases were in materials and services, Medicaid non-emergency medical transportation expenses and depreciation.

Materials and service decreases totaled \$1.6 million as a result of COVID-19 service changes including reductions in fuel and maintenance costs as well as controllable expenses for contracted services, training, travel and one-time discretionary expenditures.

Decreases in Accessible Services, Point2point, and Medicaid of \$1.8 million (9.5 percent) was primarily driven by a decrease in demand for those programs as a result of the COVID-19 pandemic. Ridership declined to one third of pre-pandemic levels starting in March of 2020. The majority of that decrease was from Medicaid non-emergency medical transportation expenses which were down \$1.3 million.

Depreciation is down \$2.2 million (13.5 percent). Rolling stock has a useful life of between 8 and 12 years. A number of vehicles were acquired in 2007 and reached the end of their useful life in FY19 reducing annual depreciation expense by \$1.4 million. The majority of the remaining decrease in depreciation is for other hardware and software with useful lives of 3 years.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Personnel services were roughly flat at \$36.4 million. Contractual ATU wage increases of 2 percent effective July 1, 2019 and 1.4 percent effective January 1, 2020 were offset by reductions in overtime as a result of service changes from the COVID-19 pandemic.

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 \$10.2 million in FY20 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, 2021, the District had invested \$165.2 million, net of accumulated depreciation, in a variety of capital assets.

Capital Assets, net of depreciation As of June 30							
	District Total			Increase (decrease) 2021-2020	Percentage Change 2021-2020	Increase (decrease) 2020-2019	Percentage Change 2020-2019
	2021	2020	2019				
Land	\$ 17,646,689	\$ 17,612,178	\$ 17,612,178	\$ 34,511	0.2%	\$ -	0.0%
Freestanding public art	366,917	366,917	366,917	-	0.0%	-	0.0%
Construction in progress	728,341	2,490,900	901,984	(1,762,559)	-70.8%	1,588,936	176.2%
Busways	83,513,498	90,062,145	96,503,958	(6,548,647)	-7.3%	(6,441,813)	-6.7%
Rolling stock and related equipment	31,459,642	20,236,349	17,008,961	11,223,293	55.5%	3,227,388	19.0%
Stations, shelters, and bus signs	13,157,239	8,024,574	9,084,882	5,132,665	64.0%	(1,060,308)	-11.7%
Buildings and improvements	14,280,829	16,173,855	17,911,467	(1,893,026)	-11.7%	(1,737,612)	-9.7%
Accessible Services vehicles	2,520,897	1,611,526	1,477,251	909,371	56.4%	134,275	9.1%
Other equipment and support vehicles	1,569,315	1,971,317	1,639,673	(402,002)	-20.4%	331,644	20.2%
	<u>\$ 165,243,367</u>	<u>\$ 158,549,761</u>	<u>\$ 162,507,251</u>	<u>\$ 6,693,606</u>	<u>4.2%</u>	<u>\$ (3,957,490)</u>	<u>-2.4%</u>

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.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FY20

In FY20, the District spent \$10 million for capital acquisition and construction, approximately 69 percent of which was reimbursed by federal and state grants. The reimbursement percentage is down from 89 percent, as the majority of grants were 78 percent grant funded with a few projects this year requiring general funding, the largest being the Green Lane Corner lot improvement which was necessary to complete the Santa Clara Transit station. Of the \$10 million capital additions, \$6.4 million was for rolling stock, including mobility management vehicles; \$1.5 million was associated with the Santa Clara Station; and the remaining investments were in stations and shelters (\$.6 million), a new fare management system (\$.5 million) and other supporting operating equipment. Overall, the District's net position in capital assets decreased by \$4 million, primarily as a result of depreciation.

Note 3(d) (page 42) 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 FY22 budget was developed as we entered our second year operating under the COVID-19 pandemic environment. Although it is not known when the COVID-19 pandemic will end, vaccine results and public health measures are encouraging and hold out the prospect of better days ahead. The full impact of the pandemic cannot be determined, but economic factors impacting the FY22 budget include rising costs for materials, services and labor as a result of continued inflation. As of December 2021, inflation is up 7 percent from where it was a year ago. 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 pandemic and labor-shortage environment is expensive. Incremental costs are required for increased equipment, additional cleaning, overtime for absences and contracted services to fill critical position gaps.

The District's Board of Directors adopted the FY22 budget on May 19, 2021. The total adopted budget for FY22 is \$157.6 million, which includes \$133.6 million in total appropriations, a 19 percent increase from the FY21 budget. The majority of the increase (79%) is for partially grant-funded community investments in the Capital Projects and Specialized Services Funds. Fixed route services and general District operating costs budgeted through the District's General Fund are up 10 percent. This increase is a result of both: 1) an increase in the number of employees needed to recover pandemic-induced service reductions and 2) an increase in medical premium costs of 7%. The FY22 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, 2021**

Resources:

The future continues to be very uncertain. Although 71% of pre-pandemic jobs have been recovered, we don't know the future outcome of our available resources, including how quickly ridership will return to pre-pandemic levels, the economic impacts of the various variants, when people will feel comfortable returning to their pre-pandemic activities or the impacts of the wave of Oregonians quitting their jobs known as the "Great Resignation".

- For FY22, we expect to see some recovery of the District's non-grant revenue sources as the District restores service and we no longer live in a pandemic environment. COVID-19 costs and revenue shortfalls will continue to be recovered through the Federal pandemic relief act monies: Coronavirus Aid Relief and Economic Security (CARES), Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) and the American Rescue Plan (ARPA). These resources are finite and must be used strategically to cover both the increased costs of running our service under pandemic conditions and ensure an investment in infrastructure that enables us to continue to provide safe, equitable and reliable services in the future. Key revenue changes are:
 - **Payroll-type taxes** have increased from the FY2021 budget, which reflected a worst-case scenario and reflects a return to a pre-pandemic levels at \$40.1 million in FY22.
 - **Operating Revenues**, are estimated to fall short of pre-pandemic revenues by \$2.4 million in FY2022. These decreases are due to policy changes related to STIF-funded fare programs combined with our investment in the TouchPass fare system before the COVID-19 pandemic which resulted in lower fare revenues. At the onset of the pandemic and through most of fiscal year 2021, the District did not collect fares. We expect fare revenues to recover to roughly 95% of pre-pandemic levels when ridership returns to pre-pandemic levels.
 - **Federal Fixing America's Surface Transportation Act formula funding** for preventative maintenance of \$4.2 million will be replaced with CRRSAA funding.
 - **Advertising revenue** declines of \$.3 million. We discontinued our post-COVID advertising agreement as it no longer contained an annual guarantee of minimum revenue, making managing the contract more costly than the revenue it generated.
- **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. This program funds a number of programs including:
 - **Vehicle replacement:** Federal grant matches to replace aging fixed route vehicles with environmentally-friendly alternative fuel vehicles. \$2.5 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 \$2.5 million.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- **Mobility Planning, Technology and Operations** to simplify trip planning across the various transportation options in order to encourage active and sustainable transportation choices and to empower the traveler to make informed decisions armed with the knowledge of trip time and costs. This program will utilize the array of mobility options available, all in a single planning and payment app. These programs are budgeted at \$1.1 million.
- **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.

Expenditures:

Since the onset of the pandemic, LTD has followed a health-first priority with a commitment to the health and safety of our employees and passengers. We are proud of the District's commitment and dedication to provide essential trips to our riders through collaboration and innovation during one of the most challenging times our community has ever faced. LTD will continue to adhere to recommendations of local, state, and federal guidelines to provide safe transportation to connect our community to essential destinations such as jobs, schools, grocery stores, and medical facilities. With the future seemingly trending towards more "normal" times, the District is continuing investments in technology with a focus on improving organizational efficiencies and process improvements as we continue to restore service in a safe and responsible way. Service was reduced by nearly 46 percent in late FY2020. As of early FY2022, service levels have been restored to approximately 80 percent of the pre-pandemic levels with additional service increases planned for in FY22 delayed to FY2023 due to the shortage of bus operators. The District's General Fund is proposed to expend \$52.2 million in FY22 compared to a FY21 adopted budget expenditure of \$47.5 million. Below are the strategies and major factors impacting the expenditure decisions in FY22:

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 as the District restores service. In addition to a 15% increase in staff, the most significant increase to personnel cost is for medical benefits which are budgeted to increase by 7%. FY22 personnel service cost is up \$4.3 million (12%).
- 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 expires June 30, 2022.
- Fuel and Lubricant costs are the second largest District materials expenditure. Fuel costs are budgeted to be roughly flat to FY21 budget; however, in the first quarter of FY22, fuel prices were trending up. Fuel was budgeted at \$2.25/gallon, but Q1 FY22 bids are at \$2.87/gallon. Offsetting the price increases are service constraints due to bus operator hiring challenges and electric vehicles now in service.
- Our largest expenditure, parts and tires, had been increasing annually through FY21 due to our aging fleet. In FY22, the parts and tires budget was down 28% as the District has been replacing its end of life vehicles. In FY20 and FY21 the District put 23 new buses into service.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- Facilities costs went down in FY20 and FY21 due to a reduction in infrastructure use during the pandemic. As ridership increases and staff return to the office environment, facility costs increase. The FY22 budget increased \$306 thousand from FY21. In FY22 the Santa Clara station is fully operational and there are post pandemic increases in utility costs and maintenance for our stations and EmX busways.

General Fund Transfers:

- The FY22 supplemental budget General Fund transfer to the Specialized Services Fund has increased by \$.8 million over FY21 as a result of increased administrative and variable rate trip costs resulting from regulatory changes and COVID-19 protocols.
- \$12.4 million is budgeted to be transferred to the Capital Projects Fund to cover grant match. A few notable projects in the FY22 Capital Projects fund include:
 - \$19.8 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.
 - \$5 million for frequent transit network improvements including costs to complete the Santa Clara Transit Station, electric bus charging infrastructure and safety and amenities.
 - \$2.8 million to make infrastructure updates including but not limited to network, communications, servers, databases, power supplies, workstations, tablets, and agency software. These updates avoid service disruptions and ensure business continuity and resiliency during disasters.
 - \$1.7 million for safety and services that improve accessibility for low-income and riders with disabilities, increase public health and create a safe environment for all riders.
 - \$1.5 million to replace special transportation vehicles that have reached the end of their useful lives.
 - \$.8 million to replace our bus wash system. The manufacturer of our current system has ceased operations and proprietary replacement parts are no longer available.
 - \$.7 million to allow our TouchPass electronic fare system to be used along our frequent transit network.

Restatement:

During the fiscal year ended June 30, 2021, management identified an error in which the District had not met all eligibility requirements to record certain agreements in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. The error primarily related to not having executed agreements in place prior to recognizing grant revenue and receivables; in several cases the execution of the agreements were subsequent to the period in which qualifying expenditures had been incurred. During 2020 in particular, this error was due to delays caused primarily by COVID-19. The District determined errors occurred in fiscal year 2020 and several previous years. As a result of this error, the District restated some account balances. Please see Note 4(e) of the Notes to the Basic Financial Statements for additional details.

**LANE TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 and 2020**

	2021	2020 (as restated)
Assets		
Current assets		
Cash and investments		
Unrestricted	\$ 17,175,489	\$ 15,774,922
Restricted	12,673,004	9,391,640
Accounts receivable	1,230,868	2,192,022
Taxes receivable	10,366,941	10,010,723
Grants receivable	10,874,370	4,881,115
Inventory of parts and supplies	1,489,549	1,302,337
Prepaid expense	437,488	621,541
Total current assets	<u>54,247,709</u>	<u>44,174,300</u>
Capital assets		
Land	17,646,689	17,612,178
Freestanding public art	366,917	366,917
Construction in progress	728,341	2,490,900
Other capital assets (net of depreciation)	146,501,420	138,079,766
Net capital assets	<u>165,243,367</u>	<u>158,549,761</u>
Total assets	<u>219,491,076</u>	<u>202,724,061</u>
Deferred outflows of resources		
Deferred outflows - LTD ATU Pension Trust	5,136,462	2,967,541
Deferred outflows - LTD Salaried Employees' Plan	-	1,124,566
Deferred outflows - OPEB	2,476,746	573,413
Total deferred outflows of resources	<u>7,613,208</u>	<u>4,665,520</u>
Total assets and deferred outflows of resources	<u><u>\$ 227,104,284</u></u>	<u><u>\$ 207,389,581</u></u>

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

Lane Transit District
Statements of Net Position (Continued)
June 30, 2021 and 2020

	2021	2020 (as restated)
Liabilities		
Accounts payable	\$ 2,193,300	\$ 2,504,486
Accrued payroll	955,887	776,854
Payroll withholdings and taxes	84,211	66,997
Accrued pension	14,327	152,460
Accrued vacation and sick leave	764,675	685,677
Unearned revenue	10,847,875	7,396,446
Other current liabilities	136,090	158,357
Total current liabilities	<u>14,996,365</u>	<u>11,741,277</u>
Noncurrent liabilities		
Accrued vacation and sick leave	2,007,697	1,865,852
Total OPEB liability	14,773,657	11,873,234
Net pension liability - LTD ATU Pension Trust	10,831,456	11,836,802
Net pension liability - LTD Salaried Employees' Plan	4,971,579	9,983,045
Total noncurrent liabilities	<u>32,584,389</u>	<u>35,558,933</u>
Total liabilities	<u>47,580,754</u>	<u>47,300,210</u>
Deferred inflows of resources		
Deferred inflows - LTD ATU Pension Trust	3,868,207	1,149,618
Deferred inflows - LTD Salaried Employees' Plan	3,325,585	215,496
Deferred inflows - OPEB	922,125	1,173,028
Total deferred inflows of resources	<u>8,115,917</u>	<u>2,538,142</u>
Net position		
Investment in capital assets	165,243,367	158,549,761
Restricted	11,552,594	5,946,354
Unrestricted	<u>(5,388,348)</u>	<u>(6,944,886)</u>
Total net position	<u>171,407,613</u>	<u>157,551,229</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 227,104,284</u></u>	<u><u>\$ 207,389,581</u></u>

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, 2021 and 2020

	2021	2020 (as restated)
Operating revenues		
Passenger fares	\$ 775,378	\$ 4,533,611
Special services	-	197,114
Accessible Services, Medicaid and Point2Point	11,579,378	15,825,212
Advertising	276,512	366,667
Total operating revenues	<u>12,631,268</u>	<u>20,922,604</u>
Operating Expenses		
Personnel services	31,125,751	36,417,695
Materials and services	9,720,500	9,415,470
Insurance	1,784,846	1,084,094
Accessible Services, Medicaid and Point2Point	12,843,940	16,922,825
Depreciation	15,727,034	14,005,049
OPEB expense	746,187	479,250
Total operating expenses	<u>71,948,258</u>	<u>78,324,383</u>
Operating loss	<u>(59,316,990)</u>	<u>(57,401,779)</u>
Nonoperating Revenues (Expenses)		
Employer payroll tax, net of state administrative fees (2021, \$675,927; 2020, \$622,211)	42,081,318	39,842,212
Self-employment tax, net of state administrative fees (2021, \$107,980; 2020, \$97,791)	2,203,730	2,017,855
State payroll assessment	589,303	555,192
Grant revenue	11,643,403	3,445,027
Interest	154,305	310,904
Facility rental and other nonoperating revenues	33,308	115,456
Miscellaneous income	194,899	285,823
Loss on disposal of capital assets	(14,983)	-
Total nonoperating revenues	<u>56,885,283</u>	<u>46,572,469</u>
Loss before capital contributions	(2,431,707)	(10,829,310)
Capital contributions		
Federal and state grants for capital acquisition	<u>16,288,091</u>	<u>12,340,910</u>
Changes in net position	<u>13,856,384</u>	<u>1,511,600</u>
Total net position - beginning	157,551,229	163,462,689
Restatement - Note 4(e)	-	(7,423,060)
Total net position - beginning, restated	<u>157,551,229</u>	<u>156,039,629</u>
Total net position - ending	<u>\$ 171,407,613</u>	<u>\$ 157,551,229</u>

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, 2021 and 2020

	2021	2020 (as restated)
Cash flows from operating activities		
Cash received from customers	\$ 13,315,910	\$ 21,633,205
Cash paid to suppliers for goods and services	(24,685,898)	(28,456,145)
Cash paid to employees for services	(32,079,283)	(35,804,423)
Cash received from other sources	504,719	401,279
Net cash used for operating activities	<u>(42,944,552)</u>	<u>(42,226,084)</u>
Cash flows from noncapital financing activities		
Employer payroll tax	41,725,100	39,413,406
Self-employment tax	2,203,730	2,017,855
State payroll assessment	589,303	555,192
Federal operating grant	11,643,403	3,445,027
Net cash provided by noncapital financing activities	<u>56,161,536</u>	<u>45,431,480</u>
Cash flows from capital and related financing activities		
Contribution from federal and state agencies	13,746,265	16,800,072
Acquisition and construction of capital assets	(22,435,623)	(10,047,558)
Net cash used for capital and related financing activities	<u>(8,689,358)</u>	<u>6,752,514</u>
Cash flows from investing activities		
Interest receipts	<u>154,305</u>	<u>310,904</u>
Net change in cash and cash equivalents	<u>4,681,931</u>	<u>10,268,814</u>
Cash and cash equivalents, beginning of the year	<u>25,166,562</u>	<u>14,897,748</u>
Cash and cash equivalents, end of the year	<u><u>\$ 29,848,493</u></u>	<u><u>\$ 25,166,562</u></u>
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	(59,316,990)	(57,401,779)
Cash provided by rental activities	33,308	115,456
Miscellaneous income	194,899	285,823
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	15,727,034	14,005,049
Change in net pension liability and related deferred inflows and outflows	(1,232,489)	1,023,558
Change in net OPEB liability and related deferred inflows and outflows	746,187	479,250
Change in accounts receivable	961,154	710,601
Change in inventory of parts and supplies	(187,212)	165,760
Change in prepaid expenses	184,053	(408,176)
Change in accounts payable	(311,186)	(817,986)
Change in accrued payroll and related liabilities	278,957	(410,286)
Change in other current liabilities	(22,267)	26,646
	<u><u>\$ (42,944,552)</u></u>	<u><u>\$ (42,226,084)</u></u>

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, 2021	Pension Trust Funds As of June 30, 2020
Assets		
Cash		
Cash and cash equivalents	\$ 1,158,796	\$ 706,807
Investments		
Shares of registered investment companies	62,007,852	52,395,169
Total Assets	63,166,648	53,101,976
Liabilities		
Accrued expenses	7,437	7,423
Fiduciary Net Position - Restricted for Pensions	\$ 63,159,211	\$ 53,094,553

Lane Transit District
Statements of Changes in Fiduciary Net Position

	Pension Trust Funds For the Year Ended June 30, 2021	Pension Trust Funds For the Year Ended June 30, 2020
Additions		
Employer contributions	\$ 4,141,969	\$ 4,333,913
Net change in fair value of investments	10,132,855	4,356,351
Interest, dividends and other income	905,690	977,760
Investment expenses	(96,891)	(160,518)
Net investment income	10,941,654	5,173,593
Total Additions	15,083,623	9,507,506
Deductions		
Benefits paid to participants	4,824,088	4,287,681
Administrative expenses	194,877	97,689
Total deductions	5,018,965	4,385,370
Net increase in fiduciary net position	10,064,658	5,122,136
Fiduciary Net Position - Restricted for Pensions		
Beginning of the year	53,094,553	47,972,417
Fiduciary Net Position - Restricted for Pensions		
End of the year	\$ 63,159,211	\$ 53,094,553

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, 2021 and 2020

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 and liabilities 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) 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.

(g) 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.

(h) 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 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.

(i) 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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

1. Summary of Significant Accounting Policies (Continued)

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

(j) 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.

(k) 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.

(l) 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.

(m) 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)

(n) New Accounting Pronouncements

GASB Statement No. 84 – Fiduciary Activities; and *GASB Statement No. 90 – Majority Equity Interests* became effective for fiscal year 2020-2021. None of these statements impact the District.

The District did early-implement *GASB Statement No. 98 – the Annual Comprehensive Financial Report*.

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.

2. Stewardship, Compliance, and Accountability (Continued)

- **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.

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. In May 2020, the Board adopted an amendment to the budget necessitated by COVID-19.

(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>2021</u>	<u>% of portfolio</u>	<u>2020</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	1,835,388	6.1%	5,032,639	20.0%
Oregon local government investment pool	<u>28,008,620</u>	93.8%	<u>20,129,438</u>	80.0%
Total cash and investments	<u>\$ 29,848,493</u>		<u>\$ 25,166,562</u>	

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

Cash and investments		
Unrestricted	\$ 17,175,489	\$ 15,774,922
Restricted	<u>12,673,004</u>	<u>9,391,640</u>
Total cash and investments	<u>\$ 29,848,493</u>	<u>\$ 25,166,562</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, 2021 and 2020 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, 2021 and 2020, 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>2021</u>	<u>2020</u>
Passenger fares	\$ 302,076	\$ 549,019
Medicaid reimbursement	667,640	841,943
Medicaid nonmedical reimbursement	213,392	524,540
Medicaid developmental disability reimbursement	8,462	252,182
Miscellaneous	39,298	24,337
Net total accounts receivable	<u>\$ 1,230,868</u>	<u>\$ 2,192,022</u>

3. Detail Notes (Continued)

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

	2021	2020
Employer payroll taxes	\$ 10,127,818	\$ 9,107,263
Self-employment taxes	91,022	801,200
State-in-lieu	148,101	102,260
Total tax receivable	<u>\$ 10,366,941</u>	<u>\$ 10,010,723</u>

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

	2021	2020 (as restated)
Restricted federal grants	\$ 9,192,853	\$ 3,560,281
Restricted state grants	957,569	575,585
Total restricted grants	10,150,422	4,135,866
Grants restricted for Accessible Services, Medicaid, and Point2Point	723,948	745,249
Total grants receivable	<u>\$ 10,874,370</u>	<u>\$ 4,881,115</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, 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 position	<u>\$ 1,381,006</u>	<u>\$ 3,288,303</u>	<u>\$ 6,883,285</u>	<u>\$11,552,594</u>

3. Detail Notes (Continued)

The components of the restricted assets, liabilities payable from restricted assets, and restricted net positions as of June 30, 2020, were as follows:

	Specialized Services, Medicaid and Point2point (as restated)	Capital Projects (as restated)	General Fund (as restated)	Total (as restated)
Restricted assets				
Cash and investments	\$ 1,339,646	\$ 919,244	\$ 7,132,750	\$ 9,391,640
Accounts receivable	263,921	29,229	-	293,150
Federal and state grants receivable	745,249	4,123,609	12,257	4,881,115
Total restricted assets	<u>2,348,816</u>	<u>5,072,082</u>	<u>7,145,007</u>	<u>14,565,905</u>
Liabilities payable from restricted assets				
Accounts payable	\$ (1,190,648)	\$ -	\$ (32,457)	\$ (1,223,105)
Unearned revenue	(17,810)	-	(7,378,636)	(7,396,446)
Total liabilities payable from restricted assets	<u>(1,208,458)</u>	<u>-</u>	<u>(7,411,093)</u>	<u>(8,619,551)</u>
Total net restricted positions	<u>\$ 1,140,358</u>	<u>\$ 5,072,082</u>	<u>\$ (266,086)</u>	<u>\$ 5,946,354</u>

3. Detail Notes (Continued)

(d) Capital Assets

Major classes of capital assets and accumulated depreciation as of June 30, 2021 and 2020:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance 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	20,469,995	141,439	-	(1,869,487)	18,741,947
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	292,503,539	22,294,184	(4,885,608)	1,869,487	311,781,602
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	154,423,773	15,727,034	(4,870,625)	-	165,280,182
Total capital assets being depreciated, net	138,079,766	6,567,150	(14,983)	1,869,487	146,501,420
Total capital assets, net	\$ 158,549,761	\$ 6,708,589	\$ (14,983)	\$ -	\$ 165,243,367

3. Detail Notes (Continued)

	Balance				Balance
	June 30, 2019	Additions	Deletions	Transfers	June 30, 2020
Capital assets not being depreciated:					
Land	\$ 17,612,178	\$ -	\$ -	\$ -	\$ 17,612,178
Public art	366,917	-	-	-	366,917
Construction in progress	901,964	1,647,409	-	(58,473)	2,490,900
Total capital assets not being depreciated	18,881,059	1,647,409	-	(58,473)	20,469,995
Capital assets being depreciated:					
Busways	129,166,905	107,899	-	-	129,274,804
Rolling stock and related equipment	64,905,520	6,109,676	(5,101,799)	-	65,913,397
Stations, shelters, and bus signs	26,381,473	525,600	-	58,473	26,965,546
Buildings and improvements	47,426,049	162,796	-	-	47,588,845
Accessible Services vehicles	6,257,565	281,400	(856,418)	-	5,682,547
Other equipment and support vehicles	15,904,896	1,212,779	(39,275)	-	17,078,400
Total capital assets being depreciated	290,042,408	8,400,150	(5,997,492)	58,473	292,503,539
Less accumulated depreciation for:					
Busways	32,662,947	6,549,712	-	-	39,212,659
Rolling stock and related equipment	47,896,559	2,882,288	(5,101,799)	-	45,677,048
Stations, shelters, and bus signs	17,296,591	1,644,381	-	-	18,940,972
Buildings and improvements	29,514,582	1,900,408	-	-	31,414,990
Accessible Services vehicles	4,780,314	147,125	(856,418)	-	4,071,021
Other equipment and support vehicles	14,265,223	881,135	(39,275)	-	15,107,083
Total accumulated depreciation	146,416,216	14,005,049	(5,997,492)	-	154,423,773
Total capital assets being depreciated, net	143,626,192	(5,604,899)	-	58,473	138,079,766
Total capital assets, net	\$ 162,507,251	\$ (3,957,490)	\$ -	\$ -	\$ 158,549,761

Depreciation expense was \$15,727,034 and \$14,005,049, for fiscal years ended June 30, 2021 and 2020, 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 is no property and equipment under capital lease.

3. Detail Notes (Continued)

(e) Accrued Vacation and Sick Leave Liabilities

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

	2021	2020
Accrued vacation and sick leave payable at beginning of period	\$ 2,551,529	\$ 2,839,026
Total vacation accrued for period	1,486,706	1,368,277
Total sick leave accrued for period	496,095	404,507
Total vacation taken for period	(1,270,950)	(1,510,913)
Total sick leave taken for period	(457,751)	(486,763)
Total sick leave lost for period	(33,257)	(62,605)
Accrued vacation and sick leave payable at end of period	<u>\$ 2,772,372</u>	<u>\$ 2,551,529</u>
Vacation time - union-represented employees	\$ 1,030,999	\$ 1,008,440
Combined annual leave - nonunion employees	763,825	672,747
Sick leave - union-represented employees	574,931	516,431
Extended illness bank - nonunion employees	402,617	353,911
Total accrued vacation and sick leave	<u>\$ 2,772,372</u>	<u>\$ 2,551,529</u>
Current portion vacation and sick leave	\$ 764,675	\$ 685,677
Noncurrent vacation and sick leave	2,007,697	1,865,852
Total	<u>\$ 2,772,372</u>	<u>\$ 2,551,529</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 April 12, 2013.

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 62 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, 2021 and 2020, employer contributions to this plan recognized as expense were \$231,145 and \$231,269, 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	82
Inactive employees entitled to but not yet receiving benefits (including transfers to the ATU Plan)	40
Active employees	36
	<u>158</u>

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, 2021:

	Balance at June 30, 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:				
Cash and Equivalents	\$ 467,393	\$ 467,393	\$ -	\$ -
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>\$ 25,620,759</u>	<u>\$ 467,393</u>	<u>\$ 25,153,366</u>	<u>\$ -</u>

4. Other Information (Continued)

Of the \$20,478,594 in LTDSP Pension Trust investments at June 30, 2020, a significant portion was also invested in Level 2 mutual funds.

Net Pension Liability

The District's net pension liability for the LTDSP Part 1 at June 30, 2021, 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, 2019.

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2019, 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	5.50%
Mortality	Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2019 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.0%	7.30%
International Equity	24.0%	9.70%
Fixed Income	25.0%	2.50%
Real Return (all asset strategies)	10.0%	5.00%
Global Tactical Asset Allocation (GTAA)	10.0%	5.50%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.50 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.

4. Other Information (Continued)

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 6/30/20	\$ 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
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	130,699	5,142,165	(5,011,466)
Balances at 6/30/21	\$ 30,592,338	\$ 25,620,759	\$ 4,971,579

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/19	\$ 28,466,481	\$ 20,109,626	\$ 8,356,855
Changes for the year:			
Service cost	348,035	-	348,035
Interest	1,751,505	-	1,751,505
Economic/demographic (gains)	(484,865)	-	(484,865)
Changes of assumptions	1,961,345	-	1,961,345
Employer contributions	-	1,483,553	(1,483,553)
Net investment income	-	546,424	(546,424)
Benefit payments	(1,580,862)	(1,580,862)	-
Administrative expense	-	(80,147)	80,147
Net changes	1,995,158	368,968	1,626,190
Balances at 6/30/20	\$ 30,461,639	\$ 20,478,594	\$ 9,983,045

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 and 14.8 percent for the years ended June 30, 2021 and 2020, respectively. The District makes an additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2021 and 2020, that amount was \$1,132,332 and \$1,056,619, respectively.

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 5.50 percent 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
2021	
1% decrease (4.50%)	\$ 8,456,259
Current discount rate (5.50%)	4,971,579
1% increase (6.50%)	2,029,156
2020	
1% decrease (4.50%)	\$ 13,452,838
Current discount rate (5.50%)	9,983,045
1% increase (6.50%)	7,053,193

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

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$693,969 and \$2,113,018, 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>
2021		
Net difference between projected and actual earnings	\$ -	\$ (3,325,585)
Total	<u>\$ -</u>	<u>\$ (3,325,585)</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2020		
Differences between expected and actual experience	\$ -	\$ (215,496)
Changes in assumptions or inputs	871,709	-
Net difference between projected and actual earnings	252,857	-
Total	<u>\$ 1,124,566</u>	<u>\$ (215,496)</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,	
2022	\$ (826,911)
2023	(776,981)
2024	(805,375)
2025	(916,318)
	<u>\$ (3,325,585)</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, 2021 and 2020

	<u>As of June 30, 2021</u>	<u>As of June 30, 2020</u>
Assets		
Cash		
Cash and cash equivalents	\$ 467,393	\$ 386,209
Investments		
Shares of registered investment companies	25,153,366	20,092,385
Total Assets	<u>25,620,759</u>	<u>20,478,594</u>
Liabilities		
Accrued expenses	<u>-</u>	<u>-</u>
Fiduciary Net Position - Restricted for Pensions	<u>\$ 25,620,759</u>	<u>\$ 20,478,594</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, 2021 and 2020

	<u>For the Year Ended June 30, 2021</u>	<u>For the Year Ended June 30, 2020</u>
Additions		
Employer contributions	\$ 1,470,780	\$ 1,483,553
Investment income		
Net change in fair value of investments	5,310,638	204,294
Interest, dividends and other income	411,027	369,204
Investment expenses	(56,617)	(57,449)
Net investment income	<u>5,665,048</u>	<u>516,049</u>
Total Additions	<u>7,135,828</u>	<u>1,999,602</u>
Deductions		
Benefits paid to participants	1,920,824	1,580,862
Administrative expenses	<u>72,839</u>	<u>49,772</u>
Total deductions	<u>1,993,663</u>	<u>1,630,634</u>
Net increase in fiduciary net position	5,142,165	368,968
Fiduciary Net Position - Restricted for Pensions		
Beginning of the year	<u>20,478,594</u>	<u>20,109,626</u>
Fiduciary Net Position - Restricted for Pensions		
End of the year	<u>\$ 25,620,759</u>	<u>\$ 20,478,594</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, 2021 and 2020, employer contributions recognized as expense were \$354,122 and \$342,785, 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 on or after 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	244
Inactive employees entitled to but not yet receiving benefits	58
Active employees	<u>240</u>
	<u><u>542</u></u>

Net Pension Liability

The District's net pension liability for the LTD ATU Pension Trust at June 30, 2021, was measured as of December 31, 2020, 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, 2020:

		Fair Value Measurement Using		
		Quoted Prices in	Significant	
		Active Markets	Other	Significant
	Balance at	for Identical	Observable	Unobservable
	December 31,	Assets	Inputs	Inputs
	2020	(Level 1)	(Level 2)	(Level 3)
Measured at Fair Value Level:				
Cash and Equivalents	\$ 691,403	\$ 691,403	\$ -	\$ -
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	-
	\$ 37,545,889	\$ 691,403	\$ 36,854,486	\$ -

Of the \$32,623,382 in LTD ATU Pension Trust investments at December 31, 2019, a significant portion was also invested in Level 2 mutual funds.

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:

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.

4. Other Information (Continued)

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	31.0%	7.30%
International Equity	24.0%	9.70%
Fixed Income	25.0%	2.50%
Real Return (all asset strategies)	10.0%	5.00%
Global Tactical Asset Allocation (GTAA)	10.0%	5.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 5.75 percent, down from 6.50 percent in the January 1, 2018 valuation. 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 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	3,917,147	4,922,493	(1,005,346)
Balances at December 31, 2020	\$ 48,369,908	\$ 37,538,452	\$ 10,831,456

4. Other Information (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	\$ 43,034,306	\$ 27,869,132	\$ 15,165,174
Changes for the year:			
Service cost	1,329,592	-	1,329,592
Interest	2,795,682	-	2,795,682
Employer contributions	-	2,850,360	(2,850,360)
Net investment income	-	4,707,038	(4,707,038)
Benefit payments	(2,706,819)	(2,706,819)	-
Administrative expense	-	(103,752)	103,752
Effect of economic/demographic (gains) or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Net changes	1,418,455	4,746,827	(3,328,372)
Balances at December 31, 2019	\$ 44,452,761	\$ 32,615,959	\$ 11,836,802

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 and \$5.69 for the years ended December 31, 2020 and 2019, respectively. 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:

	Net Pension Liability	
2020		
1% decrease (4.75%)	\$	15,995,295
Current discount rate (5.75%)		10,831,456
1% increase (6.75%)		6,438,280
2019		
1% decrease (5.50%)	\$	16,381,404
Current discount rate (6.50%)		11,836,802
1% increase (7.50%)		7,945,249

4. Other Information (Continued)

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

For the years ended December 31, 2020 and 2019, the District recognized pension expense of \$2,679,081 and \$3,246,357 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
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)	3,275,076	(3,868,207)
Contributions made subsequent to the measurement date	1,861,386	-
Total	<u>\$ 5,136,462</u>	<u>\$ (3,868,207)</u>
2019		
Differences between expected and actual experience	\$ 43,731	\$ (81,891)
Changes in assumptions or inputs	1,525,995	-
Net difference between projected and actual earnings	-	(1,067,727)
Total (prior to post-measurement date contributions)	1,569,726	(1,149,618)
Contributions made subsequent to the measurement date	1,397,815	-
Total	<u>\$ 2,967,541</u>	<u>\$ (1,149,618)</u>

Deferred outflows of resources related to pensions of \$1,861,386 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, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Year ended December 31,	
2021	\$ 14,458
2022	479,437
2023	(690,209)
2024	(396,817)
	<u>\$ (593,131)</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, 2020 and 2019

	<u>As of December 31, 2020</u>	<u>As of December 31, 2019</u>
Assets		
Cash		
Cash and cash equivalents	\$ 691,403	\$ 320,598
Investments		
Shares of registered investment companies	36,854,486	32,302,784
Total Assets	37,545,889	32,623,382
Liabilities		
Accrued expenses	7,437	7,423
Fiduciary Net Position - Restricted for Pensions	\$ 37,538,452	\$ 32,615,959

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, 2020 and 2019

	<u>For the Year Ended December 31, 2020</u>	<u>For the Year Ended December 31, 2019</u>
Additions		
Employer contributions	\$ 2,671,189	\$ 2,850,360
Investment income		
Net change in fair value of investments	4,822,217	4,152,057
Interest, dividends and other income	494,663	608,556
Investment expenses	(40,274)	(103,069)
Net investment income	5,276,606	4,657,544
Total Additions	7,947,795	7,507,904
Deductions		
Benefits paid to participants	2,903,264	2,706,819
Administrative expenses	122,038	47,917
Total deductions	3,025,302	2,754,736
Net increase in fiduciary net position	4,922,493	4,753,168
Fiduciary Net Position - Restricted for Pensions		
Beginning of the year	32,615,959	27,862,791
Fiduciary Net Position - Restricted for Pensions		
End of the year	\$ 37,538,452	\$ 32,615,959

4. Other Information (Continued)

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

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>

June 30, 2020	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Pension Liability	Pension Expense
Salaried	\$ 1,124,566	\$ (215,496)	\$ 9,983,045	\$ 2,113,018
ATU	2,967,541	(1,149,618)	11,836,802	3,246,357
Total	<u>\$ 4,092,107</u>	<u>\$ (1,365,114)</u>	<u>\$ 21,819,847</u>	<u>\$ 5,359,375</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, 2021 and 2020, employer contributions recognized as expense were \$300,823 and \$335,233, 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, 2020 valuation date:

Active Employees	330
Eligible Retirees	181
Spouses of Ineligible Retirees	<u>0</u>
Total Participants	<u><u>511</u></u>

The District's total OPEB liability as of June 30, 2021 was \$14,773,657.

Actuarial assumptions and other inputs: The total OPEB liability was determined by an actuarial valuation, as of the valuation date of June 30, 2020, calculated based on the discount rate of 2.21 percent, down from 3.50 percent in the prior valuation, and actuarial assumptions below, and was then projected backward to the measurement date of June 30, 2020.

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>
	Total OPEB
	Liability
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 6/30/21	<u><u>\$ 14,773,657</u></u>

	<u>Increase (Decrease)</u>
	Total OPEB
	Liability
Balance at 6/30/19	\$ 11,660,678
Changes for the year:	
Service cost	830,562
Interest	473,004
Changes to benefit terms	(334,126)
Changes of assumptions	(213,902)
Benefit payments	(542,982)
Net changes	<u>212,556</u>
Balance at 6/30/20	<u><u>\$ 11,873,234</u></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 2.21 percent:

	1%	Current	1%
	Decrease	Discount	Increase
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Total OPEB Liability	\$ 16,930,106	\$ 14,773,657	\$ 13,007,546

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%	Current Trend Rate	1%
	Decrease		Increase
Total OPEB Liability	\$ 14,547,368	\$ 14,773,657	\$ 15,040,433

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021 and 2020, the District recognized an OPEB expense of \$746,187 and \$479,250, 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
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	587,436	-
Total	<u>\$ 2,476,746</u>	<u>\$ (922,125)</u>
2020		
Differences between expected and actual experience	\$ -	\$ (284,256)
Changes in assumptions or inputs	-	(888,772)
Contributions made subsequent to the measurement date	573,413	-
Total	<u>\$ 573,413</u>	<u>\$ (1,173,028)</u>

The amount \$587,436 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, 2022. 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,	
2022	\$ 80,555
2023	80,555
2024	92,740
2025	207,109
2026	274,206
Thereafter	232,020
	<u>\$ 967,185</u>

4. Other Information (Continued)

Actuarial Methods & Assumptions – The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial methods and assumptions:

Discount rate	2.21%
Valuation date	January 1, 2020
Measurement date	June 30, 2020
Inflation	2.50%
Salary increases	3.00%
Health Cost Trend	4.75% in the first year (anticipated January 1, 2021 premiums compared with January 1, 2020 premiums), 5.75% in the second year, 5.00% in the third through fifth year, 4.75% in the sixth through 22nd years, 5.00% in the 23rd through 31st years, grading down to 4.00% after the 53rd year.
Mortality rates	For healthy ATU members and dependents: Pri-2012 Mortality Tables with Blue Collar adjustment, generational projection using MP-2019 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-2019 mortality improvement projection scales starting at the 2012 base year. For disabled retirees: Pri-2012 Disabled Mortality Tables and generational projection using MP-2019 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.

4. Other Information (Continued)

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:

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		
	2021	2020	2019
Unpaid claims and claim adjustment expenses, beginning of the year	\$ 261,896	\$ 170,862	\$ 172,107
Incurred claims (including IBNRs)	(53,077)	109,041	-
Claim payments	(54,653)	(18,007)	(1,245)
Total unpaid claims and claim adjustment expenses, end of the year	<u>\$ 154,166</u>	<u>\$ 261,896</u>	<u>\$ 170,862</u>

Unpaid claims are carried at estimated gross settlement value.

4. Other Information (Continued)

(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, 2021, the District has commitments of \$752,253 for electric bus chargers and \$83,416 for construction work on the Santa Clara Transit Station.

(e) Net Position Restatement

During the fiscal year ended June 30, 2021, management identified an error in which the District had not met all eligibility requirements to record certain agreements in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. The error primarily related to not having executed agreements in place prior to recognizing grant revenue and receivables; in several cases the execution of the agreements may have been subsequent to the period in which qualifying expenditures had been incurred. During 2020 in particular, this error was due to delays caused primarily by COVID-19. The District determined errors occurred in fiscal year 2020 and several previous years. As a result of this error, the District restated the following account balances as of and for the year ended June 30, 2020:

	As originally stated	Correction	Restated
Grants receivable	\$ 10,856,372	\$ (5,975,257)	\$ 4,881,115
Unearned revenue	7,126,872	269,574	7,396,446
Restricted net position	12,191,184	(6,244,830)	5,946,354
Grant revenue	7,876,198	(4,431,171)	3,445,027
Capital contributions	6,731,510	5,609,400	12,340,910
Change in net position	333,371	1,178,229	1,511,600
Total Net position, beginning	163,462,689	(7,423,060)	156,039,629
Cash flows from noncapital financing activities:			
Federal operating grants	7,876,198	(4,431,171)	3,445,027
Cash flows from capital and related financing activities:			
Contributions from federal and state agencies	12,368,902	4,431,170	16,800,072

*Required Supplementary
Information*

LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021
Schedule of Changes in the Net Pension Liability and Related Ratios
LTD Salaried Employees' Retirement Plan Trust Fund
Last 10 Fiscal Years ¹

	2021	2020	2019	2018 ²	2017	2016 ²	2015	2014 ²	2013	2012
Total pension liability										
Service cost	\$ 406,604	\$ 348,035	\$ 396,714	\$ 445,756	\$ 486,472	\$ 521,040	\$ 545,340	\$ 538,088	\$ 527,537	\$ -
Interest	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	-	(484,865)	(425)	(206,000)	-	99,443	-	354,334	-	-
Changes of assumptions	-	1,961,345	-	942,158	-	2,952,420	-	506,129	-	-
Benefit payments	(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	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	30,461,639	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	\$ 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
Plan fiduciary net position										
Employer contributions	\$ 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	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	(1,920,835)	(1,580,862)	(1,504,188)	(1,413,238)	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)	(690,418)	-
Administrative expense	(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	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	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	\$ 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
District's net pension liability - ending	\$ 4,971,579	\$ 9,983,045	\$ 8,356,855	\$ 8,729,395	\$ 8,699,370	\$ 10,243,516	\$ 5,813,348	\$ 5,263,351	\$ 5,594,338	\$ 6,094,892
Plan fiduciary net position as a percentage of the total pension liability	83.75%	67.23%	70.64%	68.66%	67.03%	59.96%	73.17%	74.70%	70.43%	65.64%
Covered payroll	\$ 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	\$ 5,092,690
District's net pension liability as a percentage of covered payroll	250.46%	347.10%	263.91%	262.07%	234.01%	254.31%	136.36%	100.71%	107.28%	119.68%

Notes to Schedule:

1. This schedule is intended to show a 10-year trend of changes in the net pension liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.
2. 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, 2021
Schedule of Employer Contributions
LTD Salaried Employees' Retirement Plan Trust Fund
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 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	\$ 931,962
Contribution in relation to the actuarially determined contribution	<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>	<u>1,026,587</u>
Contribution deficiency (excess)	<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>	<u>\$ (94,625)</u>
Covered payroll	\$ 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	\$ 5,092,690
Contributions as a percentage of covered payroll	74.09%	51.58%	47.56%	47.36%	49.58%	29.15%	31.27%	22.23%	22.17%	20.16%

Notes to Schedule:

Valuation date	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	7/1/2009
Investment rate of return assumption	5.50%	6.25%	6.25%	6.50%	6.50%	7.25%	7.25%	7.50%	7.50%	7.50%

Methods and assumptions used to determine contribution rates:

Individual entry age normal, level percentage of pay

Effective July 1, 2011: Closed 20-year amortization, level dollar

Effective July 1, 2007: Layered 20-year amortization, level percentage of pay

Asset valuation method

Fair value gains and losses smoothed over three years, with result not less than 80% or greater than 120% of fair 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

Effective July 1, 2003: RP-2000 Combined Health Mortality Table

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, 2021
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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability									
Service cost	\$ 1,369,480	\$ 1,329,592	\$ 1,021,112	\$ 991,371	\$ 817,980	\$ 794,155	\$ 853,018	\$ 828,173	\$ -
Interest	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 ²	-	-
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	(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	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	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>\$ 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	\$ 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	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	(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	(119,830)	(103,752)	(137,086)	(112,050)	(110,564)	(70,779)	(115,303)	(82,478)	-
Net change in plan fiduciary net position	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	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>\$ 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>\$ 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	77.61%	73.37%	64.76%	74.37%	65.14%	62.95%	66.24%	64.78%	58.56%
Covered payroll	\$ 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	97.57%	84.51%	115.10%	74.28%	112.76%	117.37%	108.17%	111.19%	125.35%

Notes to Schedule:

1. This schedule is intended to show a 10-year trend of changes in the net pension liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.
2. A new collective bargaining agreement increased the benefit multiplier.

LANE TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021
Schedule of Employer Contributions
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
Last 10 Fiscal Years

		Plan Year Ending December 31,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution		\$ 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	\$ 1,989,000
Contribution in relation to the actuarially determined contribution		2,671,188	2,850,360	2,895,673	2,653,938	3,089,304	2,309,003	2,222,585	2,248,159	2,205,000	2,092,000
Contribution deficiency (excess)		<u>\$ 248,812</u>	<u>\$ (1,360)</u>	<u>\$ 327</u>	<u>\$ 17,062</u>	<u>\$ (598,445)</u>	<u>\$ 14,997</u>	<u>\$ (104,585)</u>	<u>\$ (96,159)</u>	<u>\$ (150,000)</u>	<u>\$ (103,000)</u>
Covered payroll		\$ 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	\$ 10,176,000
Contributions as a percentage of covered payroll		24.08%	20.32%	21.75%	19.97%	26.49%	20.99%	21.12%	21.32%	21.10%	20.56%
Notes to Schedule:											
Valuation date	1/1/2020		1/1/2018	1/1/2018	1/1/2016	1/1/2016	1/1/2016	1/1/2014	1/1/2012	1/1/2012	1/1/2010
Investment rate of return assumption	5.75%		6.50%	6.50%	6.75%	6.75%	7.25%	7.25%	7.25%	7.25%	7.50%
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											
Fair value gains and losses are smoothed over three years, with result not less than 80% or greater than 120% of fair value											
The actuarial asset method was reset to the fair 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**

<u>Fiscal Year Ended</u>	<u>Total OPEB Liability</u>	<u>Covered Payroll</u>	<u>TOL as a percent of covered payroll</u>
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.

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	\$ 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, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Passenger fares	\$ 4,106,715	\$ 4,106,715	\$ 775,378	\$ (3,331,337)
Advertising	322,000	322,000	276,512	(45,488)
Employer payroll tax	27,117,649	27,117,649	42,081,318	14,963,669
Self-employment tax	1,388,463	1,388,463	2,203,730	815,267
State payroll assessment	315,751	315,751	589,303	273,552
Federal assistance	18,332,834	18,332,834	11,074,939	(7,257,895)
State assistance	1,533,333	1,533,333	214,831	(1,318,502)
Miscellaneous	270,067	270,067	228,212	(41,855)
Interest	52,500	52,500	154,304	101,804
Total revenues	<u>53,439,312</u>	<u>53,439,312</u>	<u>57,598,527</u>	<u>4,159,215</u>
Expenditures				
Personnel services	36,173,576	36,173,576	32,414,523	3,759,053
Materials and services	10,861,608	10,861,608	8,133,389	2,728,219
Insurance	456,718	456,718	1,784,846	(1,328,128)
Transit Services [1]	<u>47,491,902</u>	<u>47,491,902</u>	<u>42,332,758</u>	<u>5,159,144</u>
Other uses				
Transfer to Accessible Services Fund	2,942,083	2,942,083	2,942,080	3
Transfer to Medicaid Fund	397,133	397,133	397,133	-
Transfer to Point2point Fund	258,379	258,379	60,000	198,379
Transfer to Capital Projects Fund	5,454,931	5,454,931	5,454,930	1
Non-operating [1]	<u>9,052,526</u>	<u>9,052,526</u>	<u>8,854,143</u>	<u>198,383</u>
Reserve for future expenditure	8,215,317	8,215,317	-	8,215,317
Total expenditures and other uses	<u>64,759,745</u>	<u>64,759,745</u>	<u>51,186,901</u>	<u>13,572,844</u>
Excess (deficiency) of revenues over expenditures	(11,320,433)	(11,320,433)	6,411,626	17,732,059
Fund balance, beginning of year	11,320,433	11,320,433	20,126,403	8,805,970
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,538,029</u>	<u>\$ 26,538,029</u>

[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, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Federal assistance	\$ 984,937	\$ 984,937	\$ 611,772	\$ (373,165)
State assistance	-	-	592	592
Miscellaneous	-	-	900	900
Other sources				
Transfer from General Fund	258,379	258,379	60,000	(198,379)
Total revenues	1,243,316	1,243,316	673,264	(570,052)
Expenditures				
Point2Point Administration	380,563	380,563	71,348	309,215
Business Commute Challenge	33,645	33,645	2,400	31,245
Emergency Home Ride	2,000	2,000	250	1,750
Safe Routes to School	327,072	327,072	163,176	163,896
Vanpool	120,000	120,000	21,852	98,148
Projects:				
Carshare	3,500	3,500	-	3,500
Safe Routes to School Regional	14,674	14,674	-	14,674
SmartTrips Gateway-West Eugene EmX	112,286	112,286	-	112,286
Driveless Connection/Get There	68,580	68,580	4,671	63,909
SmartTrips Main Street 3	-	-	895	(895)
Safe Routes to School Assistants	33,030	33,030	-	33,030
Transportation Coordinator Pilot	9,500	9,500	-	9,500
ODOT Congestion Mitigation Project	49,969	49,969	591	49,378
Innovation Grant "Nudge"/Behavior Change	40,000	40,000	-	40,000
Safe Ways to School	15,000	15,000	-	15,000
Transit Services [1]	1,209,819	1,209,819	265,183	944,636
Other sources (uses)				
Working capital contingency	33,628	33,628	-	33,628
Total other uses	33,628	33,628	-	33,628
Total expenditures and other uses	1,243,447	1,243,447	265,183	978,264
Excess (deficiency) of revenues over expenditures	(131)	(131)	408,081	408,212
Fund balance, beginning of year	131	131	(574,948)	(575,079)
Fund balance, end of year	\$ -	\$ -	\$ (166,867)	\$ (166,867)

[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, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Passenger fares	\$ 300,001	\$ 300,001	\$ 120,266	\$ (179,735)
Federal assistance	3,596,510	3,596,510	1,102,826	(2,493,684)
State assistance	2,774,590	2,774,590	1,037,961	(1,736,629)
Local assistance	191,161	191,161	83,438	(107,723)
Miscellaneous	-	-	100	100
Other sources				
Transfer from General Fund	2,942,080	2,942,080	2,942,080	-
Total revenues	<u>9,804,342</u>	<u>9,804,342</u>	<u>5,286,671</u>	<u>(4,517,671)</u>
Expenditures				
Eugene-Springfield services				
ADA RideSource	6,943,067	6,929,067	2,719,202	4,209,865
Transit training and hosts	154,038	154,038	7,461	146,577
Mental health transportation	115,532	115,532	-	115,532
STIF grant administration	280,000	280,000	308,146	(28,146)
LTD staff time	145,000	145,000	-	145,000
Total Eugene-Springfield services	<u>7,637,637</u>	<u>7,623,637</u>	<u>3,034,809</u>	<u>4,588,828</u>
Rural Lane County services				
South Lane	152,175	152,175	134,824	17,351
Oakridge	267,104	281,104	233,767	47,337
Florence	647,806	647,806	219,117	428,689
STIF Transit Demand Plan	100,000	100,000	14,977	85,023
Total rural Lane County services	<u>1,167,085</u>	<u>1,181,085</u>	<u>602,685</u>	<u>578,400</u>
Other services				
Mobility management	140,862	140,862	-	140,862
Crucial connections	7,500	7,500	4,148	3,352
Veterans transportation	12,500	12,500	1,540	10,960
Lane County coordination	-	-	74,536	(74,536)
Mobility as a service	900,000	900,000	-	900,000
Total other services	<u>1,060,862</u>	<u>1,060,862</u>	<u>80,224</u>	<u>980,638</u>
Transit Services [1]	<u>9,865,584</u>	<u>9,865,584</u>	<u>3,717,718</u>	<u>6,147,866</u>
Other uses				
Reserve for future expenditure	500,552	500,552	-	500,552
Total other uses	<u>500,552</u>	<u>500,552</u>	<u>-</u>	<u>500,552</u>
Total expenditures and other uses	<u>10,366,136</u>	<u>10,366,136</u>	<u>3,717,718</u>	<u>6,648,418</u>
Excess (deficiency) of revenues over expenditures	<u>(561,794)</u>	<u>(561,794)</u>	<u>1,568,953</u>	<u>2,130,747</u>
Fund balance, beginning of year	<u>561,794</u>	<u>561,794</u>	<u>800,552</u>	<u>238,758</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,369,505</u>	<u>\$ 2,369,505</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, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Medicaid nonemergency medical transportation (NEMT)	\$ 13,028,045	\$ 13,028,045	\$ 8,831,371	\$ (4,196,674)
Medicaid waived transportation	1,151,725	1,151,725	283,869	(867,856)
Other sources				
Transfer from General Fund	397,133	397,133	397,133	-
Total revenues and other sources	14,576,903	14,576,903	9,512,373	(5,064,530)
Expenditures				
Medicaid nonemergency medical transportation (NEMT)				
Services	10,080,000	10,080,000	6,554,939	3,525,061
Mobility management	95,350	95,350	53,622	41,728
Program administration	2,852,695	2,852,695	1,891,710	960,985
Total Medicaid NEMT	13,028,045	13,028,045	8,500,271	4,527,774
Medicaid waived transportation				
Services	1,109,750	1,109,750	377,825	731,925
Mobility management	41,975	41,975	17,528	24,447
Program administration	12,650	12,650	5,802	6,848
Grant program match requirements	327,750	327,750	99,698	228,052
Total Medicaid waived transportation	1,492,125	1,492,125	500,853	991,272
Transit Services [1]	14,520,170	14,520,170	9,001,124	5,519,046
Other uses				
Reserve for future expenditure	136,567	136,567	-	136,567
Total expenditures and other uses	14,656,737	14,656,737	9,001,124	5,655,613
Excess (deficiency) of revenues over expenditures	(79,834)	(79,834)	511,249	591,083
Fund balance, beginning of year	79,834	79,834	246,910	167,076
Fund balance, end of year	\$ -	\$ -	\$ 758,159	\$ 758,159

[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, 2021**

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Federal assistance	\$ 18,495,108	\$ 18,495,108	\$ 10,447,254	\$ (8,047,854)
State assistance	5,555,101	5,555,101	5,840,837	285,736
Local assistance	436	436	-	(436)
CARES act	500,000	500,000	-	(500,000)
Other sources				
Transfer from General Fund	5,454,930	5,454,930	5,454,930	-
Total revenues and other sources	30,005,575	30,005,575	21,743,021	(8,262,554)
Expenditures				
Community Investments:				
Frequent transit network				
MovingAhead	453,677	453,677	36,495	417,182
EmX Development	40,000	40,000	6,230	33,770
Mobility on Demand	-	-	1,026	(1,026)
Main Street/McVay transit study	105,000	105,000	-	105,000
River Road Transit Community Implementation Plan	-	-	44,834	(44,834)
310 Garfield disposal	-	60,000	35,783	24,217
River Road Transit disposal	-	25,000	13,789	11,211
Safety and amenity improvements	560,000	14,925	18,129	(3,204)
Before and after study/O&D	-	-	40,666	(40,666)
Planning studies	543,908	543,908	211,058	332,850
Total frequent transit network	1,702,585	1,242,510	408,010	834,500
Facilities				
SantaClara Community Transit Center	4,077,249	4,077,249	4,689,880	(612,631)
Green Lane Corner improvements	235,000	222,000	96,239	125,761
Hunsaker Development Project	30,000	12,000	959	11,041
Passenger Boarding Improvements	200,000	161,000	160,557	443
Miscellaneous improvements	-	-	-	-
Total facilities	4,542,249	4,472,249	4,947,635	(475,386)
Technology Infrastructure & Systems				
Fare management system	-	-	1,909	(1,909)
Novus modules	450,000	400,000	86,526	313,474
Platform validators	500,000	500,000	-	500,000
Total technology infrastructure & systems	950,000	900,000	88,435	811,565
Total Community Investments	7,194,834	6,614,759	5,444,080	1,170,679

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, 2021

	Budget			
	Original	Final	Actual	Variance with Final Budget
State of Good Repair				
Fleet				
Revenue vehicles - fixed route	17,600,000	17,612,000	15,980,160	1,631,840
Revenue vehicles - accessible services	1,250,001	1,252,001	1,200,158	51,843
Hybrid bus replacement	975,000	973,000	-	973,000
Spare parts for vehicles	150,000	133,000	88,830	44,170
Mobile video surveillance	293,543	-	-	-
Associated Capital Maintenance (ACM) parts	131,750	136,750	-	136,750
Fleet procurement plan	89,307	89,307	46,662	42,645
Total fleet	20,489,601	20,196,058	17,315,810	2,880,248
Facilities				
Stations, shelters & facilities	25,000	-	-	-
Technology Infrastructure & Systems				
Computer hardware and software	2,296,140	1,434,014	292,809	1,141,205
NTD software	-	180,000	155,129	24,871
Scheduling software	-	192,500	137,034	55,466
Disaster recovery preparedness	-	489,626	292,674	196,952
Total technology infrastructure & systems	2,296,140	2,296,140	877,646	1,418,494
Safety & Security				
System security improvements	-	10,000	9,774	226
Total safety and security	-	10,000	9,774	226
Total State of Good Repair	22,810,741	22,502,198	18,203,230	4,298,968
Grant Funded Non-Capitalized				
COVID-19	-	-	98,301	(98,301)
Transit Investments [1]	30,005,575	29,116,957	23,745,611	5,371,346
Other uses				
Operating contingency	-	888,618	-	888,618
Reserve for future expenditure	10,827,898	10,827,898	-	10,827,898
Total other uses	10,827,898	11,716,516	-	11,716,516
Total expenditures and other uses	40,833,473	40,833,473	23,745,611	17,087,862
Excess (deficiency) of revenues over expenditures	(10,827,898)	(10,827,898)	(2,002,590)	8,825,308
Fund balance, beginning of year	10,827,898	10,827,898	12,519,783	1,691,885
Fund balance, end of year	\$ -	\$ -	\$ 10,517,193	\$ 10,517,193

[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, 2021

Excess of revenues over expenditures	
General Fund	\$ 6,411,626
Point2point Fund	408,081
Specialized Services Fund	1,568,953
Medicaid Fund	511,249
Capital Projects Fund	(2,002,590)
Total excess (deficiency) of revenues over expenditures	<u>6,897,319</u>
Reconciling items:	
Depreciation	(15,727,034)
Acquisition of capital assets	22,435,623
Loss on capital asset disposal	(14,983)
OPEB expense	(746,187)
Pension expense in excess of pension contribution	1,232,489
Accrued vacation and sick leave	(220,843)
Total reconciling items	<u>6,959,065</u>
Change in net position on a GAAP basis	<u><u>\$ 13,856,384</u></u>

Lane Transit District
Reconciliation of Budgetary Fund Balances to
Net Position on a GAAP Basis
June 30, 2021

Budgetary fund balances:	
General Fund	\$ 26,538,029
Point2point Fund	(166,867)
Specialized Services Fund	2,369,505
Medicaid Fund	758,159
Capital Projects Fund	10,517,193
Total budgetary fund balances	<u>40,016,019</u>
Reconciling items:	
Capital assets	165,243,367
Deferred outflows of resources	7,613,208
Compensated absences	(2,772,372)
Total OPEB liability	(14,773,657)
Net pension liability	(15,803,035)
Deferred inflows of resources	(8,115,917)
Total reconciling items	<u>131,391,594</u>
Net position on a GAAP basis	<u><u>\$ 171,407,613</u></u>

Lane Transit District
Combining Statements of Fiduciary Net Position

	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	<u>\$ 37,538,452</u>	<u>\$ 25,620,759</u>	<u>\$ 63,159,211</u>

	Amalgamated Transit Union, Local No. 757 Pension Trust Fund As of December 31, 2019	Lane Transit District Salaried Employee's Retirement Plan Trust Fund As of June 30, 2020	Total June 30, 2020
Assets			
Cash			
Cash and cash equivalents	\$ 320,598	\$ 386,209	\$ 706,807
Investments			
Shares of registered investment companies	32,302,784	20,092,385	52,395,169
Total Assets	32,623,382	20,478,594	53,101,976
Liabilities			
Accrued expenses	7,423	-	7,423
Fiduciary Net Position - Restricted for Pensions	<u>\$ 32,615,959</u>	<u>\$ 20,478,594</u>	<u>\$ 53,094,553</u>

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, 2020	For the Year Ended June 30, 2021	For the Year Ended June 30, 2021
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	<u>\$ 37,538,452</u>	<u>\$ 25,620,759</u>	<u>\$ 63,159,211</u>

	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, 2019	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
Additions			
Employer contributions	\$ 2,850,360	\$ 1,483,553	\$ 4,333,913
Investment income			
Net change in fair value of investments	4,152,057	204,294	4,356,351
Interest, dividends and other income	608,556	369,204	977,760
Investment expenses	(103,069)	(57,449)	(160,518)
Net investment income	4,657,544	516,049	5,173,593
Total Additions	7,507,904	1,999,602	9,507,506
Deductions			
Benefits paid to participants	2,706,819	1,580,862	4,287,681
Administrative expenses	47,917	49,772	97,689
Total deductions	2,754,736	1,630,634	4,385,370
Net increase in fiduciary net position	4,753,168	368,968	5,122,136
Fiduciary Net Position - Restricted for Pensions			
Beginning of the year	27,862,791	20,109,626	47,972,417
Fiduciary Net Position - Restricted for Pensions			
End of the year	<u>\$ 32,615,959</u>	<u>\$ 20,478,594</u>	<u>\$ 53,094,553</u>

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 comprehensive financial reports for the relevant year.

Financial Trend Information

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

	2021	Restated 2020	2019	Restated 2018	2017	2016	2015	Restated 2014	2013	2012
Assets										
Current assets	\$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	\$ 30,346,275
Capital assets, net of accumulated depreciation	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	122,613,663
Other assets	-	-	-	-	-	-	-	-	1,068,705	1,006,960
Total assets	\$ 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	153,966,898
Deferred outflows of resources	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	\$ 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	\$ 153,966,898
Liabilities										
Current liabilities	\$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	\$ 8,224,324
Noncurrent liabilities	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	3,505,481
Total liabilities	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	11,729,805
Deferred outflows of resources	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	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	122,613,660
Restricted for Accessible Services, Point2point and Medicaid programs	11,552,594	5,946,354	579,853	1,792,304	38,863	2,775,776	440,273	398,255	436,632	491,306
Unrestricted	(5,388,348)	(6,944,886)	375,585	140,923	310,649	9,852,739	11,413,556	8,586,967	24,311,483	19,132,127
Total net position	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	142,237,093
Total liabilities, deferred inflows of resources and net position	\$ 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	\$ 153,966,898

Source: Lane Transit District Financial Statements

LANE TRANSIT DISTRICT

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

	2021	Restated 2020	2019	Restated 2018	2017	2016	2015	Restated 2014	2013	2012
Operations										
Fixed route										
Revenue	\$ 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	\$ 7,608,840
Expense	(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)	(34,411,349)
Total fixed route	(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)	(26,802,509)
Accessible Services, Point2point and Medicaid										
Revenue	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	8,069,191
Expense	(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)	(9,965,985)
Total Accessible Services, Point2point and Medicaid	(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)	(1,896,794)
Loss from operations	(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)	(28,699,303)
Nonoperating revenues										
Employer payroll tax	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	23,047,471
Self-employment tax	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	1,507,575
State payroll assessment	589,303	555,192	439,545	439,600	411,860	400,795	609,978	1,914,665	1,941,063	1,869,854
Federal assistance	11,643,403	3,445,027	2,487,542	2,825,907	-	4,736,708	6,001,519	5,993,929	6,563,936	5,431,231
State assistance	-	-	-	-	115,475	154,426	29,688	723,888	-	1,992
Interest	154,305	310,904	338,244	167,305	201,295	99,207	52,359	85,619	77,171	62,653
Other revenues	228,207	401,279	639,391	166,934	349,986	400,494	433,787	366,327	325,339	276,975
Total nonoperating revenues	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	32,197,751
Income (loss) before capital contributions	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	3,498,448
Capital contributions										
Federal and state grants for capital acquisition	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	16,366,583
Changes in net position before depreciation, OPEB expense, and gain (loss) on sale of assets	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	19,865,031
Depreciation	(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)	(10,169,031)
OPEB expense	(746,187)	(479,250)	(2,159,635)	247,705	(353,155)	(395,154)	(461,715)	(555,778)	(614,905)	(586,592)
Gain (loss) on disposal of capital assets	(14,983)	-	6,145	(1,075,334)	37,721	6,644	(2,877)	13,052	7,635	2,434
Changes in net position	\$ 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)	\$ 9,111,842

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	2021			2011		
	Employees	Rank	Percentage of Lane County Employment	Employees ³	Rank	Percentage of Lane County Employment
PeaceHealth Corp	5,347	1	3.70%	4,212	1	2.6%
University of Oregon	5,036	2	3.40%	4,038	2	2.5%
Eugene 4J School District	2,347	3	1.60%	2,794	3	1.7%
U.S. Government	1,813	4	1.20%	1,717	6	1.1%
Oregon State Government	1,805	5	1.20%	1,967	5	1.2%
City of Eugene	1,733	6	1.20%	1,310	7	0.8%
Lane Community College	1,721	7	1.20%	1,118	9	0.7%
Lane County Government	1,552	8	1.10%	2,000	4	1.2%
Springfield School District	1,130	9	0.80%	1,300	8	0.8%
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	0.6%
	<u>23,544</u>		<u>16.10%</u>	<u>21,506</u>		<u>13.2%</u>
Total Employees	<u>146,203</u> ¹			<u>162,368</u> ²		

¹Per Bureau of Labor Statistics, total covered employment as of Dec 2020

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

LANE TRANSIT DISTRICT
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)
2009	291,600	350,850	11,626,054	33,137	12.7%
2010	296,243	351,848	11,710,885	33,284	11.0%
2011	296,300	353,495	12,261,473	34,686	9.6%
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%

Notes

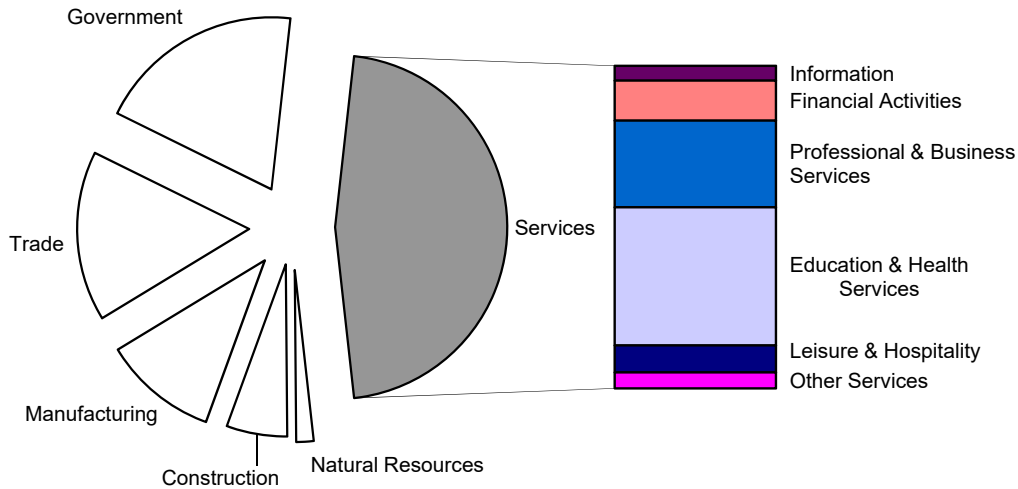
- a. District population in census years determined by Lane Transit District planning staff from U.S. Census Bureau census tract information. Intervening years are an estimate using information from the Census and the annual population estimates published by the Population Research Center at Portland State University.

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 2020 Covered Payroll



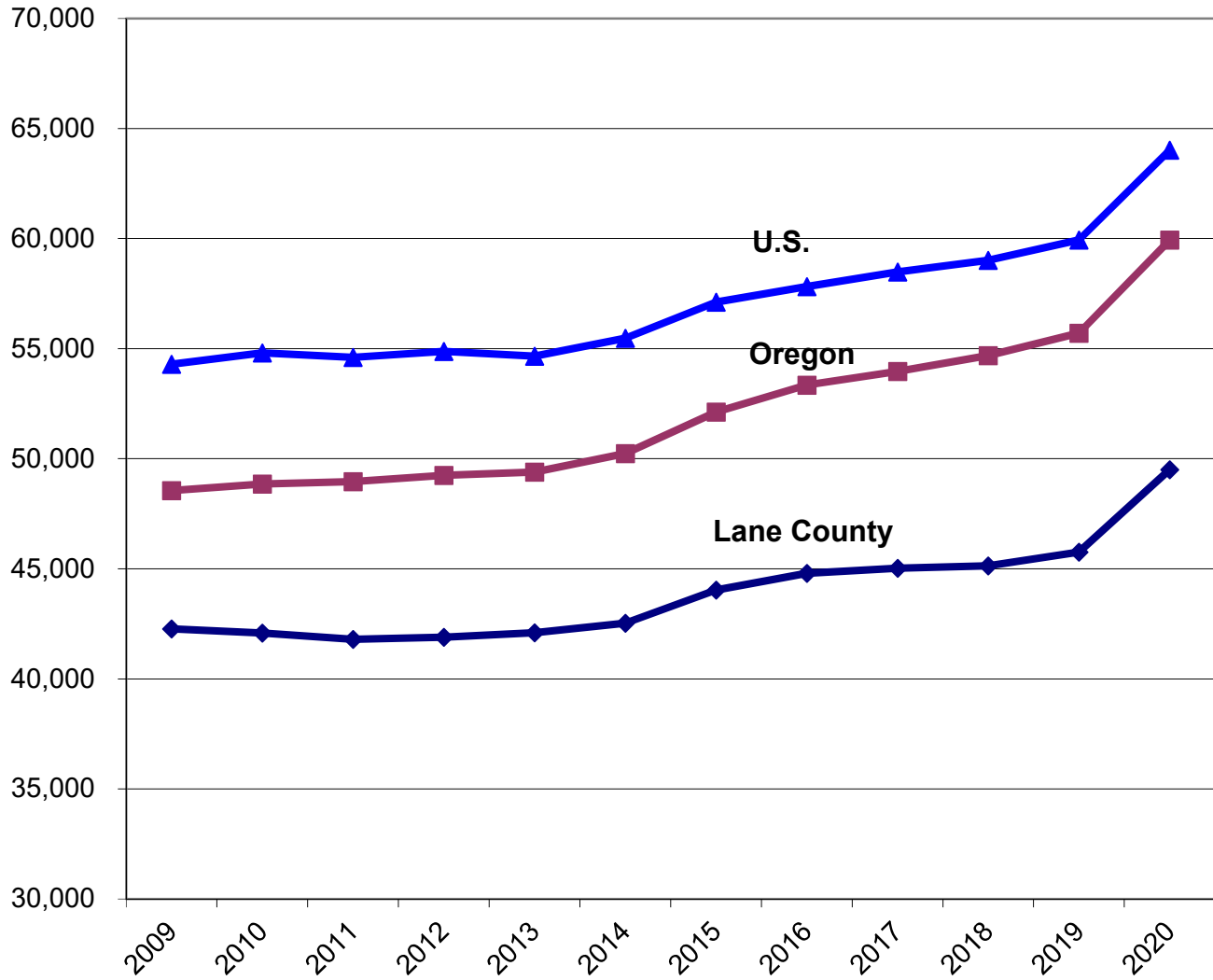
2020 Covered Employment and Wages Summary Report for Lane County

	Units	Covered Employment		Covered Payroll		Average Pay
		Count	Percent	Total in Millions	Percent	
Natural resources and mining	304	2,464	1.7%	\$ 118	1.6%	\$ 47,909
Construction	1,104	7,250	4.9%	\$ 416	5.7%	\$ 57,412
Manufacturing	567	13,808	9.3%	\$ 784	10.7%	\$ 56,814
Trade, transportation and utilities	2,022	28,388	19.1%	\$ 1,166	16.0%	\$ 41,065
Service						
Information	296	1,980	1.3%	\$ 156	2.1%	\$ 78,616
Financial activities	1,156	6,244	4.2%	\$ 421	5.8%	\$ 67,351
Professional and business services	1,819	17,200	11.6%	\$ 911	12.5%	\$ 48,542
Education and health services	2,776	27,971	18.8%	\$ 1,452	19.9%	\$ 51,916
Leisure and hospitality	1,195	13,813	9.3%	\$ 283	3.9%	\$ 20,517
Other services	1,186	4,972	3.3%	\$ 168	2.3%	\$ 33,775
Total Service	8,428	72,180	48.5%	\$ 3,391	46.4%	\$ 46,973
Unclassified	137	91				
Total all government	405	24,503	16.5%	\$ 1,420	19.5%	\$ 57,970
Total 2020 Covered Employment	12,967	148,684	100%	\$ 7,300	99.9%	\$ 49,096

Source: Oregon Employment Department

LANE TRANSIT DISTRICT

Inflation Adjusted Annual Average Wages (2020 Dollars)



Source: Oregon Employment Department

LANE TRANSIT DISTRICT
Eugene-Springfield Metropolitan Statistical Area (Lane County) Economic Data Sheet

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2010-2020</u>	
												Change:	
												n/av	% Change
Total population	352,010	353,155	354,200	356,125	358,805	362,150	365,940	370,600	375,120	378,880	381,365	29,355	8.3%
Births minus Deaths												n/av	n/av
Net Migration												n/av	n/av
Civilian labor force	178,988	177,663	173,244	168,771	170,318	172,635	178,047	180,766	180,495	181,067	178,467	(521)	-0.3%
Unemployment	19,887	17,353	15,416	13,346	11,546	9,790	8,902	7,911	7,840	7,227	14,103	(5,784)	-29.1%
Unemployment rate	11.1%	9.8%	8.9%	7.9%	6.8%	5.7%	5.0%	4.4%	4.3%	4.0%	7.9%	-3.2%	
Total employment	159,101	160,310	157,828	155,425	158,772	162,845	169,145	172,855	172,655	173,840	164,364	5,263	3.3%
Total nonfarm employment	141,800	142,100	142,900	144,800	148,400	153,100	157,600	160,600	163,100	164,400	152,100	10,300	7.3%
Labor-management disputants	0	0	0	0	0	0	0	0	0	0	0	0	0%
Percent annual change	-0.6%	0.2%	0.6%	1.3%	2.5%	3.2%	2.9%	1.9%	1.6%	0.8%	-7.5%		
Total personal income (millions)	\$11,855.2	\$12,225.2	\$12,795.6	\$12,849.4	\$13,695.2	\$14,666.8	\$15,343.1	\$16,273.8	\$17,030.1	\$17,559.5	\$18,989.5	\$7,134.3	60.2%
Percent annual change	3.3%	3.1%	4.7%	0.4%	6.6%	7.1%	4.6%	6.1%	4.6%	3.1%	8.1%	4.8%	145.5%
Per capita personal income - Lane County	\$33,685	\$34,523	\$36,022	\$36,129	\$38,226	\$40,487	\$41,557	\$43,317	\$44,957	\$45,960	\$49,583	\$15,898	47.2%
Per capita personal income - Oregon	\$36,036	\$37,596	\$39,370	\$39,787	\$42,133	\$44,693	\$45,998	\$47,982	\$50,535	\$52,462	\$56,312	\$20,276	56.3%
Per capita personal income - U.S.	\$40,690	\$42,783	\$44,614	\$44,894	\$47,017	\$48,891	\$49,812	\$51,811	\$54,098	\$56,047	\$59,510	\$18,820	46.3%
As percent of Oregon	93%	92%	91%	91%	91%	91%	90%	90%	89%	88%	88%	-5%	
As percent of U.S.	83%	81%	81%	80%	81%	83%	83%	84%	83%	82%	83%	1%	
Total covered payroll (millions)	\$4,830.2	\$4,987.0	\$5,148.4	\$5,319.4	\$5,583.4	\$5,991.4	\$6,288.5	\$6,593.7	\$6,863.3	\$7,144.9	\$7,299.8	\$2,469.5	51.1%
Percent annual change	0.3%	3.2%	3.2%	3.3%	5.0%	7.3%	5.0%	4.9%	4.1%	4.1%	2.2%	1.9%	
Average annual wage - Lane County	\$35,885	\$36,789	\$37,616	\$38,351	\$39,371	\$40,829	\$41,534	\$42,644	\$43,783	\$45,199	\$49,503	\$13,618	37.9%
Average annual wage - Oregon	\$41,669	\$43,077	\$44,229	\$45,008	\$46,516	\$48,322	\$49,467	\$51,117	\$53,053	\$55,019	\$59,927	\$18,258	43.8%
Average annual wage - U.S.	\$46,751	\$48,043	\$49,289	\$49,808	\$51,364	\$52,942	\$53,621	\$55,390	\$57,266	\$59,209	\$64,021	\$17,270	36.9%
As percent of Oregon	86%	85%	85%	85%	85%	84%	84%	83%	83%	82%	83%	-4%	
As percent of U.S.	77%	77%	76%	77%	77%	77%	77%	77%	76%	76%	77%	1%	
Inflation adjusted wages and income (2020 Dollars)													
CPI-U; U.S. city average	218.056	224.939	229.594	232.957	236.736	237.017	240.007	245.12	251.107	255.657	258.811	40.755	18.7%
Blow-up factor; 2019 = 100	1,1869	1,1506	1,1273	1,1110	1,0932	1,0920	1,0783	1,0559	1,0307	1,0123	1,0000	(0.1869)	
Inflation adjusted total covered payroll (millions)	\$5,730.0	\$5,740.0	\$5,800.0	\$5,910.0	\$6,100.0	\$6,540.0	\$6,780.0	\$6,960.0	\$7,070.0	\$7,230.0	\$7,300.0	\$1,570.0	27.4%
Percent annual change	-1.4%	0.2%	1.0%	1.9%	3.2%	7.2%	3.7%	2.7%	1.6%	2.3%	1.0%	2.4%	
Inflation adjusted average annual wage - Lane County	\$42,590	\$42,330	\$42,400	\$42,610	\$43,040	\$44,580	\$44,790	\$45,030	\$45,130	\$45,760	\$49,500	\$6,910	16.2%
Inflation adjusted average annual wage - Oregon	\$49,460	\$49,560	\$49,860	\$50,000	\$50,850	\$52,770	\$53,340	\$53,970	\$54,680	\$55,700	\$59,930	\$10,470	21.2%
Inflation adjusted average annual wage - U.S.	\$55,490	\$55,280	\$55,560	\$55,340	\$56,150	\$57,810	\$57,820	\$58,480	\$59,020	\$59,940	\$64,020	\$8,530	15.4%
Inflation adjusted total personal income (millions)	\$14,071.0	\$14,066.1	\$14,423.9	\$14,275.5	\$14,972.2	\$16,015.4	\$16,545.2	\$17,182.7	\$17,552.6	\$17,776.2	\$18,989.5	\$4,918.5	35.0%
Inflation adjusted per capita personal income - Lane County	\$39,980.0	\$39,720.0	\$40,610.0	\$40,140.0	\$41,790.0	\$44,210.0	\$44,810.0	\$45,740.0	\$46,340.0	\$46,530.0	\$49,580.0	\$9,600.0	24.0%
Inflation adjusted per capita personal income - Oregon	\$42,770	\$43,260	\$44,380	\$44,200	\$46,060	\$48,800	\$49,600	\$50,660	\$52,090	\$53,110	\$56,310	\$13,540	31.7%
Inflation adjusted per capita personal income - U.S.	\$48,300	\$49,230	\$50,290	\$49,880	\$51,400	\$53,390	\$53,710	\$54,700	\$55,760	\$56,740	\$59,510	\$11,210	23.2%
U.S.personal income vs Lane County	\$8,320	\$9,510	\$9,680	\$9,740	\$9,610	\$9,180	\$8,900	\$8,960	\$9,420	\$10,210	\$9,930	\$1,610	19.4%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Operations</u>										
Transportation	\$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	\$ 16,942,573
FTEs at end of period	192.0	169.0	232.0	222.0	245.5	203.6	203.6	202.0	202.0	196.0
Maintenance	\$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	9,720,961
FTEs at end of period	47.0	46.0	56.0	50.0	54.0	52.5	52.5	51.1	51.3	51.3
Customer Service, Marketing, and Planning	\$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	2,314,056
FTEs at end of period	18.0	19.0	21.0	32.9	33.2	27.9	27.9	22.2	22.3	20.9
Administration	\$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	4,249,252
FTEs at end of period	33.0	27.0	31.0	35.7	30.7	25.8	25.8	35.0	31.0	31.5
Insurance and Risk	\$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	1,083,175
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	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	9,965,985
FTEs at end of period	3.0	2.0	8.0	2.6	2.6	2.6	2.6	3.0	3.0	3.4
Total operations	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	44,276,002
Total FTEs at end of period	293.0	263.0	348.0	343.2	366.0	312.4	312.4	313.3	309.5	303.0
Transfers from General Fund	3,399,213	2,121,348	8,739,050	18,487,923	1,667,600	3,351,100	1,792,700	1,600,000	3,031,900	-
Transfers from Specialized Services Fund	5,454,930	-	-	-	-	-	7,236	25,062	4,769	33,899
Total operations and capital transfers	<u>\$ 64,170,924</u>	<u>\$ 63,958,303</u>	<u>\$ 73,706,281</u>	<u>\$ 82,438,969</u>	<u>\$ 65,033,073</u>	<u>\$ 60,056,922</u>	<u>\$ 53,529,838</u>	<u>\$ 50,652,412</u>	<u>\$ 49,006,731</u>	<u>\$ 44,309,901</u>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Miles of busway	13.99	13.99	13.99	13.99	13.99	8.45	8.45	8.45	8.45	8.45
Rolling stock										
40-foot buses	57	69	78	77	78	73	75	79	79	113
40-foot buses (electric)	11	0	0	0	0	0	0	0	0	0
60-foot buses	19	19	18	18	18	18	24	15	15	15
< 40-foot buses	0	0	0	0	0	0	3	6	6	6
EmX vehicles	21	18	18	18	18	18	11	11	11	11
Total rolling stock	108	106	114	113	114	109	113	111	111	145
Accessible Services vehicles	65	73	77	71	73	88	79	82	82	95
Primary stations	2	2	2	2	2	2	2	2	2	2
EmX station platforms	60	59	59	59	59	31	31	31	31	31
Other stations	9	9	9	9	9	6	9	9	9	9
Shelters	186	186	184	184	183	181	183	193	193	193
Signed stops	1137	1137	1137	1137	1,147	1,250	1,233	1,218	1,217	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

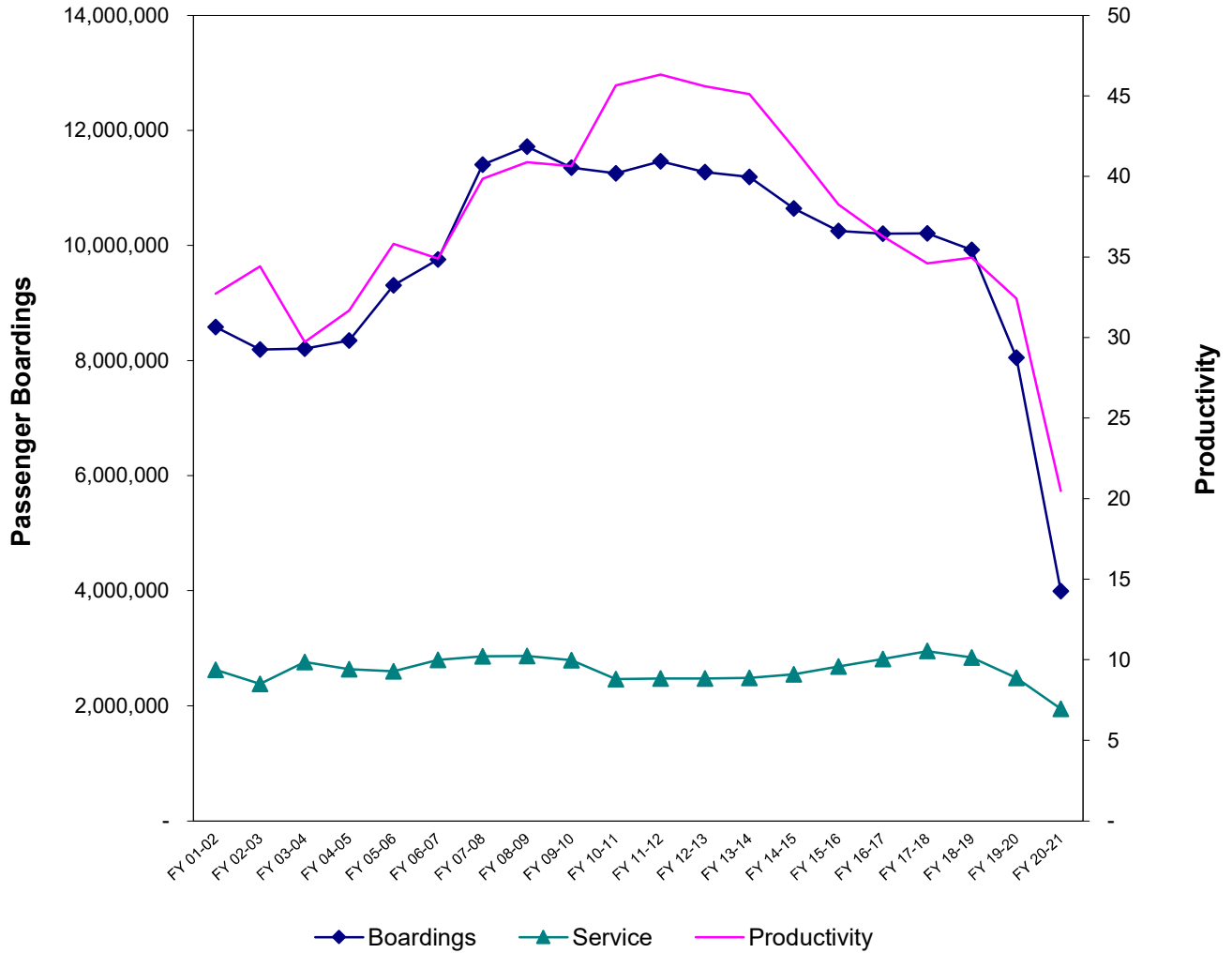
Fiscal Year	Operating* Revenues	Operating* Expenses	Revenue Margin	Revenue Hours	Percent Change	Operating Revenue / Service Hour	Percent Change	Operating Expenses / Revenue Hour	Percent Change
2020-21	1,051,890	42,332,758	2.5%	194,899	-21.5%	5.40	-73.7%	217.20	20.4%
2019-20	5,097,392	44,769,129	11.4%	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%
2011-12	7,608,840	34,255,684	22.2%	247,480	-11.4%	30.75	8.2%	138.42	16.3%

Fiscal Year	Employees	Revenue Hours / Employees	Percent Change	Passenger Fares	Passenger Boardings	Passenger Fares / Boarding	Operating Expenses / Boarding	Percent Change	Revenue Hours / Trip
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
2011-12	303	816.77	-8.2%	6,738,397	11,463,124	0.59	2.99	2.0%	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
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%
2011-12	3,549,802	9.650	4.1%	5,134,802	1.447	3.0%	2,850,255	0.803	15.1%
2009-10	3,587,553	9.268	14.7%	5,040,041	1.405	19.0%	2,502,026	0.697	32.2%

*Excludes Specialized Services, depreciation, and OPEB expense

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



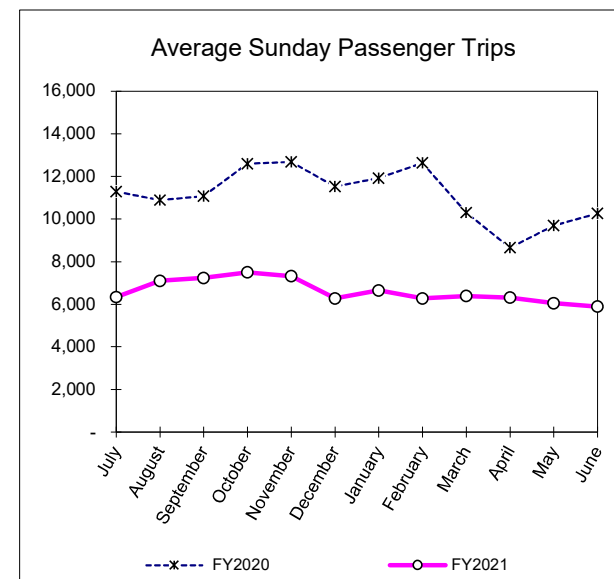
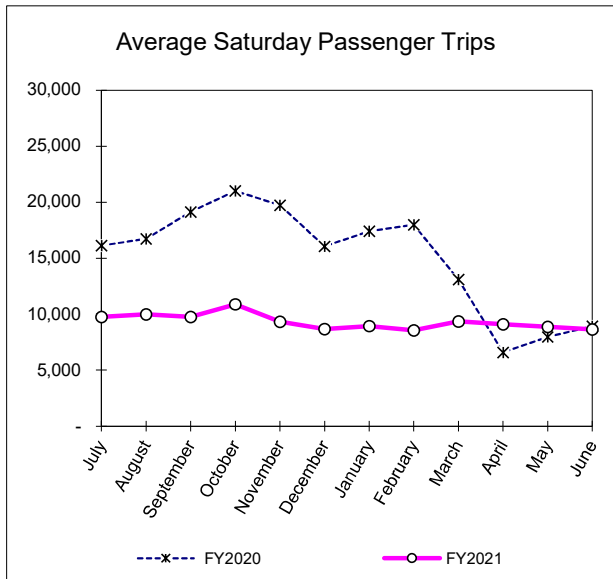
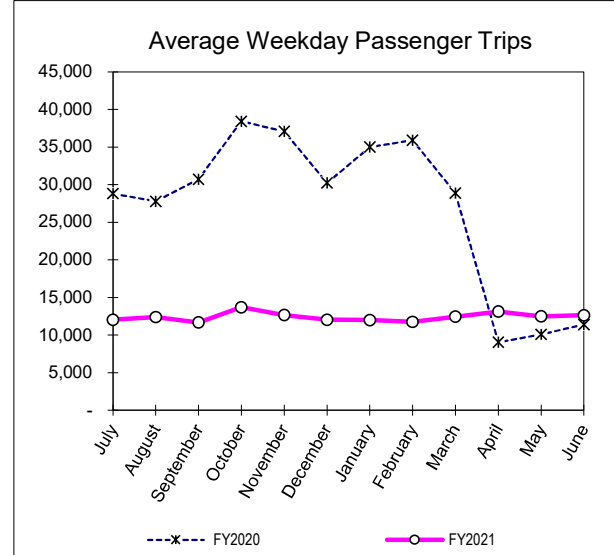
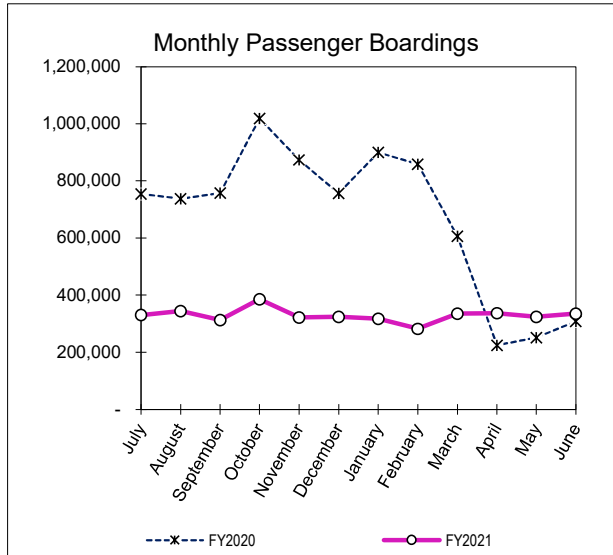
LANE TRANSIT DISTRICT
Ridership, Fare, Service, and Productivity
Last Twenty Years

Fiscal Year	Revenue Hours	Percent Change	Passenger Boardings	Percent Change	System Productivity	Percent Change	Base Cash Fare
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
2000-01	273,102	-0.7%	8,623,496	6.9%	31.576	7.63%	1.00

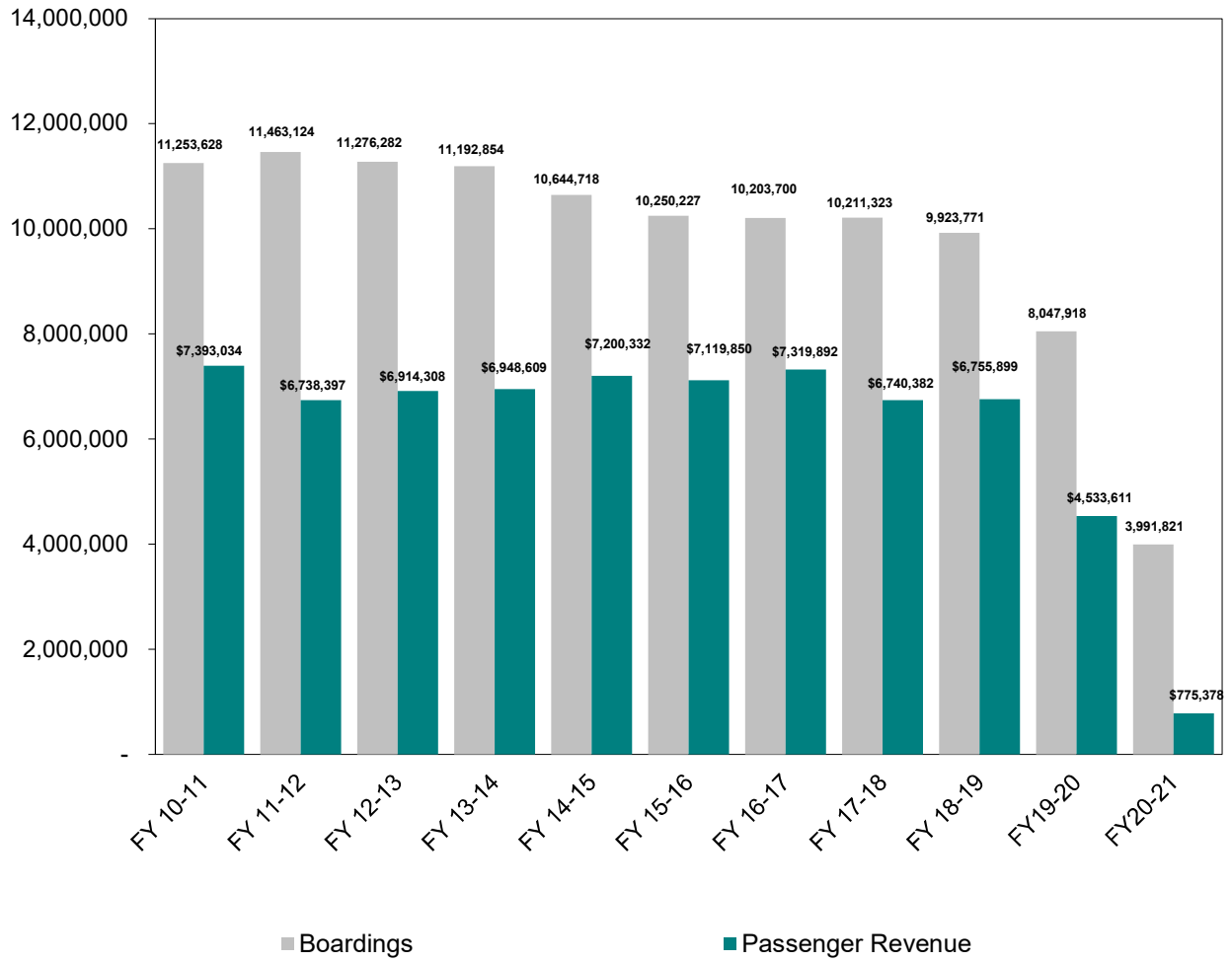
LANE TRANSIT DISTRICT **Ridership, Service, and Service Area Population** **Last Twenty Years**



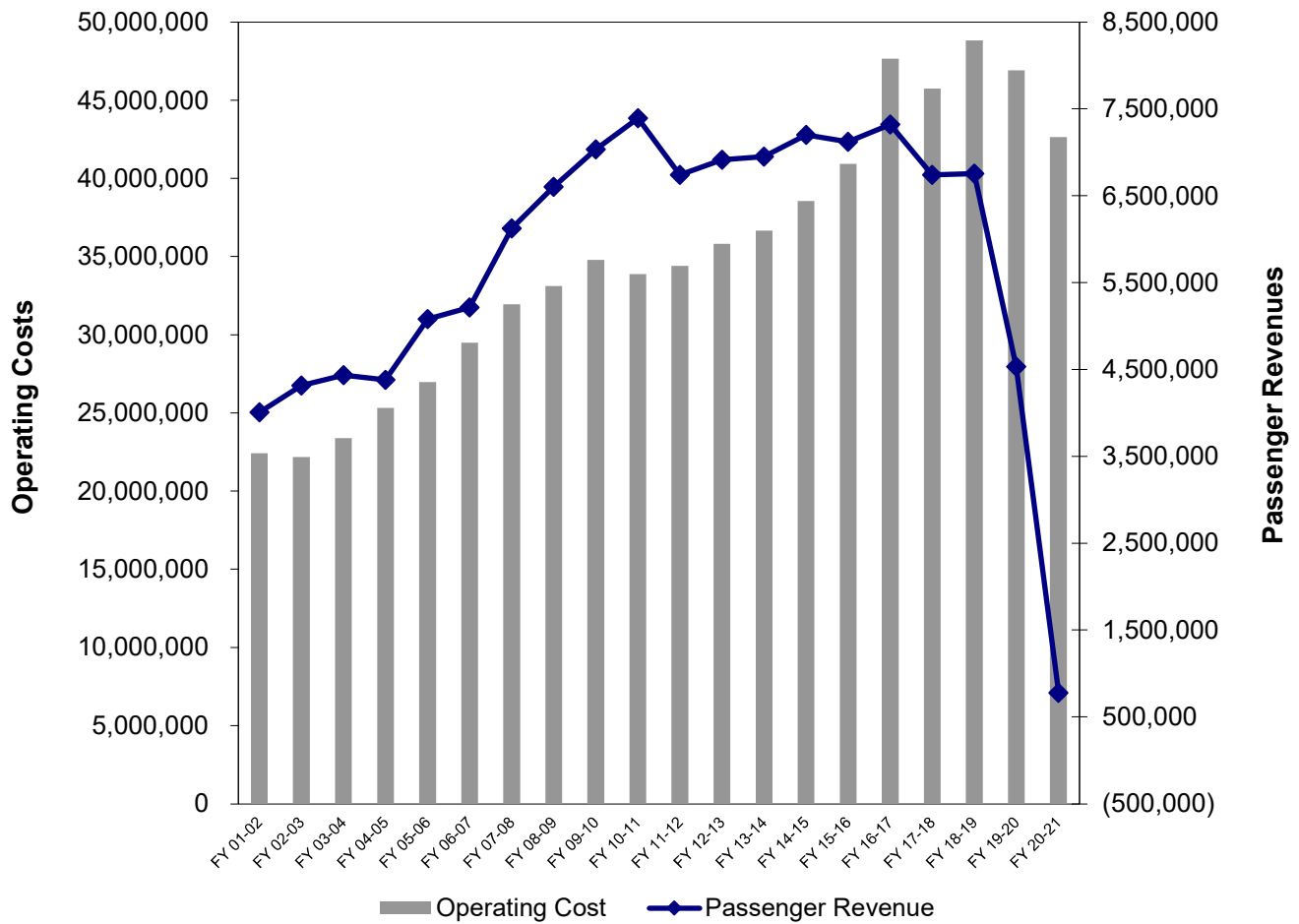
LANE TRANSIT DISTRICT **Ridership Trends by Month** **For the fiscal years ended June 30, 2021 and 2020**



LANE TRANSIT DISTRICT
Passenger Boardings and Passenger Revenues
Last Ten Years



LANE TRANSIT DISTRICT
Passenger Revenues and Operating Costs
Last Twenty Years

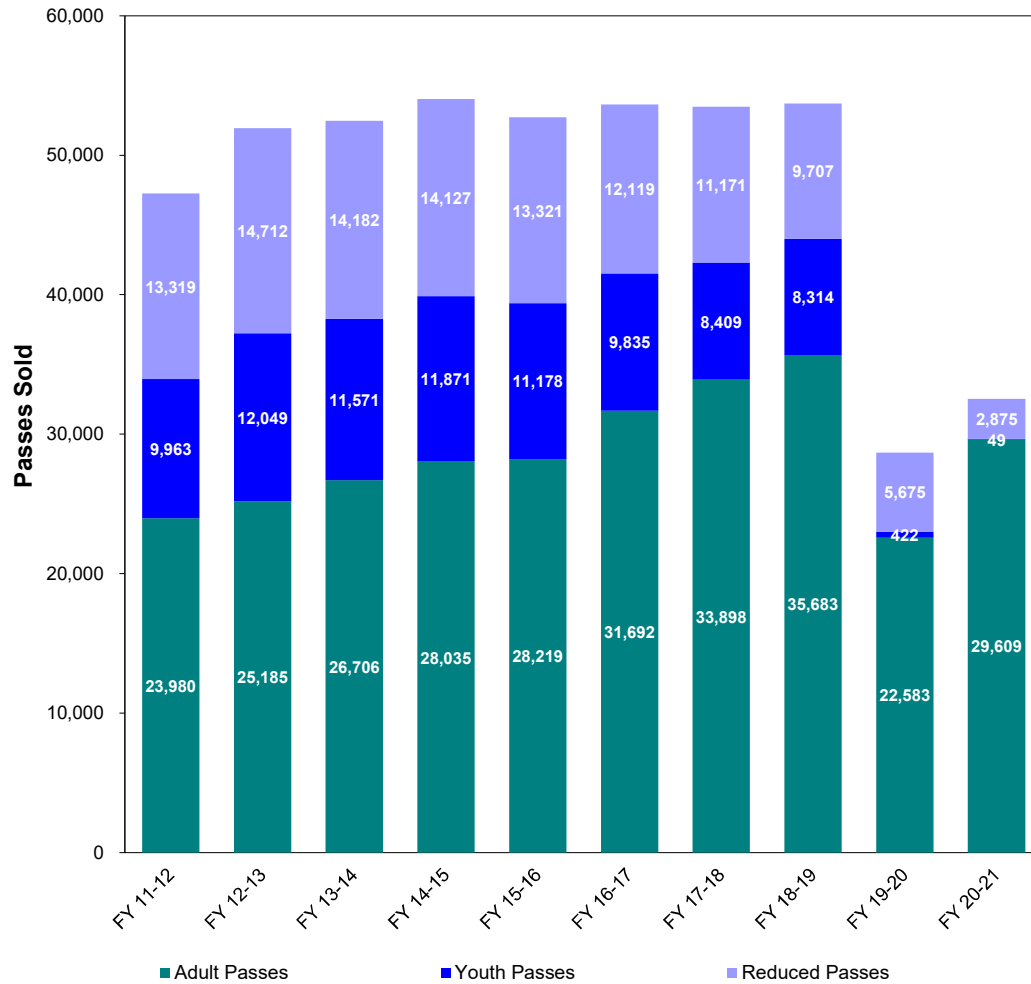


LANE TRANSIT DISTRICT
Transportation Revenues by Category
Last Ten Years

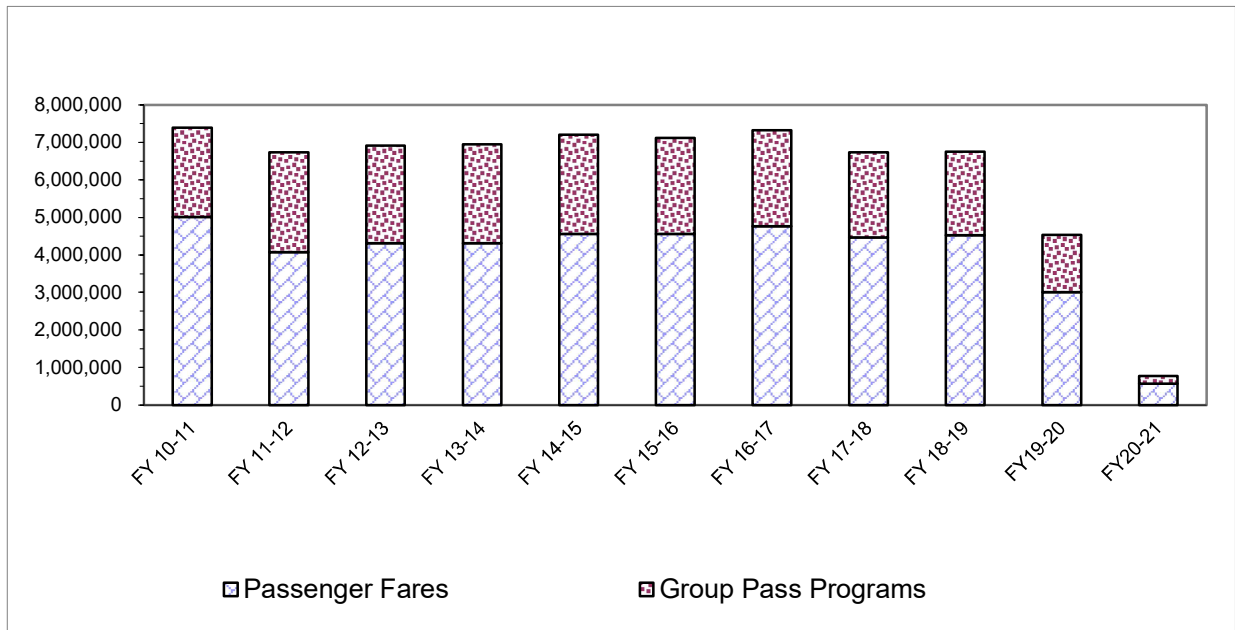
Fiscal Year	Fare Box/ Cash	Percentage Change	Ten-Ride Ticket Books	Percentage Change	Touchpass	Percentage Change	Annual & Monthly Passes	Percentage Change
2020-21	\$ 348,654	-71.8%	\$ (510)	-100.3%	\$ 383,875	-14.5%	\$ 39,424	-97.0%
2019-20	1,236,409	-22.9%	164,279	-56.1%	449,079	-	1,318,908	-45.5%
2018-19	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%
2011-12	2,072,448	9.4%	155,643	-	-	-	1,841,167	16.7%

Fiscal Year	Group Pass	Percentage Change	Special Service	Percentage Change	Total Transportation Revenues	Percentage Change
2020-21	\$ 205,353	-86.5%	\$ 120,266	-53.4%	\$ 713,186	-84.2%
2019-20	1,526,638	-31.5%	258,028	-10.5%	4,504,262	-34.8%
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%
2011-12	2,669,139	16.0%	588,943	-7.1%	7,327,340	-4.4%

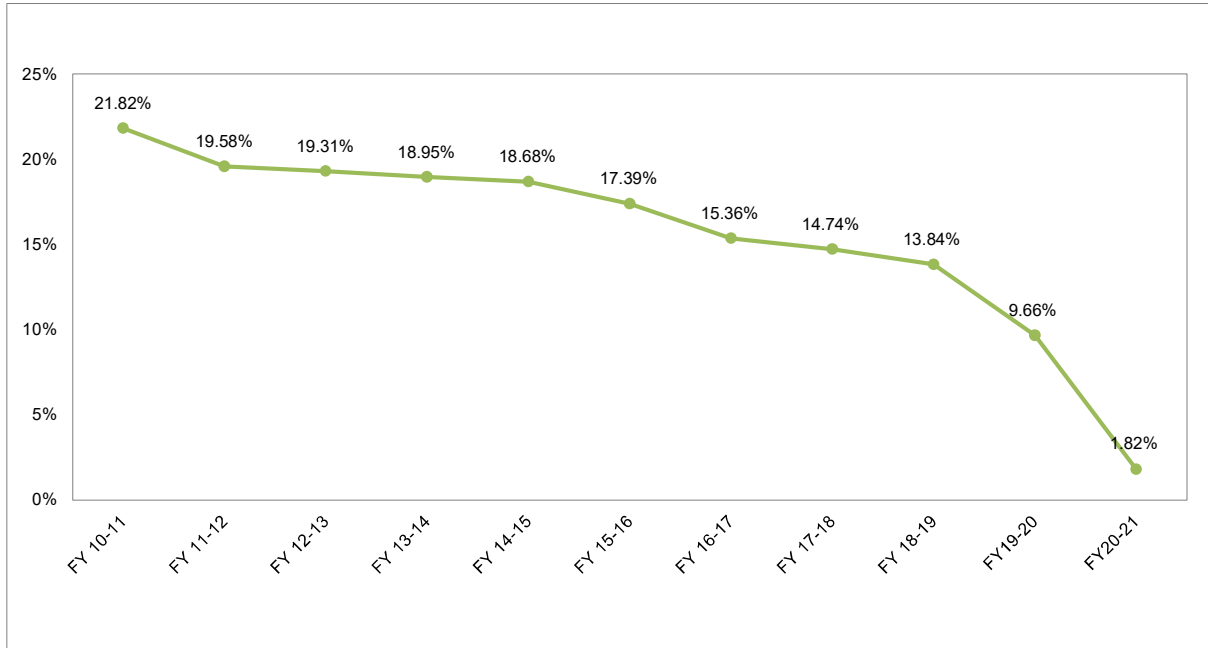
**LANE TRANSIT DISTRICT
Annual Monthly Pass Sales
Last Ten Years**



LANE TRANSIT DISTRICT Passenger Revenues



Farebox Recovery Ratio



LANE TRANSIT DISTRICT

Fare Structure

Last Ten Years

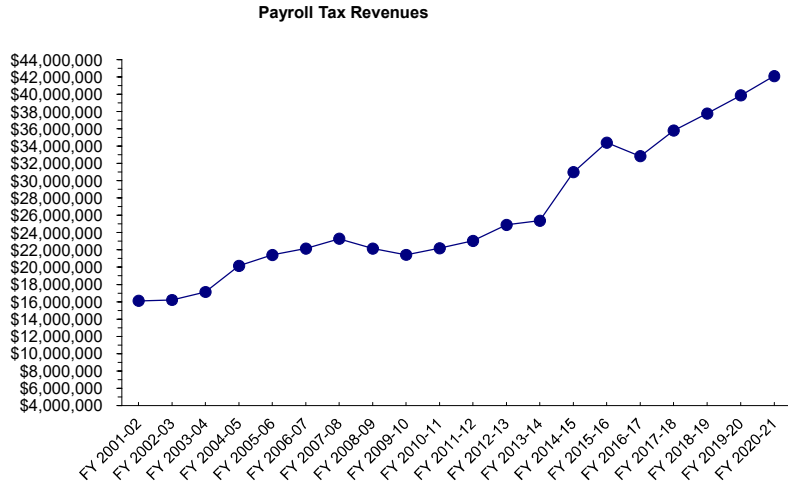
June 30	Cash Fare Adult Age 19-64	Cash Fare Youth Age 6-18	Cash Fare Senior Age 65+	Lane County Students K- 12	Low Income	Children Age 5 & younger	Cash Fare Reduced	Age - Reduced
2021	\$ 1.75	\$ 0.85	free	free	75% discount	free	\$ 0.85	NA
2020	1.75	0.85	free	free	75% discount	free	0.85	NA
2019	1.75	0.85	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
2012	1.50	0.75	free	free	75% discount	free	0.75	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
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
2012	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
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
2012	3.00	3.00	2.00	30.00	NA	NA	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



HISTORIC PAYROLL TAX RATE	
Date Implemented	Rate
January, 1 2021	0.81%
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 on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Oregon Municipal Audit Standards***

The Board of Directors
Lane Transit District, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the provision of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State, 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, 2021 and 2020 and the Amalgamated Transit Union Local No. 757 Pension Trust Fund as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2022.

Compliance and Other Matters

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 as specified in Oregon Administrative Rules (OAR) 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2021 and 2022.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

Internal Control over Financial Reporting

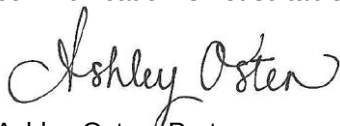
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Purpose of the Report

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



Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
February 25, 2022

FEDERAL GRANT PROGRAMS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Lane Transit District, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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, 2021 and the Amalgamated Transit Union, Local No. 757 Pension Trust Fund as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2022.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The District's Response to the Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Moss Adams LLP

Portland, Oregon
February 25, 2022

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Lane Transit District, Oregon

Report on Compliance for the Major Federal Program

We have audited Lane Transit District, Oregon's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2021. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Moss Adams LLP

Portland, Oregon
February 25, 2022

Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

Federal Grantor/Pass-Through Agency/Program or Cluster Title	Pass Through Identifying Number	Assistance Listing Number	Federal Award	Award Date	2020-2021 Expenditures
<u>U.S. Department of Transportation</u>					
<i>Federal Transit Cluster</i>					
Capital Investment Grants					
OR-04-0049 - 5309		20.500	1,064,145	Nov-15	978
OR-2017-019-00 - MAP 21 (5309)		20.500	450,000	Aug-17	14,059
Capital and Operating Assistance Formula Grants					
OR-95-X030 - 5307		20.507	2,190,000	May-12	803
OR-95-X055 - 5307		20.507	5,649,011	Jun-15	2,050,764
OR-2018-025-00 - 5307		20.507	2,300,000	Aug-18	9,579
OR-2018-026-00 - 5307		20.507	353,602	Sep-18	118,960
OR-2020-025-00 - 5307		20.507	25,533,427	May-20	6,862,137
OR-2020-039-00 - 5307		20.507	106,268	Jul-20	59,729
OR-2020-040-00 - 5307		20.507	3,600,000	Jul-20	1,202,490
OR-2020-041-00 - 5307		20.507	125,000	Jul-20	44,070
OR-2020-047-00 - 5307		20.507	4,902,240	Sep-20	4,902,240
OR-2020-051-00 - 5307		20.507	1,000,000	Sep-20	1,000,000
OR-2020-052-00 - 5307		20.507	3,925,201	Sep-20	3,862,140
OR-2020-053-00 - 5307		20.507	500,000	Sep-20	500,000
OR-2020-055-00 - 5307		20.507	2,765,958	Sep-20	2,765,958
OR-2020-056-00 - 5307		20.507	594,468	Sep-20	98,943
OR-2020-057-00 - 5307		20.507	900,000	Sep-20	405,911
Passed through Oregon Department of Transportation					
Capital Improvement Grants					
OR-2017-016 - 5337		20.525	331,113	Sep-17	330,616
OR-2017-015 - 5339		20.526	943,814	Sep-17	942,040
OR-2018-012 - 5339		20.526	3,479,675	Jul-18	3,377,041
OR-2018-021 - 5339		20.526	646,062	Aug-18	7,477
OR-2019-027 - 5339		20.526	1,817,451	Aug-19	65,305
<i>Subtotal Federal Transit Cluster</i>					28,621,241
<i>Transit Services Program Cluster</i>					
Capital and Operating Assistance Formula Grants					
OR-2017-026-00 - 5310		20.513	232,854	Sep-17	74,729
OR-2019-023-01 - 5310		20.513	746,690	Jul-19	746,690
Passed through Oregon Department of Transportation					
33581 ODOT - 5310	33581	20.513	2,016,742	Jul-19	878,244
<i>Subtotal Transit Services Program Cluster</i>					1,699,663
<i>Highway Planning and Construction Cluster</i>					
Passed through Oregon Department of Transportation					
32517 ODOT	32517	20.205	524,824	Jul-18	44,675
<i>Subtotal Highway Planning and Construction Cluster</i>					44,675
Passed through Oregon Department of Transportation					
34202 ODOT - 5311	34202	20.509	88,031	May-20	43,098
33820 ODOT - 5311	33820	20.509	187,723	Oct-19	104,811
33425 ODOT - 5311	33425	20.509	176,061	Jul-19	88,029
					235,938
Total U.S. Department of Transportation					30,601,517
<u>U.S. Department of Health and Human Services</u>					
<i>Aging Cluster</i>					
Passed through Lane Council of Governments					
LCOG Volunteer Escort		93.044			10,200
<i>Subtotal Aging Cluster</i>					10,200
Total Federal Awards					30,611,717

LANE TRANSIT DISTRICT, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Lane Transit District, Oregon (the District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the District it is not intended to and does not present the net position, changes in net position, and cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable.

The District has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (Unaudited)

The District received donated Personal Protective Equipment (PPE) from various entities in response to the COVID-19 pandemic with a fair value of \$5,450 at the time of receipt for the year ended June 30, 2021.

RECONCILIATION TO FINANCIAL STATEMENTS

Due to the timing and execution of grants, some expenditures included in the Schedule are from prior years. See summary by year below:

2020-21	\$	22,043,691
2019-20		4,873,863
2018-19		(55,455)
2017-18		2,422,093
2016-17		1,279,044
2015-16		48,481
Total All Years	\$	<u><u>30,611,717</u></u>

**LANE TRANSIT DISTRICT, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

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

☒ Yes ☐ No
☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

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

☐ Yes ☒ No
☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster	Type of Auditor's Report Issued on Compliance for the Major Federal Program
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster	<i>Unmodified</i>

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

\$918,352

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**LANE TRANSIT DISTRICT, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

FINDING 2021-001 – Financial Close and Reporting, Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement:

GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, indicates that for voluntary nonexchange transactions, including certain grant awards, that recipients should recognize receivables and revenues only after all applicable eligibility requirements are met. In order to determine all the applicable eligibility requirements, the recipient needs to have an executed grant agreement to identify the requirements, and in cases where the agreement offers resources on a reimbursement basis, the recipient has to have incurred allowable costs.

Condition:

Management identified an error related to its recognition of grant revenue, whereby the District had inappropriately recorded revenue for the year ended June 30, 2020, for which it had not met all eligibility requirements in accordance with GASB Statement No. 33 as of June 30, 2020. Amounts recognized related to certain expenditures that had been incurred as of June 30, 2020, but for which the underlying agreements had not been fully executed until subsequent to June 30, 2020.

Cause:

This occurred due to a delay in the District's ability to execute agreements with certain federal agencies due to the ongoing impact of COVID-19 as well as lack of internal controls surrounding the grant reconciliation process.

Effect:

The financial statements include a restatement to amounts previously reported as of June 30, 2020. The restatement resulted a reduction to restricted net position in the amount of \$6,244,830 for the year ended June 30, 2020. Total beginning net position was restated in the amount of \$7,423,060.

Recommendation:

We recommend the District implement a policy to review grant awards for the execution date to ensure only grants that have been fully executed are evaluated for revenue recognition.

Views of responsible officials: By May 31, 2022: Update the Lane Transit District "Grant Management Procedures" to require that only fully executed grants be evaluated for revenue recognition and that the Controller will be responsible for reviewing all grant journal entries for compliance with GASB Statement No 33, Accounting and financial reporting for non-exchange transactions.

Section III – Federal Award Findings and Questioned Costs

None reported.



FINDING 2021-001 – Financial Close and Reporting (Material Weakness in Internal Control over Financial Reporting)

Name of contact person responsible for correction action: Christina Shew, Director of Finance

Management Response:

Lane Transit District accepts the recommendation in finding 2021-001 and the follow-up is documented in the corrective action plan.

Corrective Action Plan:

By May 31, 2022: Update the Lane Transit District “Grant Management Procedures” to require that only fully executed grants be evaluated for revenue recognition and that the Controller will be responsible for reviewing all grant journal entries for compliance with GASB Statement No 33, Accounting and financial reporting for non-exchange transactions.

Christina Shew (Feb 25, 2022 13:26 PST)

Christina Shew, CPA
Director of Finance